



AGENDA BILL

Agenda Subject: Approve Resolution No.1711 -- 1715 W Idaho Street Housing Infill Development Project, Disposition and Development Agreement		Date: July 12, 2021
Staff Contact: Brady Shinn	Attachments: 1) Resolution #1711 2) Disposition and Development Agreement and Attachments	
Action Requested: Approve Resolution No. 1711 to authorize the Agency Executive Director to execute the DDA and all associated documents as required to implement the Agreement.		

Background:

1715 W. Idaho Street represents an opportunity to redevelop a vacant, underutilized property into residences at a time when many of the City's residents face significant housing pressures.

The real property addressed as 1715 W. Idaho Street was purchased by the Agency on July 1, 2020. A Request for Qualifications/Proposals (RFQ-P) was issued to the public on October 19, 2020 seeking redevelopment plans for the site. The RFQ-P received three proposals by the December 18, 2020 submission deadline. The Agency Board interviewed the three development teams on January 11, 2021 and deliberated the proposed projects on January 28, 2021.

On February 8, 2021, the Board of Commissioners approved Resolution 1695 selecting the proposal led by SMR Development LLC as the best qualified proposer for development of the site (Project). Resolution 1695 also directed Agency staff to finalize an Agreement to Negotiate Exclusively (ANE) with that development team. On March 8, 2021, the Board of Commissioners approved Resolution 1699 to authorize the Agency Executive Director to execute the Agreement to Negotiate Exclusively with the development team's legal entity, now registered as 17th and Idaho Investment LLC.

On April 4, 2021, 17th and Idaho Investment LLC secured the two neighboring parcels necessary for its proposal, a former neighborhood church parking lot and flag lot bordering to the north and south of the site, respectively. On May 11, 2021, the Agency approved the Project's Design and Development Plan. Boise City Planning and Zoning Commission approved the Project's Conditional Use Permit on June 16, 2021.

Disposition and Development Agreement:

The Disposition and Development Agreement (DDA) reflects the terms of the RFQ-P as well as the Project as proposed and selected by the Board.

The Project, a 2 and 3 story midrise apartment building, will introduce 48 mixed-income units to the Westside URD. The unit mix comprises 21 studios, 14 one-bedroom units, and 13 two-bedroom units. All units will be affordable to residents earning between 60-120% of Boise's Area Median Income (AMI). At least one unit will serve families earning 60% AMI, as well as another unit reserved for either residents from a local non-profit voucher program, or earning 60% AMI. All other units will be rented between 80% to 120% AMI, with the building average being no more than 100% AMI. The Affordability Covenant for the Project will be in effect for 8 years after completion.

The Project also features a community lawn, ground level patios with semi-private screening, native and welcoming landscaping, and other amenities such as bicycle parking. Additionally, the Project will utilize Boise City's Green Building Certification and LEED Silver certification.

As stated in the terms of the DDA, the project will enhance streetscapes on its two frontages, as well as add utility infrastructure in the alley. In total over, the Agency anticipates for public improvements to replace sidewalks, add street trees, street lights, and other public Right Of Way furnishings that meet Boise City's Downtown Streetscape Standards. The alleyway will be paved and see electrical power poles relocated in order to facilitate access for the 25 on-site parking spaces. Altogether, the Project's Public Improvements and Utility will not exceed \$420,000.

Soil remediation is necessary to address structurally soft fill and native soils, with a Not-To-Exceed cost of \$210,000 to cover excavation and backfill.

The Agency conducted a Re-Use Appraisal as part of the DDA process, which concluded a Fair Re-Use Value of negative \$2,180,000. Therefore, the ReUse Appraisal supports a potential land discount of \$605,000, should the Project meet the terms of the DDA. Based on the anticipated construction start of Q3 2021, the Project will be complete in Q3 2022, upon which the Agency shall conduct the Participation Program's Cost Documentation process and reimburse for actual Eligible Expenses and a potential land discount of \$605,000. Altogether potential Eligible Expenses total \$1,242,000.

Upon execution by the Executive Director, the Agency and Developer will commence towards disposing of the Agency's parcel to the Developer as prescribed in the DDA. The land conveyance terms and steps may be found in the DDA's Section 5.3, which includes Agency review and approval of construction drawings, construction contract, evidence of sufficient insurance and financing. The Project must also receive all permits and land use approvals prior to closing.

Fiscal Notes:

As described above, the total reimbursement totals \$1,242,000, pending Agency review and approval of the Project's Cost Documentation. All reimbursed expenses will occur at project completion, which is anticipated in late 2022 or early 2023.

Finalizing and executing the Disposition and Development Agreement involved Agency staff time and legal counsel review.

Staff Recommendation:

Direct staff to execute the Disposition and Development Agreement for the 1715 W. Idaho Street Housing Infill Development Project.

Suggested Motion:

to authorize the Executive Director to execute the DDA and all associated documents as required to implement the Agreement.

Attachment 1 – Resolution 1711

RESOLUTION NO. 1711

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 AGENCY AND 17TH AND IDAHO INVESTMENT LLC, AN IDAHO LIMITED LIABILITY COMPANY; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENTS; 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").

WHEREAS, the City Council of the City of Boise City, Idaho (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, establishing the Westside Plan revenue allocation area (the "Westside Project Area") and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amendment to the Urban Renewal Plan Westside Downtown Urban Renewal Project ("First Amendment to the Westside Plan"); and,

WHEREAS, following said public hearing, the City adopted its Ordinance 45-20 on December 1, 2020, approving the First Amendment to the Westside Plan annexing two (2) geographical areas adjacent and contiguous to the northern boundary of the existing Westside Project Area into the Westside Project Area and making certain findings; and,

WHEREAS, the Westside Project Area, as amended, is referred to herein as the "Project Area"; and,

WHEREAS, in order to achieve the objectives of the Westside 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 addressed as 1715 West Idaho Street, Boise, Idaho, 83702 (the "Site") which parcel was acquired by the Agency in July 2020; and,

WHEREAS, the Agency seeks to initiate a redevelopment project to revitalize the Project Area, in compliance with the Westside Plan, through 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 October 23, October 30, November 6, and November 13, 2020, the Agency received three (3) proposals for redevelopment of the Site by the December 18, 2020, deadline; and,

WHEREAS, at a public meeting of the Agency Board of Commissioners on January 11, 2021, the three (3) RFQ/P respondents delivered presentations and were interviewed by the Agency Board; and,

WHEREAS, at a public meeting of the Agency Board of Commissioners on February 8, 2021, the Agency Board by Resolution No. 1695 selected the proposal from SMR Development LLC, which is the predecessor in interest to 17th and Idaho Investment LLC (“Developer”), as the highest ranked proposal for the 1715 West Idaho Street Request for Qualifications / Proposals Housing Infill Development Project; and,

WHEREAS, as authorized by Resolution No. 1695 passed by the Agency Board of Commissioners on February 8, 2021, Agency staff and Developer negotiated the Agreement to Negotiate Exclusively (“Agreement”) and returned the Agreement to the Agency Board for its approval; and,

WHEREAS, as authorized by Resolution No. 1699 passed by the Agency Board of Commissioners on March 8, 2021, the Agency Executive Director executed the Agreement, effective as of March 8, 2021, which Agreement 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 the 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 of Commissioners; and,

WHEREAS, the Agency Board of Commissioners finds it in the best public interest to approve the DDA and to authorize the Agency 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 Disposition and Development Agreement (“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 Agency Executive Director 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 such 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 July 12, 2021, Agency Board meeting.

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

PASSED AND ADOPTED by the Urban Renewal Agency of Boise City, Idaho, on July 12, 2021. Signed by the Chair of the Agency Board of Commissioners and attested by the Secretary to the Agency Board of Commissioners on July 12, 2021.

URBAN RENEWAL AGENCY OF BOISE CITY

DocuSigned by:
Ryan Woodings
By: 7A1BBE8269A5420
Ryan Woodings, Vice Chair

ATTEST:

DocuSigned by:
Lauren McLean
By: D233C7C9F8A44C3...
Lauren McLean, Secretary

Attachment 2 – Development and Disposition Agreement

DISPOSITION AND DEVELOPMENT AGREEMENT

**THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, also known as
CAPITAL CITY DEVELOPMENT CORPORATION**

&

**17TH AND IDAHO INVESTMENT LLC,
an Idaho Limited Liability Company**

_____, 2021

1715 W. Idaho Street Development Project

LIST OF ATTACHMENTS

Attachment 1	Site Plan of the 1715 W. Idaho 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 Affordable Housing Covenant
Attachment 12	Form of Annual Rent Report
Attachment 13	Form of Escrow Instruction Letter
Attachment 14	Public Project Improvements Map and Description
Attachment 15	Schedule of Eligible Public Project Improvement Costs
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DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, also known as CAPITAL CITY DEVELOPMENT CORPORATION and 17TH AND IDAHO 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

"60% AMI Units" means one (1) or two (2) units of any size subject to the Rent Limit as defined in the Affordable Housing Covenant and rented to a household whose income is equal to or less than 60% AMI.

"Actual Eligible Costs" has the meaning ascribed to it in Section 10.8.

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

"Affordable Housing Covenant" means the affordable housing covenant in the substance and form attached hereto as **Attachment 11**.

"Agency" means The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho, 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 March 8, 2021, and by a predecessor of Developer on March 1, 2021.

"AMI" means the then current "Area Median Income" adjusted by family size annually published by the U.S. Department of Housing & Urban Development (HUD) for the geographic area referred to as Boise City, ID HUD Metro Statistical Area Rent (**MSA**) Area (or its successor index).

"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 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 Date” means the date of the Closing.

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

“Deed” means the Special Warranty Deed.

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

“Design Development Plan” means the Design Development Plan accepted with conditions by the Agency on May 11, 2021, has the meaning ascribed to it in Section 2.5 and attached hereto as **Attachment 4**.

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

“Developer” means 17th and Idaho 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 Parcels” means 1719 W. Idaho Street, Boise, Idaho 83702 (Parcel # R5538941251) and 1707 W. Idaho Street, Boise, Idaho 83702 (also referred to as 1704 W. Idaho Street) (Parcel # R5538941292).

“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, prepared by CAS & Associates, LLC, 1715 West Idaho Street, dated May 26, 2020.

“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 13**.

“Estimated Costs” has the meaning ascribed to it in Section 10.7.

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

“Final Construction Documents” means the full set of construction documents approved for a building permit for the Project, including but not limited to site improvements and a final landscaping and grading plan.

“Geotechnical Report” means the Geotechnical Engineering Evaluation, prepared by ABCO Engineering, dated January 13, 2020.

“Green Building Certification” means the Green Building Certification executed by the Local Project Manager on December 17, 2020, attached hereto as **Attachment 10**.

“Green Building Code” means the Boise City Green Construction Code, Boise City Code, Title 9, Chapter 13, 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.

“Local Project Manager” means Shellan M. Rodriguez, SMR Development LLC, the designated contact for the Agency.

“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(c).

“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.

“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**, which includes a portion of the Site.

“Public Project Improvements” means the certain utility and public improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site, as further described in Section 10 and **Attachment 14**.

“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 Urban Renewal Plan, Westside Downtown Urban Renewal Project as recommended by Agency and approved by City on December 4, 2001, by City Council Ordinance No. 6108, and as subsequently amended to add area pursuant to the First Amendment to the Urban Renewal Plan, Westside Downtown Urban Renewal Project, as recommended by Agency and approved by City on December 1, 2020, by City Council Ordinance No. ORD-45-20.

“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 15**.

“Schedule of Eligible Soil Remediation Costs” means the schedule of eligible costs for the Soil Remediation attached hereto as **Attachment 16**.

“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 on Idaho Street between 17th Street and 18th Street, and includes the Property, plus the adjacent parcels to the east and west of the Property, referred to as the Developer Parcels. Collectively, the Developer Parcels and the Property constitute the Site (the "Site"), as depicted on **Attachment 1**.

“Soil Remediation” has the meaning ascribed to it in Section 10.

“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, Idaho 83702.

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

“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.

“Voucher Units” mean one (1) or two (2) units of any size subject to the Rent Limit as defined in the Affordable Housing Covenant and rented to a household with a Section 8 Housing Choice Voucher or a rental subsidy issued through the Charitable Assistance to Community’s Homeless, incorporated d/b/a CATCH.

“Workforce Housing” means housing for individuals earning between 60% to 120% of the AMI that is rent restricted and with unit rents that are set at no more than 30% of 60% to 120% AMI Rental limits may be determined using the Novogradac Rent & Income Calculator, published by Novogradac & Company LLC: www.novoco.com/products/rentincome.php, or if not available, a similar calculator as may be agreed to by the Parties. Rent increases on an existing tenant may

occur no more frequently than annually and are capped at the greater of the AMI rent limitation for the unit or 5% per year. Rent does not include deposits, utilities (gas, telephone, internet, water, electricity), late fees, pet fees, parking fees, sewer and trash collection services. The AMI calculation is to be based on an assumed family size of 1.5 persons per bedroom or in the case of a studio unit 1 person. This Project shall include a mix of units that range in rental price from 60% of AMI or less, to 120% of AMI or less, and when all AMI percentages are averaged equals 100% of AMI or less.

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 multi-family Workforce Housing 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 Agency's office is located at 121 N. 9th Street, Ste. 501, Boise, Idaho.

2.4.2. Developer

Developer is 17th and Idaho Investment LLC, an Idaho limited liability company. The principal office of Developer is located at 731 West Wyndemere, 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 3-story, multifamily Workforce Housing development project, which includes forty-eight residential units of Workforce Housing and pedestrian supported amenities. The Workforce Housing residential component of the Project includes twenty-one (21) studio apartments, fourteen (14) one-bedroom apartments, and thirteen (13) two-bedroom apartments with thirty-nine (39) available parking stalls, thirteen of which are off-site/on-street parking spaces and the remaining twenty-five stalls are on-site with alley access. Unit sizes range from approximately 450 to 1,000 square feet. The Workforce Housing units will be rent restricted as set forth in the Affordable Housing Covenant (**Attachment 11**), including two (2) units total that are either Voucher Units or 60% AMI Units, or a mix of a Voucher Unit and a 60% AMI Unit. The Project is anticipated to be LEED Certified. Developer is bound by the Green Building Certification, dated December 17, 2020, and executed by the Local Project Manager and submitted with the response to the Request for Qualifications/Proposal, Housing Infill Development, 1715 W. Idaho Street, Boise, Idaho 83702. (**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, Title9, Chapter 13 as if the Project was governed by the Green Construction Code.

Additional Project improvements include a mural intended to enhance a portion of the exterior finish of the Project, as well as, certain Public Project Improvements, as more specifically described in Section 10, including but not limited to, updated streetscape improvements in accordance with the Downtown Boise Streetscape Standards, alleyway improvements including relocating electrical utility lines, native and welcoming landscaping, a community lawn, and ground level patio units with semi-private screening.

Collectively, the multi-family, residential Workforce Housing development project and the Public Project and Soil Remediation are referred to as the "Project."

The Project will substantially conform to the Design Development Plan and the Agency's Conditions of Approval, dated May 11, 2020, 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. 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 and which consent shall not be unreasonably withheld as may be necessary as requested by Developer's lenders for the Project.

Developer warrants and represents to Agency that Developer is a manager-managed limited liability company. The sole manager of Developer is 17th and Idaho Development LLC, an Idaho limited liability company, whose managers are J. Dean Papé, Shellan M. Rodriguez and Mark Edlen. Collectively the managers of 17th and Idaho Development LLC have 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 each manager of 17th and Idaho Development LLC 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 have been issued: (a) the structure of Developer as a manager-managed limited liability company; (b) the identity of the manager of Developer; (c) a reduction in number of managers of Developer; (d) a reduction in the number of managers of 17th and Idaho Development LLC, and (e) the authority of the manager or managers 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 Agency in selecting redevelopers for similar developments, or because the proposed transferee does not have the current financial strength, the experience, or reputation for integrity equal to or better than J. Dean Papé, Shellan M. Rodriguez and Mark Edlen collectively as the managers of 17th and Idaho Development LLC, the sole manager of Developer as of the Effective Date. 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 and 17th and Idaho Development LLC are 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. Developer shall not be required to identify its investors due to confidentiality concerns.

2.8 Agency Board Approval of the Mural.

The Design Development Plan included as a key design feature of the Project the installation of a mural to enhance a portion of the exterior design of the Project. The mural included in the Design Development Plan was representative of a future mural but did not include a concept or drawing of the actual mural. As a condition of the Design Development Plan, the

Agency Board retained the right to review and approve the mural in advance of its placement on the exterior of the Project, which approval will not be unreasonably withheld. Developer shall provide Agency with its proposed mural design, following which Agency shall have thirty (30) days to review and approve the same or object with detailed specificity such that specially identified changes can be made to the mural design, following which Developer shall make such changes and re-submit the mural design to Agency, following which Agency shall have ten (10) days to approve the same and the failure to provide such notice shall be deemed approval. The Agency will not issue the Certificate of Completion pursuant to Section 9.1 until the approved mural has been installed and substantially conforms to the mural design as approved by the Agency Board as determined by the Executive Director's review of the mural.

If within an estimated thirty (30) days prior to completion of all construction and development to be completed by Developer for the Project, Developer is aware the approved mural will not be installed prior to seeking the issuance of Certificate of Completion pursuant to Section 9.1 due to conditions as set forth in Section 13.6 or due to inclement weather at the time construction of the Project is completed that would prevent installation of the mural, Developer shall timely request an extension of time to complete the installation of the mural after the issuance of the Certificate of Completion from the Agency Board, which extension shall not be unreasonably withheld, conditioned or delayed.

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. 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 Commitment No. 21416222 having an effective date of May 20, 2021 (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 (15) 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 may adversely affect the development of the Project, not disclosed to Developer prior to 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.

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 two (2) business 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. Developer shall be entitled to request additional endorsements to the final Title Policy and to obtain extended Title policy, at no cost or expense to Agency but with Agency's reasonable and customary cooperation, including the execution of a customary and commercially reasonable owner's affidavit required by the Title Company, unless the same are necessary to satisfy or remove any Title Objection or Supplement Title Objections.

3.3 Compliance with Laws.

Developer shall comply with applicable laws and building codes with respect to any investigations on the Property prior to Closing.

4. EVIDENCE OF PROJECT FINANCING

4.1. Submission of Preliminary Evidence of Financing.

No later than ninety (90) 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. For purposes of compliance with this subsection, if a lender signed loan commitment cannot be obtained as stated by the lender in writing, then a non-binding loan commitments or loan term sheets from a qualified lender will be acceptable.

(c) If the total Project Budget exceeds the amount of financing commitments received pursuant to subparagraph (b) above, evidence satisfactory to the Executive Director of the Agency demonstrating that Developer has adequate funds available and committed to cover such difference.

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, conditioned, or delayed. If Agency's Executive Director shall disapprove such evidence of financing, he or she shall do so by written notice to Developer stating the specific 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 approve, 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 eighteen (18) 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 Five Thousand Dollars (\$605,000). 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 (the "Reuse Appraiser") dated May 8, 2020, in the amount of Six Hundred Five Thousand Dollars (\$605,000).

5.1.2. Payment of Purchase Price

- (a) **Deposit.** Developer previously deposited with Agency the sum of Fifteen Thousand Dollars (\$15,000) 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 13**) 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 Affordable Housing Covenant 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 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 Deed, duly executed and acknowledged by Agency;
- (b) the Memorandum, duly executed and acknowledged by Agency;
- (c) the Affordable Housing Covenant, duly executed and acknowledged by Agency;
and
- (d) 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 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 Affordable Housing Covenant, duly executed and acknowledged by Developer; and
- (f) 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 to Escrow Instruction Letter

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 connection with those pre-opening activities. 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 and building permits. 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 concurrently with the Closing.
- (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) **Approval of Boise City Housing Bonus.** The Project has been approved to implement the Boise City Housing Bonus pursuant to Boise City Code Chapter 11-06-03.4 and Developer and the City of Boise have agreed to the affordability covenant as to form.
- (h) **Acquisition of the Developer Parcels.** That Developer has acquired ownership of the Developer Parcels.

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

(c) **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; 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.

(d) **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.

(e) **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.

(f) **Acquisition of the Developer Parcels.** That Developer has acquired ownership of the Developer Parcels.

(g) **Approval of Boise City Housing Bonus.** The Project has been approved to implement the Boise City Housing Bonus pursuant to Boise City Code Chapter 11-06-03.4 and Developer and the City of Boise have agreed to the affordability covenant as to form.

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 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 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, covenants regarding reimbursement for Soil Remediation, 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, the Environmental Report, and the Geotechnical Report; (2) the Title Report, the Environmental Report, and the Geotechnical Report 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 for any periods after the Closing date.

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 and approved by Agency subject to the Agency Conditions Letter, dated May 11, 2021, the Design Development Plan (**Attachment 4**). The Parties acknowledge Developer has delivered to Agency the application and all associated submittal materials necessary for the project to receive Design Review approval from Boise City (the "Design Review Drawings") which have been submitted to Boise City. Developer shall provide Agency all updated and revised Design Review Drawings and a clear chart showing itemized changes from the approved Design Development Plan including:

- square footage by type of uses
- construction schedule and duration
- number of parking spaces
- perspective renderings
- floor plans and representative unit layouts
- site plan
- landscaping schedule
- Interior finishes schedule
- elevations/sections listing all exterior finishes

7.5. Final Construction Documents.

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

- square footage by type of uses
- construction schedule and duration
- number of parking spaces
- floor plans and representative unit layouts
- site plan
- landscaping plan and schedule
- Interior finishes schedule
- elevations/sections listing all 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 1715 W. Idaho Street-Housing Infill Development proposal, dated December 18, 2020, and approved by the Agency on February 8, 2021. 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 10 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 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, 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, photos of the Project, and a summary of the percentage of completion) in sufficient time to allow for their distribution to Agency’s Board of Commissioners prior to their regular monthly meetings. The Agency Board meets the second Monday of each month. Developer’s written status report is due to the Agency on the Wednesday prior to the Monday meeting;

(c) If requested, attend and provide oral status reports on the Project at regular monthly meetings of Agency's Board of Commissioners;

(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 or 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) lightning; (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 commissioners, 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 commissioners, 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 commissioners, 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 commissioners, 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 commissioners, 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, (b) the mural approved by the Agency Board pursuant to Section 2.8 has been installed to complete the exterior finish of the Project and substantially conforms to the mural design as determined by the Executive Director's review of the mural (unless an extension has been granted pursuant to Section 2.8); and (c) 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. 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 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) Agency shall have thirty (30) days to review the Purchase Price Adjustment Request and confirm Developer's performance of its obligations under this Agreement.

(d) 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 and Agency shall provide a written explanation for such denial.

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. PUBLIC PROJECT IMPROVEMENTS AND SOIL REMEDIATION REIMBURSEMENT

In order to further maximize the benefit to the Agency, and the public, in light of the overall public benefit being provided by the Project, the Agency has, as set forth in this Section 10 agreed to reimburse the Developer for certain eligible project costs as set forth below. Developer intends to construct certain public utility and/or public improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site (the "Public Project Improvements"). The Public Project Improvements are more accurately depicted on **Attachment 14**. Due to certain subsurface soil conditions at the Project Site, specifically the existence of loose to medium dense soil conditions (low bearing fill) and undocumented fill material as identified in the Geotechnical Report, representing an extraordinary impediment to development of the Project, Developer will have to take action to remediate the soil conditions. Soil remediation includes but is not limited to removal of the loose to medium dense soil conditions and undocumented fill material, below the first two feet of excavated soil below existing surface grade, which are beyond general excavation development costs, the hauling away of such material if it cannot be used at the Project Site, and the replacement of compacted structural fill or other similar methods but specifically excluding excavation, removal and/or hauling of the first two feet of excavated soil below existing surface grade. (the "Soil Remediation"). The scope of Soil Remediation is more accurately depicted on **Attachment 16**.

Agency will reimburse the Developer for the cost of the Public Project Improvements and the Soil Remediation 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 and Bidding Requirements.

The Public Project Improvements 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 Improvements (collectively the "Public Project Construction Documents"). Developer will utilize commercially reasonable contracting, budgeting, and bidding practices to ensure that the Public Project Improvements are constructed consistent with the Public Project Improvements Construction Documents and are undertaken in a commercially reasonable manner. For the Soil Remediation and the Public Project Improvements, 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 Soil Remediation and the Public Project Improvements and such work is not performed by an affiliate or subsidiary of Developer.

A Schedule of Eligible Public Improvement Costs is described and set forth on **Attachment 15** and a Schedule of Eligible Soil Remediation Costs is described and set forth on **Attachment 16**. Any other remediation or public improvements undertaken or 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.

10.2. Commencement of the Soil Remediation and the Public Project Improvements.

Developer shall commence the Soil Remediation and the construction of the Public Project Improvements consistent with the timelines set forth in the Schedule of Performance. In the event Developer fails to undertake the Soil Remediation and/or to construct the Public Project Improvements within the time period set forth in the Schedule of Performance except as extended as provided herein, Agency will not reimburse Developer for the costs of the Soil Remediation or Public Project Improvements not completed by such date.

10.3. Initial Funding of the Soil Remediation and Public Project Improvements.

Subject to Agency's reimbursement obligation, Developer shall pay for all of the costs of the Soil Remediation and the construction for the Public Project Improvements. The reimbursement payment to Developer by Agency shall be made pursuant to Sections 10.8 – 10.11. Agency acknowledges the Schedule of Eligible Soil Remediation Costs (**Attachment 16**) and the Schedule of Eligible Public Improvement Costs (**Attachment 15**) are estimates provided by Developer and that actual total costs, as well as each line item of cost, may be more or less than is shown on **Attachments 15 and 16**.

10.4. Approvals of Project and Public Project Improvements.

Developer shall be responsible for obtaining necessary approvals for design, construction, installation and operation of the Project and the Public Project Improvements from the governmental and other entities, including to the extent necessary, but not limited to, City, Ada County Highway District, Idaho Transportation Department, and other governmental entities having approval authority for the Public Project Improvements ("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 Soil Remediation and Public Project Improvements.

Developer warrants that the materials and workmanship employed in the construction of the Public Project Improvements 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, provided nothing herein shall limit the time within which Agency may bring an action against Developer on account of Developer's failure to otherwise undertake Soil Remediation and/or construct the Public Project Improvements in accordance with this Agreement or the Public Project Improvements Construction Documents. The two-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 the Soil Remediation and the Public Project Improvements.

Developer has estimated the cost of the Soil Remediation to be an amount not to exceed Two Hundred Fourteen Thousand Four Hundred Sixty-Five Dollars and 17/100 Cents (\$214,465.17) (the "Estimated Soil Remediation Costs"), as set forth on **Attachment 16**. Developer has estimated the cost of the Public Project Improvements to be an amount not to exceed Four Hundred Twenty-Three Thousand One Hundred Four Dollars and No Cents (\$423,104.00) (the "Estimated Public Project Improvements Costs"), as set forth on **Attachment 15**.

10.8. Determining Actual Eligible Costs for the Soil Remediation and the Public Project Improvements.

Developer is responsible for submitting invoices or receipts for work performed as part of the Soil Remediation and the Public Project Improvements (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 Soil Remediation and the Public Project Improvements approved by Agency for reimbursement so they are identifiable separate from other Project 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 Improvements in comparison to the amount used for the remainder of Developer’s Project. For the Soil Remediation, Developer shall submit complete final cost information and documentation with line items detailing excavation, hauling, soil, backfill and other methodologies utilized in connection with the Soil Remediation as requested by Agency.
- (c) Explanation of any significant deviation between the Schedule of Eligible Soil Remediation Costs and the Schedule of Eligible Public Project Improvement Costs and the actual costs in the Cost Documentation.
- (d) Evidence all invoices have been paid.
- (e) For the Soil Remediation, Developer shall submit an affidavit from a structural engineer or general contractor certifying the costs incurred for Soil Remediation are separate and distinguishable from general excavation development costs.

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 Cost of the Soil Remediation and the Estimated Cost of the Public Project Improvements.**

If Developer disagrees with Agency’s calculation of the Actual Eligible Costs, Developer must respond to Agency in writing within three (3) business 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) business 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 Soil Remediation or the Public Project Improvements.

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

10.10. Deadline to Complete the Soil Remediation and the Public Project Improvements.

In order to be eligible for any reimbursement for the Soil Remediation and/or the Public Project Improvements under this Agreement, Developer must complete the Project within the timeframe set forth in the Schedule of Performance, but in no event later than eighteen (18) 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 Soil Remediation or the Public Project Improvements.

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 of the Soil Remediation and the Public Project Improvements up to, but not exceeding, the

amount of Estimated Costs of the Soil Remediation and the Estimated Costs of the Public Project Improvements.

10.12. Indemnification Regarding the Soil Remediation and the Public Project Improvements.

Developer shall indemnify, defend, and hold Agency and its respective commissioners, 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 commissioners, officers, agents, and employees relating to the Soil Remediation and the construction or design of the Public Project Improvements. Notwithstanding the foregoing, Developer shall have no obligation to indemnify and hold Agency and its respective commissioners, 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 commissioners, 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 commissioners, 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) business 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 Soil Remediation and the Public Project Improvements 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 Eight Million Dollars (\$8,000,000) (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.

Other than set forth in Section 11.2, 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 Section 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 Affordable Housing Covenant 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, age, 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, the Deed or the Affordable House Covenant, the covenants contained in this Section shall remain in effect until December 31, 2025 (the termination date of the Redevelopment Plan). The covenants against discrimination shall remain in effect in perpetuity. The covenants established in this Agreement that expressly run with land and the Deed and Affordable Housing Covenant 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 (other than tenants).

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. Affordable Housing Covenant Compliance.

For the duration of the rent restriction and, if applicable, the income verification requirement for the mix of Voucher Units and 60% AMI Units as set forth in the Affordable Housing Covenant, each year on or before February 28 (or 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 Affordable Housing Covenant.

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 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; 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; 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 thirty (30) days 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.

Notwithstanding anything to the contrary within this Agreement, 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, assignments for security purposes 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.

14.9 Anti-Boycott Against Israel Certification.

Developer hereby certifies pursuant to Section 67-2346, Idaho Code, that the Developer, its wholly owned subsidiaries, majority owned subsidiaries, parent companies and affiliates, are not currently engaged in, and will not for the duration of this Agreement, knowingly engage in, a boycott of goods or services from Israel or territories under its control.

[signatures on following page]

AGENCY:

THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, also known as CAPITAL CITY DEVELOPMENT CORPORATION, an independent public body, corporate and politic

By _____
John Brunelle
Executive Director

_____, 2021

DEVELOPER:

17TH AND IDAHO INVESTMENT LLC,
an Idaho limited liability company

By: 17TH AND IDAHO DEVELOPMENT LLC,
an Idaho limited liability company, Manager

By _____
J. Dean Papé
Its: Manager

_____, 2021

AGENCY:

THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, also known as CAPITAL CITY DEVELOPMENT CORPORATION, an independent public body, corporate and politic

By _____
John Brunelle
Executive Director

_____, 2021

DEVELOPER:

17TH AND IDAHO INVESTMENT LLC,
an Idaho limited liability company

By: 17TH AND IDAHO DEVELOPMENT LLC,
an Idaho limited liability company, Manager

By  _____
J. Dean Papé
Its: Manager

Jul 6th, 2021

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 2021, 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 BOISE CITY, IDAHO, ALSO KNOWN AS CAPITAL CITY DEVELOPMENT CORPORATION, an independent 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 Ada)

On this 6th day of July, 2021, before me, J. Dean Papé, 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 17TH AND IDAHO DEVELOPMENT LLC, an Idaho limited liability company, the manager of 17TH AND IDAHO 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.



Alison Berriochoa
Notary Public for Idaho
Residing at Boise, Idaho
Commission Expires June 16, 2023

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 2021, 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 17TH AND IDAHO DEVELOPMENT LLC, an Idaho
limited liability company, the manager of 17TH AND IDAHO 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 1715 W. Idaho Street Development Project

SITE MAP

FOR SMR DEVELOPMENT
 LOTS 7-10 AND A PORTION OF 11-12, BLOCK 11, MCCARTYS 2ND ADDITION,
 BOOK 02 OF PLATS, PAGE 85, ADA COUNTY RECORDS.
 LYING WITHIN THE SE 1/4 OF THE SE 1/4 OF SECTION 4, T.3N., R.2E., B.M.
 BOISE CITY — COUNTY OF ADA — STATE OF IDAHO

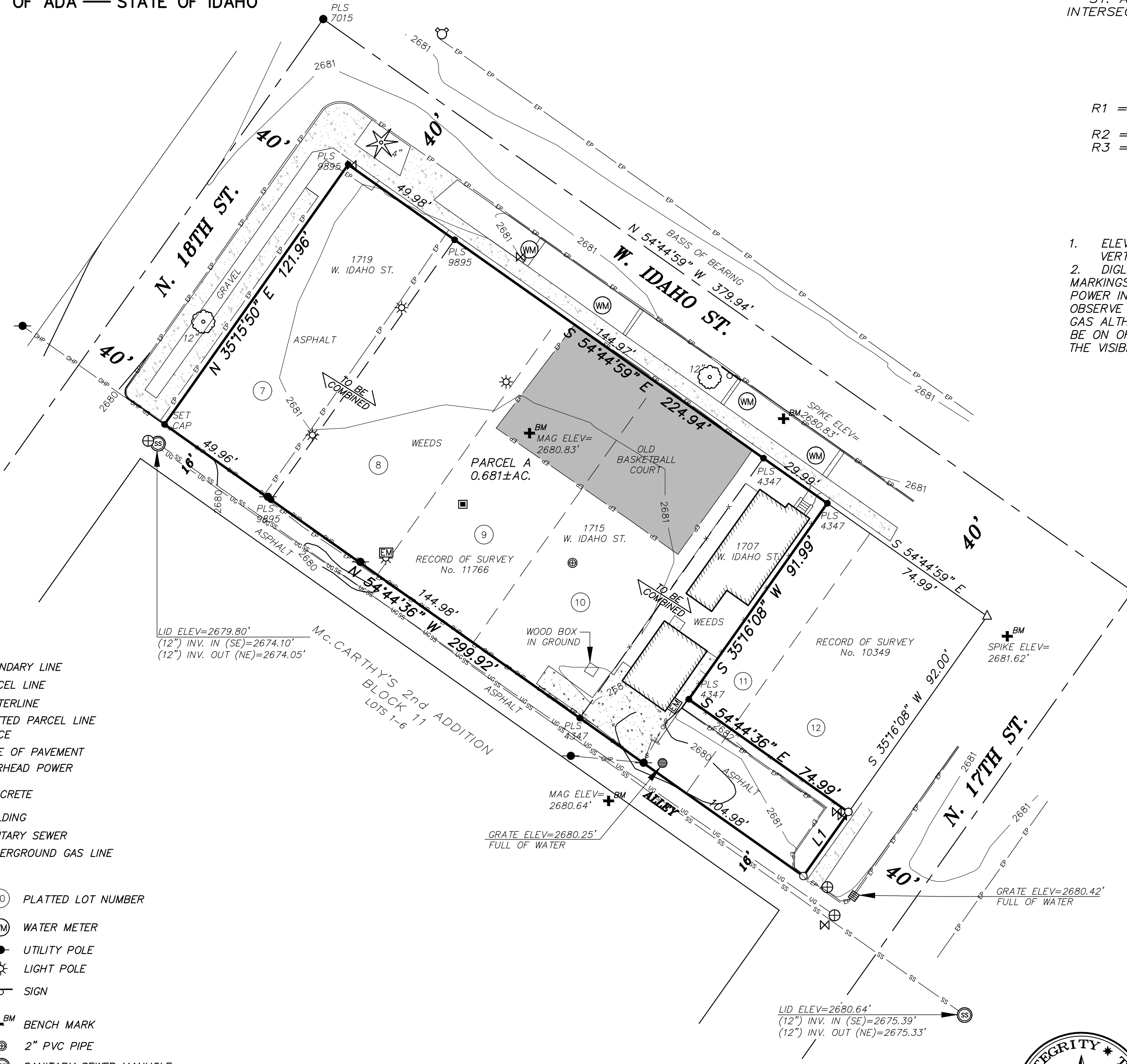
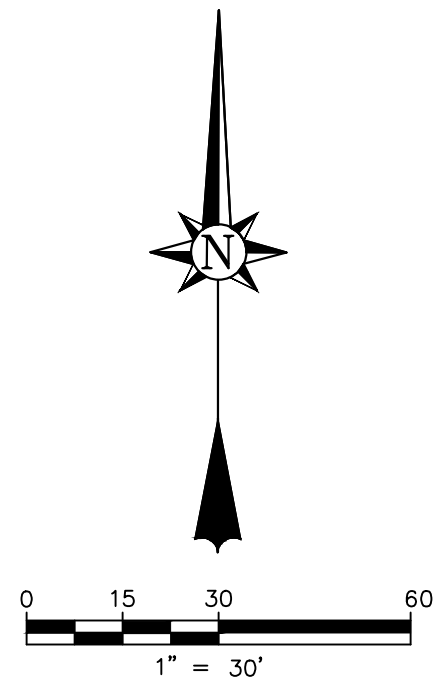
BASIS OF BEARING
 N 54°44'59" W BETWEEN FOUND MONUMENT AT
 THE INTERSECTION OF N. 17 ST. & W. IDAHO
 ST. AND THE FOUND MONUMENT AT THE
 INTERSECTION OF N. 18TH ST. & W. IDAHO ST.

REFERENCES

- R1 = MCCARTHYS 2ND ADDITION
 BOOK 02 OF PLATS, PAGE 85
- R2 = RECORD OF SURVEY No. 11766
- R3 = RECORD OF SURVEY No. 10349

MAPPING NOTES

1. ELEVATIONS BASED ON NAVD 88
 VERTICAL DATUM.
2. DIGLINE REQUEST #2020211322. WE FOUND
 MARKINGS FROM CENTURY LINK AND IDAHO
 POWER INDICATING NO UTILITIES. WE DID NOT
 OBSERVE ANY MARKINGS FOR WATER, SEWER OR
 GAS ALTHOUGH WE PRESUME THESE UTILITIES TO
 BE ON OR NEAR THE SITE AND HAVE SHOWN
 THE VISIBLE UTILITY STRUCTURES HEREON.



LEGEND

- BOUNDARY LINE
- PARCEL LINE
- - - CENTERLINE
- - - PLATTED PARCEL LINE
- x x x x x FENCE
- EP EP EP EP EDGE OF PAVEMENT
- OHP OHP OHP OHP OVERHEAD POWER
- CONCRETE
- BUILDING
- SS SS SS SS SANITARY SEWER
- UG UG UG UG UNDERGROUND GAS LINE

- FOUND 5/8" IRON PIN,
 WITH PLASTIC CAP, AS NOTED
- FOUND 1/2" IRON PIN,
 WITH PLASTIC CAP, AS NOTED
- FOUND SPIKE
- SET 5/8" IRON PIN WITH
 2" ALUMINUM CAP, PLS 11463
- △ CALCULATED POINT
- FIRE HYDRANT
- METAL POST
- ⊕ GAS VALVE
- ⊖ DROP INLET
- ⊗ IRRIGATION VALVE
- ⑩ PLATTED LOT NUMBER
- WM WATER METER
- UTILITY POLE
- ⊙ LIGHT POLE
- ⊖ SIGN
- BM BENCH MARK
- ⊙ 2" PVC PIPE
- ⊙ SANITARY SEWER MANHOLE
- ⊙ DECIDUOUS TREE
- ⊙ CONIFEROUS TREE

LID ELEV=2679.80'
 (12") INV. IN (SE)=2674.10'
 (12") INV. OUT (NE)=2674.05'

MAG ELEV= BM
 2680.64'
 GRATE ELEV=2680.25'
 FULL OF WATER

LID ELEV=2680.64'
 (12") INV. IN (SE)=2675.39'
 (12") INV. OUT (NE)=2675.33'

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 35°16'08" W	30.00'

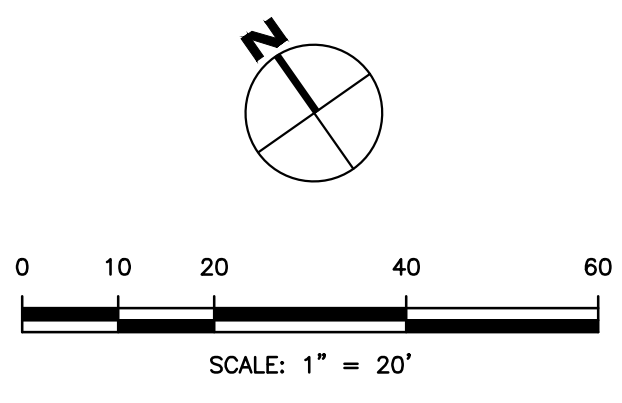
Nathan J. Dang,
 P.L.S. 11463



**Accurate
 Surveying &
 Mapping**

1602 W. Hays St., Suite 306
 Boise, Idaho 83702
 (208) 488-4227
 www accuratesurveyors.com

JOB NO. 21-167
DRAWN BY: SKR
SHEET: 1 OF 1



DEVELOPER / APPLICANT
 SMR DEVELOPMENT
 529 N HILLVIEW DRIVE
 BOISE, ID 83712
 (406) 531-0401
 SHELLAN@SMRDEVELOPMENT.COM

CIVIL ENGINEER
 CORINNE GRAHAM, PE
 CIVIL SITE WORKS LLC
 PO BOX 6059
 BOISE, ID 83707
 (208) 946-3874
 CGRAHAM@CSWENGINEERING.COM

LEGEND

---	PROJECT BOUNDARY
- - - -	BUILDING SETBACK LINE
W	EXISTING WATER MAIN
SS	EXISTING SEWER MAIN
OHP	EXISTING OVERHEAD POWER
UG	EXISTING UNDERGROUND GAS
☼	PROPOSED HISTORIC STREET LIGHT
☼	STORMWATER RUNOFF AREA

SITE DATA

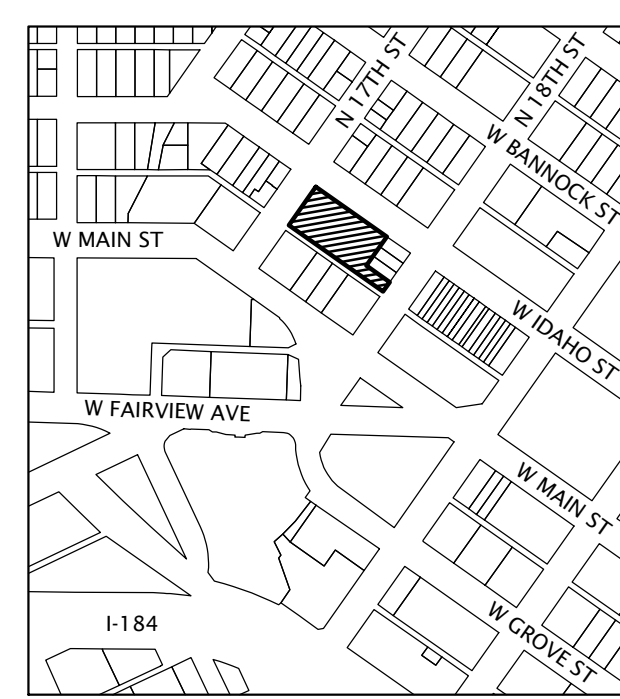
ADA COUNTY PARCELS R5538941251/R5538941262/R5538941292
 SITE AREA = 29,687 SF (±0.68 ACRES)
 CURRENT ZONING: R-3DD (MULTI-FAMILY RESIDENTIAL)

SETBACKS	R-3DD ZONE	PROPOSED
FRONT SETBACK	20 FEET (15 FEET LIVING)	15 FEET
SIDE SETBACK	10 FEET	15 FEET
REAR SETBACK	15 FEET	15 FEET

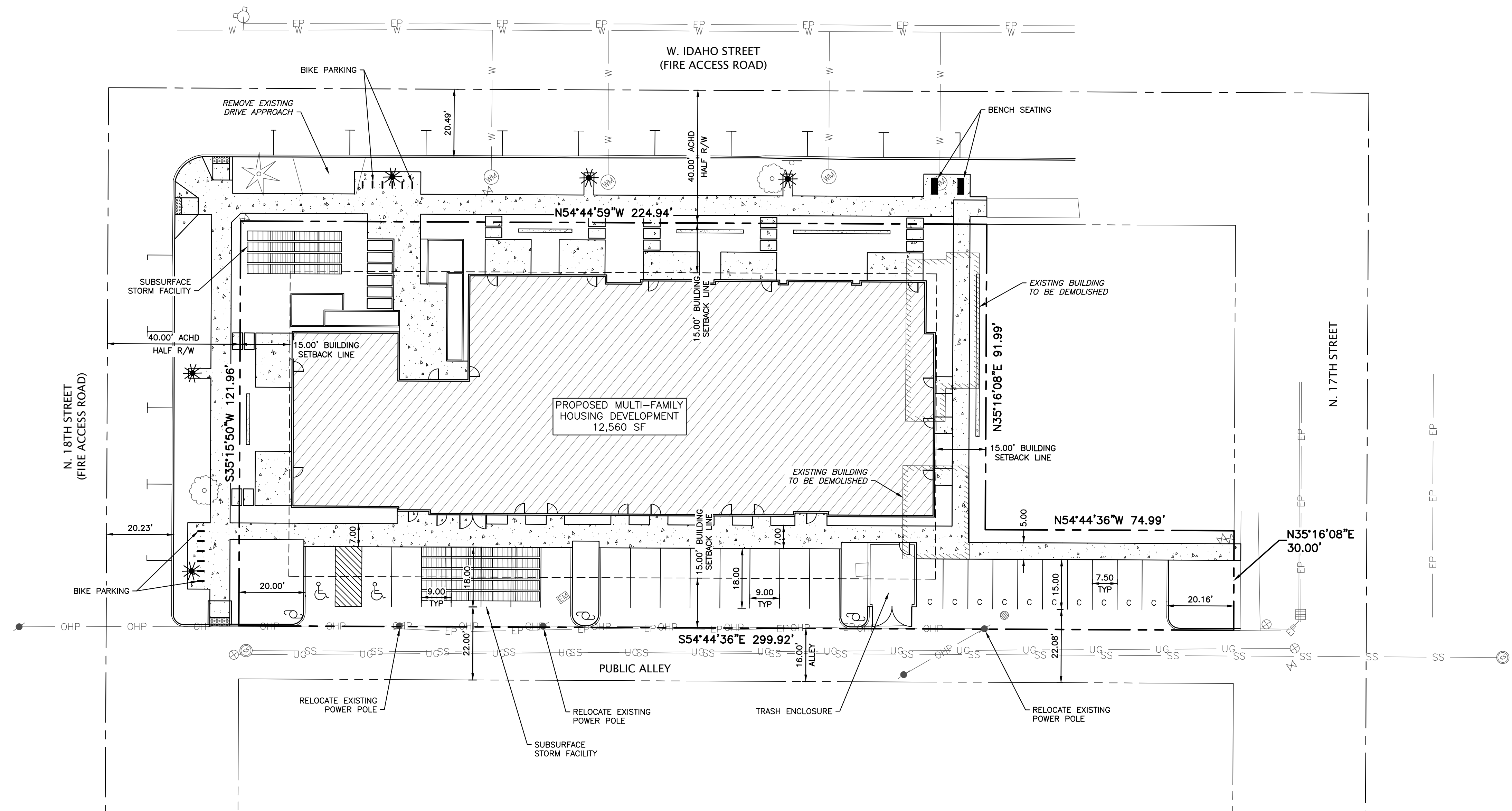
BUILDING AREA = 12,560 SF	42.3%
IMPERVIOUS AREA = 9,531 SF	32.1%
LANDSCAPE AREA = 7,596 SF	25.6%

ON-SITE PARKING	16 STANDARD STALLS (2 ADA) 10 COMPACT STALLS 26 STALLS PROVIDED
AVAILABLE STREET PARKING	13 STALLS

*NOTE: STREET PARKING STALLS SHOWN FOR REFERENCE ONLY AND WILL NOT BE STRIPED PER ACHD POLICY.



VICINITY MAP
 SCALE: 1"=500'



CSW CIVIL SITE WORKS
 PO BOX 6059
 BOISE, ID 83707
 cgraham@cswengineering.com
 (208) 946-3874

REV. NO.	DATE	DESCRIPTION

DESIGNED: C. GRAHAM
 DRAWN: C. GRAHAM
 CHECKED: C. GRAHAM
 APPROVED: C. GRAHAM

PREPARED FOR:
 SMR DEVELOPMENT
 529 N HILLVIEW DR
 BOISE, ID 83712

HOUSING INFILL DEVELOPMENT
 1707, 1715 & 1719 W. IDAHO STREET, BOISE, ID
 CUP/DR SITE PLAN

CSW PROJECT NO. 21008
 DRAWING DATE 05/13/2021

SP1.0

Attachment 2 Legal Description of the Property

Lots 8 and 9 in Block 11 and the Westerly 45 feet of Lot 10 in Block 11 of McCarty's Second Subdivision, according to the official plat thereof, filed in Book 2 of Plats at Page(s) 85, official records of Ada County, Idaho.

Attachment 3

Schedule of Performance

Schedule of Performance, 1715 W. Idaho DDA

Action	Due Date	Section
<u>Execution & Delivery of Agreement by Developer.</u> Developer shall execute and deliver this Agreement to Agency.		
<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	14.8
<u>Effective Date</u>	Upon Execution by Agency	14.8
<u>Escrow Opening.</u> Agency shall open escrow for the sale of the Property to Developer.	Within 5 business days of the Effective Date	5.2
<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.	Within thirty (30) days prior to Closing	7.5
<u>Developer Submission of Evidence of Financing.</u> Developer shall submit its evidence of financing for the Project.	Within ninety (90) days of the Effective Date	4.1
<u>Agency Approval of Developer Evidence of Financing.</u> Agency shall approve or disapprove Developer's evidence of financing.	Within twenty (20) days of a complete submission by the Developer	4.2
<u>Title Report.</u> Developer shall obtain a supplement to the Title Report.	Not less than fifteen (15) business days prior to the Close of Escrow	3.2
<u>Supplemental Title Objections.</u> Developer shall notify Agency of any title objections.	Within five (5) business days from receipt of the Supplemental Title Report	3.2
<u>Insurance.</u> Developer shall furnish evidence of the insurance required under the Agreement to Agency.	Prior to Closing	8; 5.3.1(c)
<u>City and Government Permits.</u> Developer shall secure all necessary permits, other than grading permits and building permits for the Project.	Prior to Closing	5.3.1 (a)
<u>Construction Loan Closings.</u> Developer shall have closed its loan for the construction of the Project	Concurrently with Closing	5.3.1 (d)
<u>Conditions Precedent to Closing.</u> All Conditions Precedent to Closing shall be satisfied or waived as appropriate.	Prior to Closing	5.3
<u>Closing.</u> Agency shall close escrow and convey Parcel to Developer.	Within ten (10) days after the date all of the closing conditions in Sections 5.3.1 and 5.3.2 have been satisfied or waived. In no event later than ten (10) months after the Effective Date.	5.2.2
<u>Commencement of Construction of the Project</u>	Within 30 days following Closing	
<u>Completion of Construction.</u> Developer shall complete construction of Project.	Within eighteen (18) months after Closing Date	5.1
<u>Cost Documentation.</u> Developer shall submit Cost Documentation for work performed as part of the Soil Remediation and the Public Project Improvements.	At the time Developer submits to Agency a request for a Certificate of Completion	10.8
<u>Agency Acceptance or Rejection of the Cost Documentation and Agency's Determination of Actual Eligible Costs.</u> 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.	Within fifteen (15) days of Agency's receipt of the Cost Documentation	10.8
<u>Certificate of Completion.</u> Agency shall provide Certification of Completion to Developer.	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, (b) the mural approved by the Agency Board pursuant to Section 2.8 has been installed to complete the exterior finish of the Project and substantially conforms to the mural design as determined by the Executive Director's review of the mural subject to the extension right set forth in Section 2.8, and (c) 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.	9.1; 2.8
<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.	Within 30 days of receipt of Developer's request	9.4

Attachment 4

Design Development Plan

PROJECT SUMMARY

The project incorporates the CCDC-owned site, as well as the adjacent parcels to the east and west. The Church has agreed to a Land Swap / Purchase and Sale Agreement, swapping their parkinglot for the parcel adjacent to their building on Main Street which is currently owned by Rock Hard Granite. Our team has the Rock Hard Granite site under contract. The L-shaped parcel to the east of the CCDC-owned site includes a vacant house and shop off the alley which is owned by Creamer Heating & Conditioning Inc. and our team has a fully executed Purchase and Sale Agreement for that property as well. The Purchase and Sale Agreements mentioned above have been submitted to CCDC as per Section 405 of the ANE executed on March 8, 2021.

The building includes 48 much-needed new workforce residences thus addressing the need for a diversity of housing stock and missing middle housing in prime locations. Consisting of studios, 1-bedroom, and 2-bedroom unit types, the unit sizes range from 450–900 square feet. Approximately 39 residential parking stalls are proposed, 13 of which are located on-street (off-site), with an additional 26 stalls on-site with alley access, including two accessible parking spaces. Units will be universally designed to provide easy access to residents of all ages. 72 covered bike parking spaces will be offered on-site and as per neighborhood input the management will try to positively incentivize residents to use bikes and decrease their reliance on cars. The project will be LEED certified.

PLAN REVISIONS

The revisions to the plan are explained in detail within cover letter and the required table. The primary revisions are:

- 1) increase from 45 to 48 apartments.
- 2) An eve along the portion of W. Idaho Street
- 3) Revise landscaping plan to better fit in with the neighborhood.

The overall unit increase was based on the Housing Bonus Ordinance being revised from its original draft to the approved ordinance.

The eave along a portion of the building fronting W. Idaho is to meet Fire Code. The white parapet roof along W. Idaho slightly exceeded the maximum ladder truck height. However, by using an eave on the W. Idaho “townhome” styled portion of the building we were able to create a more traditional residential roof line as well as slightly decreased height to meet the fire code requirements. This revision was approved as by the Fire Marshal, Romeo Gervais, in our team’s Early Assistance meeting. Additionally, this design has been shown to the neighbors in the required public meeting with no additional concern and

some appreciated the decrease in height coupled with the nod to a more traditional residential roofline similar to the surrounding homes.

The landscaping plans have been revised based on neighborhood feedback to create more traditional front yards and more useable lawn space. The West Downtown Neighborhood Association expressed a desire to create more open space, include more traditional front yards especially along W. Idaho. Our Landscape Architect has worked creatively to replace the raised beds with softer, plantings and grasses along the front porches of those units facing W. Idaho Street- maintaining privacy between front patios and between the public and private areas but also adding a welcoming and neighborly feel to the area. We have increased the size of the open grass area at the corner of 18th and W. Idaho. The plan maintains the benches and raised landscape planters around the building's main entrance and around the corner strategically placed around the corner plaza to add interest to the area and create a place for community members to visit and congregate.

RENTS & AFFORDABILITY

The unit's rents have not changed. The units will be affordable on average to individuals and households earning 100% of the area median income (AMI) and will not exceed 120% AMI through 2030. The development team is committed to working with CATCH, a Boise non-profit who serves families facing homelessness and the Boise City/Ada County Housing Authority to actively and affirmatively market to their clients, many of whom are well below 80% AMI. The aim is to maintain an average of 100% AMI or below for the development as a whole through 2030 as required. 10-15% of the units will be deed restricted for longer based on the requirements of the City of Boise's recently passed Housing Bonus Ordinance.

The development will not allow short term or nightly rentals and will have a standard 12-month lease term for residents.

PUBLIC ROW

The streetscape and the alley improvements will continue to conform to the established streetscape guidelines. The extent of the alley improvements will be based upon the availability of reimbursement from the Agency and the streetscapes along W. Idaho and 18th Street will incorporate typical bike racks, lighting, and other street furnishings. These costs are eligible for reimbursement and will be requested as such.

BUDGET

Although not requested in the ANE, CCDC staff has asked us to explain the project's budget. Overall the budget has been tightened up since the original submittal in December

2020 and has increased from \$10.7 million to 11.7 million. In December 2020, the proposed budget was based on comparable projects completed by Visser Construction on a per square foot and per unit basis. As the preliminary design matures into schematic design, the square footage becomes more refined, the total units have increased, our contractor has utilized estimates from sub-contractors for hard costs and we have actual costs from our design team and predevelopment work. Overall cost increases are based on additional units, unprecedented volatility in the market requires additional contingency from underwriters proposed public improvements and overall cost increases over time. The budget presented for the re-use appraisal is based on the most up to date estimates from our contractor, current design and predevelopment contracts and our underwriters' standards, which include are wanting to see 5-8% in contingency given the unprecedented volatility of the current market.

BOISE | 1715 W. Idaho

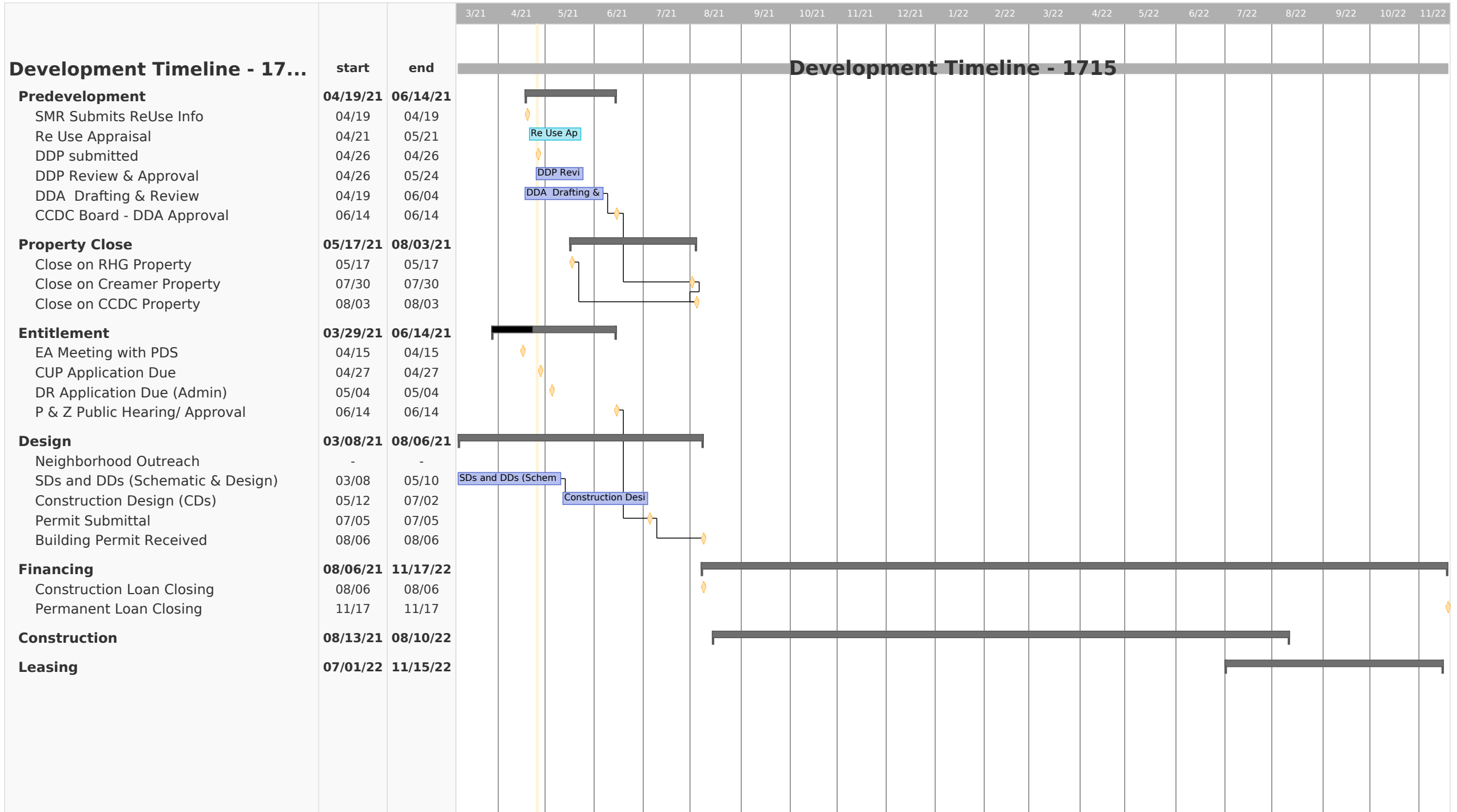
drafted: 4.26.2021

ANE effective date (actual) 3/8/2021

ANE REQUIREMENT SCHEDULE

	TASK	SECTION REFERENCE	FINISH	days	ANE DATE	ACTUAL Date	LEAD	REQUIREMENTS/ DETAILS
1	Developer Deposits \$15k- cashier's check	103	Submission of the Deposit must occur within fifteen (15) days of the Effective Date.	15	3/23/2021	3/22/2021	Dean	complete
2	Developer provides copies of executed purchase and sale agreements for Developer Parcels	405	no later than April 16, 2021		4/8/2021	4/6/2021	SMR	complete
3	Developer Submits Design Development Plan to Agency Staff	202.01	Ninety (90) days after the Effective Date	90	6/6/2021	4/26/2021	SMR	incomplete submittal 4/19/2021, resubmittal 4/26/2021
4	Developer Provides Reuse Appraisal Data to Reuse Appraiser	300	Ninety (90) days after the Effective Date	90	6/6/2021	4/19/2021	Dean/ SMR	complete
5	Agency Staff approves or disapproves of the Design Development Plan	202.02	Within fifteen (15) days after Agency's receipt of the Design Development Plan	15	6/21/2021	5/11/2021	SMR	
6	Developer's response to Agency's disapproval of the Design Development Plan ("Developer's Resubmittal")	202.02	Within ten (10) days of Developer's receipt of Agency's disapproval of the Design Development Plan	10	7/1/2021	5/21/2021	SMR	
7	Agency's Meeting with Developer to discuss Developer's Resubmittal (the "Resubmittal Meeting")	202.02	Within five (5) days after Agency's receipt of Developer's Resubmittal	5	7/6/2021	5/21/2021	AGENCY	
8	Developer's submission in response to Agency's issues with Developer's Resubmittal	202.02	Within fifteen (15) days after the Resubmittal Meeting	15	7/21/2021	5/20/2021	SMR	
9	Completion of ReUse Appraisal (<i>Jeff Vance suggested a mid May deliverable</i>)	300	One Hundred Twenty (150) days after the Effective Date	150	8/5/2021	5/24/2021 *	Agency	based on a 5 week deliverable from Valbridge
10	Finalize Disposition and Development Agreement agreeable to Agency Staff and Developer	102	One Hundred Eighty (180) days after the Effective Date	180	9/4/2021	6/9/2021	SMR/ Dean	
11								





Rendering Comparison

April 22, 2021

December 2020 proposal- pg.36



CURRENT PROPOSAL

April 2021

W. IDAHO ST.
LANDSCAPE FRONTAGE

N. 18TH ST.
COMMERCIAL/MIXED-USE FRONTAGE

N. 17TH ST.
COMMERCIAL/MIXED-USE FRONTAGE



- As Requested:
- COB required setbacks shown
 - Updated unit plans and floor plates
 - Additional ADA Spaces shown as per code
 - Larger community lawn shown as suggested by Neighborhood Outreach
 - Softer landscaping around front doors per Neighborhood feedback

- NO REVISIONS TO STREETSCAPES
- NO REVISIONS TO EXTERIOR MATERIALS
- NO MAJOR REVISIONS TO BUILDING AESTHETICS
- EXTERIOR ART REMAINS, EXACT DESIGN IS TBD





CONCEPT VIEW TO CORNER OF 18TH AND IDAHO

1715 W. Idaho St.

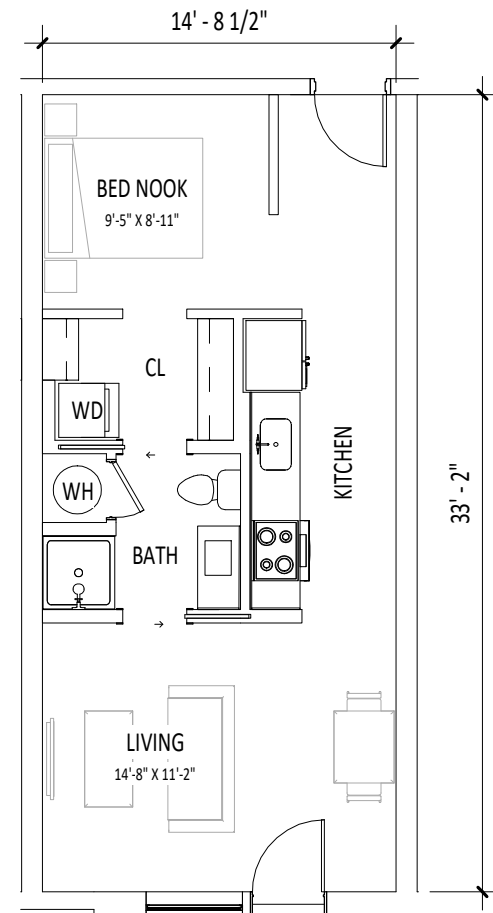
1715 W. Idaho St., Boise, ID 83702
PNa JOB # 21-018

ALL LANDSCAPING REMOVED FOR CLARITY AND AS REQUESTED

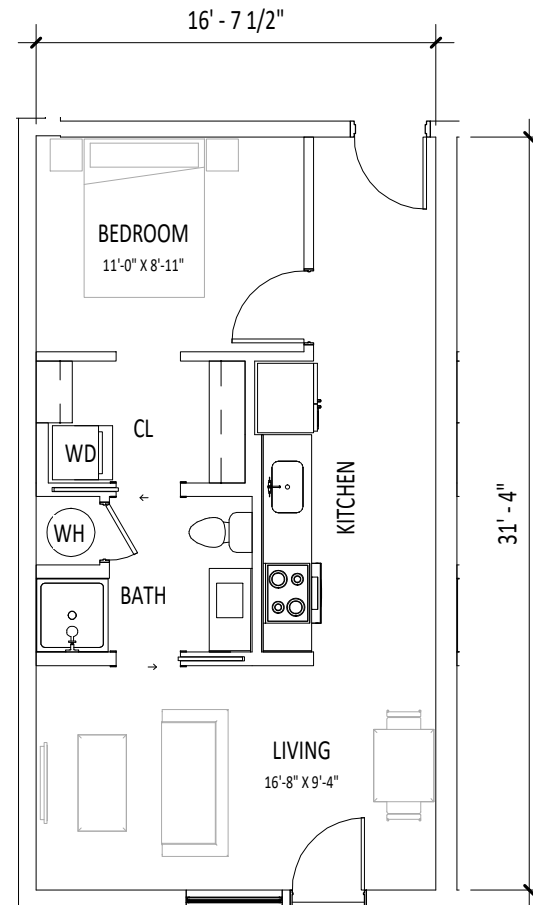


CONCEPT VIEW TO CORNER OF 18TH AND IDAHO (TREES OMITTED FOR CLARITY)

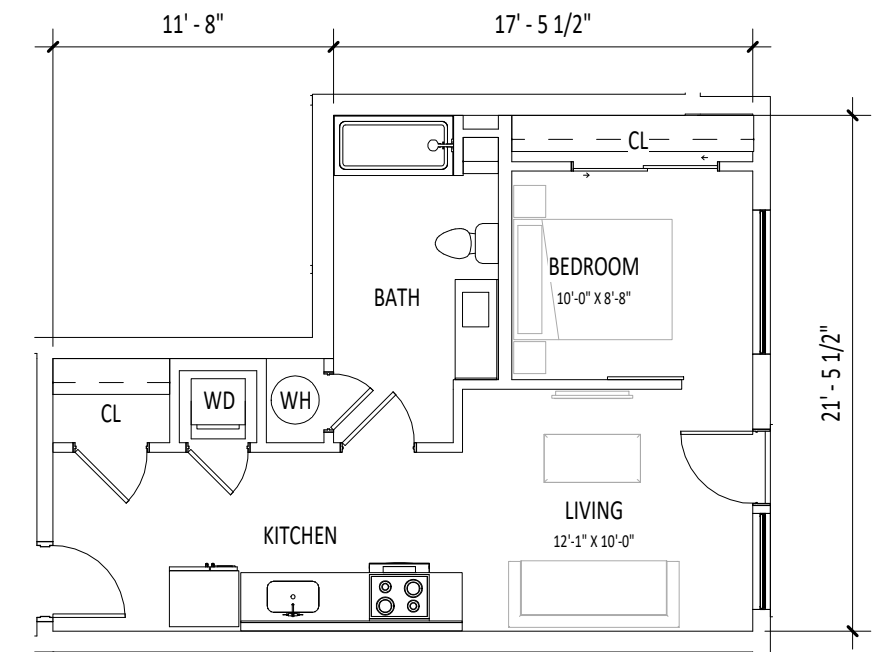
Unit plans were not submitted previously and will not affect the exterior of the building.



UNIT S1



UNIT 1A



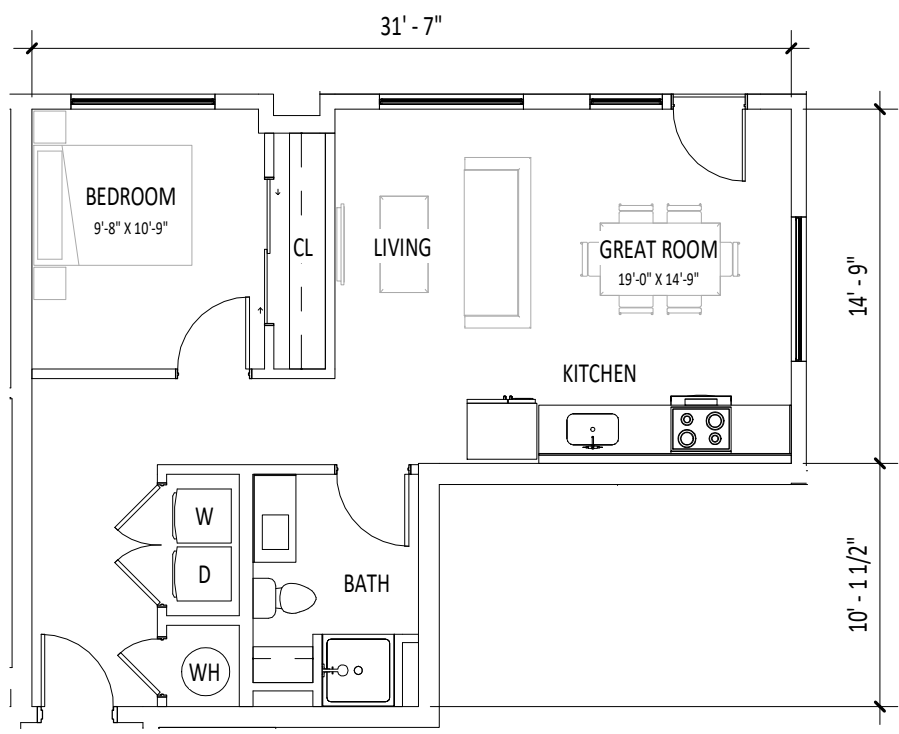
UNIT 1B

CONCEPT UNIT PLANS

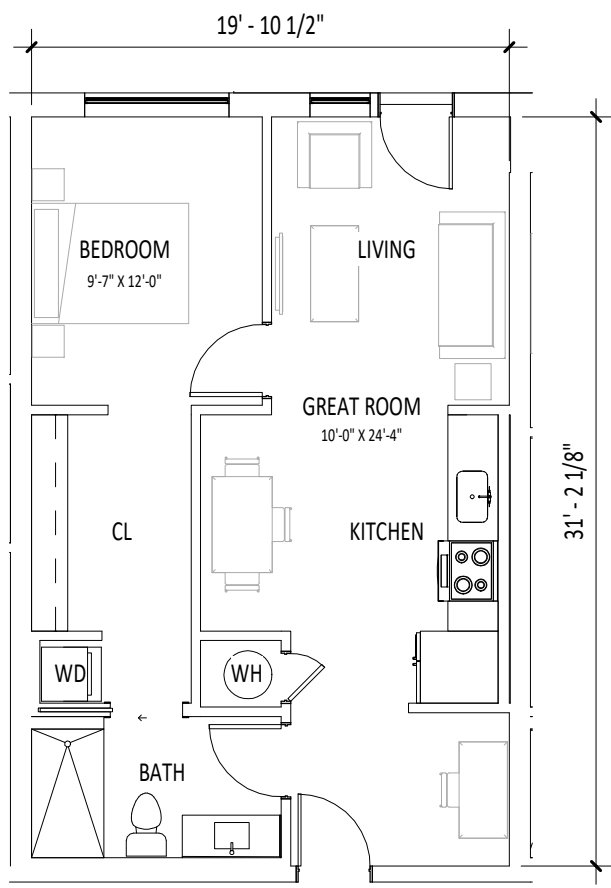
1715 W. Idaho St.

1715 W. Idaho St., Boise, ID 83702
PNa JOB # 20-0XX

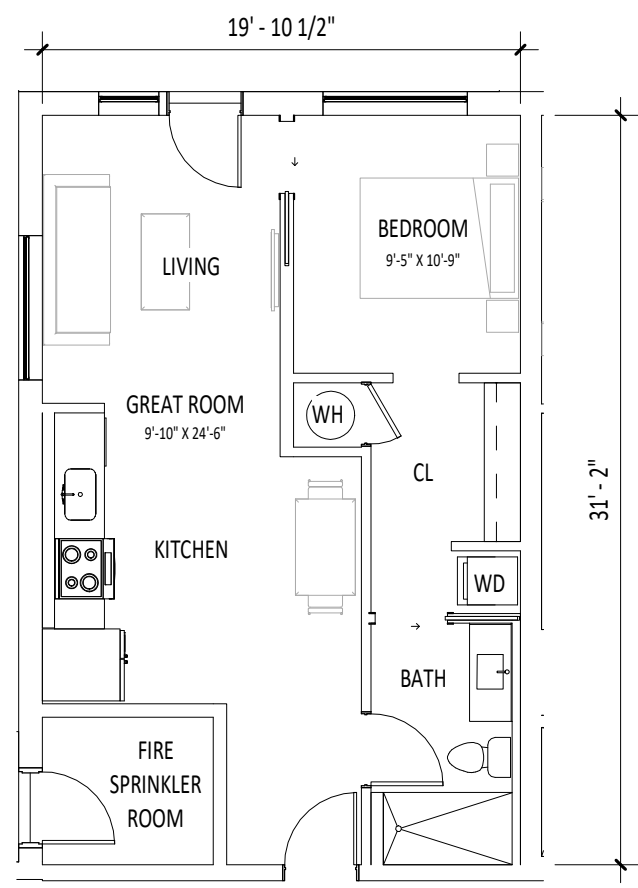
Unit plans were not submitted previously and will not affect the exterior of the building.



UNIT 1C



UNIT 1D



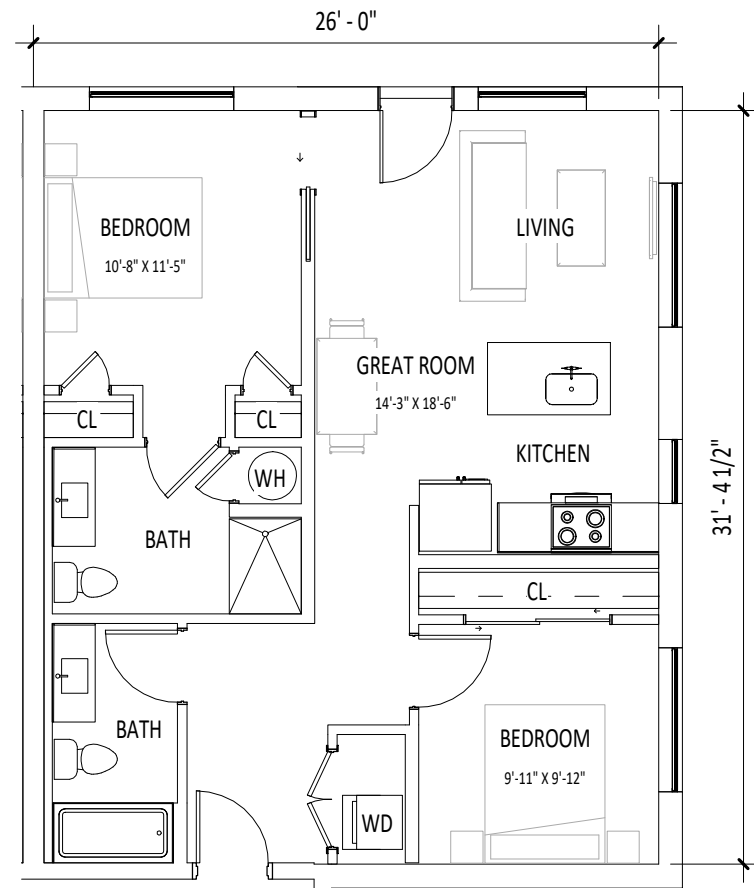
UNIT 1E

CONCEPT UNIT PLANS

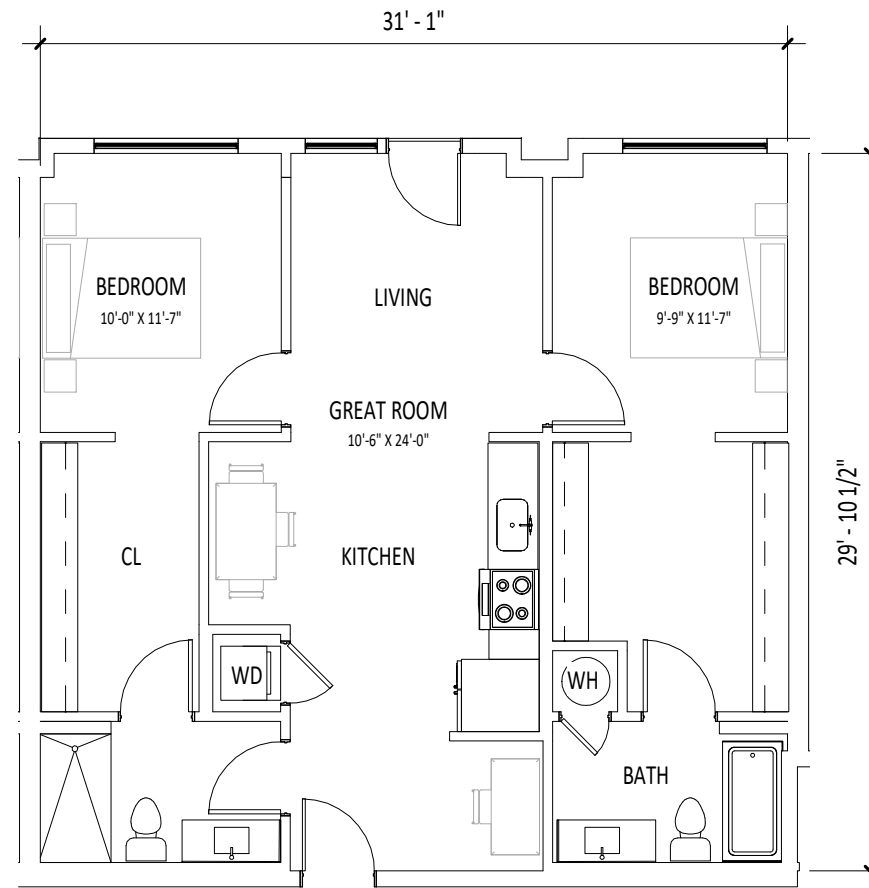
1715 W. Idaho St.

1715 W. Idaho St., Boise, ID 83702
PNa JOB # 20-0XX

Unit plans were not submitted previously and will not affect the exterior of the building.



UNIT 2A



UNIT 2B

CONCEPT UNIT PLANS

1715 W. Idaho St.

1715 W. Idaho St., Boise, ID 83702
PNa JOB # 20-0XX



May 11, 2021

Dean Papé
17th and Idaho Development LLC
731 West Wyndemere Drive
Boise, Idaho 83702

Shellan Rodriguez
529 North Hillview Drive
Boise, Idaho 83712

Anne C. Kunkel
Varin Wardwell LLC
242 North 8th Street, Suite 220
Boise, Idaho 83702

**Re: 17th and Idaho Housing Infill Development
Design Development Plan (DDP)**

Dear Mr. Papé,

This letter serves to address Section 202.02 of the Agreement to Negotiate Exclusively dated March 8, 2021 (“ANE”). In accordance with the ANE, Agency staff is in receipt of the Design Development Plan (“DDP”) submitted on April 26, 2021.

The DDP is accepted and approved, with the following conditions, by CCDC.

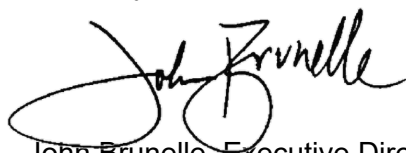
Conditions of Approval:

1. Patio edge definition and screening: the DDP revisions included deletion of concrete planters. Removal of concrete planters is okay with CCDC but there is a need for definition of space and low height screening of exterior patios. These are important design features to create a welcoming, neighborly front yard environment while also providing residents a semi-private outdoor space to enjoy. Unless expressly waived by the City of Boise, the final landscape design must include permanent vertical elements that create definition between patios and lawn areas that face onto both Idaho Street and 18th Street.
2. Art Mural: the mural is an important architectural element and adds interest to the neighborhood. The DDP indicates that the mural design is not final. CCDC accepts the

mural placeholder image and recognizes the value of providing additional time to develop a meaningful art piece. The final mural design shall be reviewed and approved by CCDC prior to installation.

Thank you for your diligent work to advance this project and we look forward to its success. If you have any questions or concerns please feel free to contact Brady Shinn, Project Manager.

Sincerely,

A handwritten signature in black ink that reads "John Brunelle". The signature is written in a cursive style with a large, stylized initial "J" and "B".

John Brunelle, Executive Director

Attachment 5

Title Report



COMMITMENT FOR TITLE INSURANCE
Issued by
TITLE RESOURCES GUARANTY COMPANY

Issuing Office: TitleOne, a Title and Escrow Company
ALTA® Universal ID: 1065022
Commitment Number: 21416222

Revision: June 4, 2021 - Changes are highlighted in yellow.

SCHEDULE A

1. Commitment Date: May 20, 2021 at 07:30 AM

2. Policy or Policies to be issued:

X ALTA Owners Policy (6/17/06)	Standard Coverage	Policy Amount:	\$605,000.00
Proposed Insured:		Premium:	\$2,080.00

17th and Idaho Investment LLC

Endorsements: None Requested	Charge:	\$0.00
------------------------------	---------	--------

3. The estate or interest in the land described or referred to in this Commitment is:

Fee Simple

4. Title to the estate or interest in the Land is at the Commitment Date vested in:

The Urban Renewal Agency of the City of Boise, Idaho, an independent public body, corporate and politic, organized under the laws of the State of Idaho, doing business as Capital City Development Corporation

5. The Land described as follows:

See Attached Schedule C

Title Resources Guaranty Company
TitleOne, a Title and Escrow Company

By:

Scott Thiel, Authorized Signatory

Title Resources Guaranty Company

By:

President/CEO

Michael Hayden

Secretary



This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Title Resources Guaranty Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.



**SCHEDULE B, PART I
Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. The Company will require delivery of and approval by the Company of an Indemnity and Affidavit as to Debts, Liens and Possession, prior to the issuance of the policy.
6. The Company requires any improvements and/or repairs or alterations thereto completed within the last 90 days by a contractor, sub-contractors, labor and materialmen are all paid, if any.

If work has commenced, we will require satisfactory evidence of payment.

7. The Company will require the following documents in order to insure a conveyance by the corporation named below:

Corporation: Capital City Development Corporation.

- (a) A copy of the corporation by-laws and articles.
- (b) An original or certified copy of the resolution authorizing the subject transaction.
- (c) If the articles or by-laws require the approval of a "parent" organization, the Company will also require a copy of the by-laws and articles of the "parent" organization.

8. The Company will require a copy of the Operating Agreement, with all amendments and assignments, and a resolution from the members of 17th and Idaho Investment LLC, an Idaho limited liability company showing the power and authority of the party or parties who plan to execute the forthcoming conveyance or mortgage on behalf of said limited liability company.

9. A Warranty Deed from The Urban Renewal Agency of the City of Boise, Idaho, an independent public body, corporate and politic, organized under the laws of the State of Idaho, doing business as Capital City Development Corporation to 17th and Idaho Investment LLC, an Idaho limited liability company.

10. NOTE: According to the available records, the purported address of said land is:

1715 W Idaho Street
Boise, Idaho 83702

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11. NOTE: IF the Company is requested to issue an Extended Coverage ALTA Owner's Policy for this transaction, the following additional requirements will apply:

- a.) Parties in possession exception of this commitment may be deleted upon receipt of an owner's affidavit executed by the owner of the subject property, identifying the subject property and stating that no one is in possession of the land other than the owner and the tenants of the owner. Any tenancy is to be specifically excepted in the policy.
- b.) The Easement and survey exceptions of this commitment may be deleted upon the review and examination by this Company, prior to closing, of a current survey of the land acceptable to the Company, duly certified by a registered land surveyor. The certificate of survey must show, among other things, the exact location of all the improvements located on the land, the situation, width, and length of all the recorded or unrecorded easements, the existence of fences, signs, and building setback areas, and finally, any dimension discrepancy, gap, overlap, or boundary line problem that may affect the property. Any specific item, shown by this review and examination is to be specifically excepted in the policy. The survey should certify TitleOne and the designated underwriter stated herein (the Company).
- c.) The Mechanic's lien exception may be deleted upon the review and examination of satisfactory evidence that no labor or materials have been furnished to the Property for improvements authorized or contracted for by or on behalf of Owner within the last 120 days, nor have any contracts been entered into for such improvements and there are no unpaid bills for labor and materials for improvements made upon said land for which a claim of lien may be filed. If labor or materials have been furnished or work has been contracted, the Company requires a complete list of all sub-contractors and suppliers who have furnished or will furnish labor and/or material to the subject property. Each sub-contractor and supplier is required to execute an acknowledgment of final payment and unconditional waiver of lien.

12. NOTE: Additional Underlying Documents.

[To view the RECORD OF SURVEY MAP\(s\) click here.](#)

[To view the VESTING DEED\(s\) click here.](#)

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SCHEDULE B, PART II
Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company. If the Company's requirements are satisfied, Exceptions 1 through 7 will be removed on Enhanced/Extended coverage policies.

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
2. Rights or claims of parties in possession not shown by the public records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land, and that is not shown by the Public Records.
4. Easements, or claims of easements, not shown by the public records.
5. Any lien, or right to a lien, for services, labor, or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims to title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
7. Taxes or special assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices to such proceedings whether or not shown by the records of such agency, or by the public records.
8. Taxes, including any assessments collected therewith, for the year 2021 which are a lien not yet due and payable.

Taxes for the year 2020 are paid in full.

Parcel Number: R5538941262

Original Amount: \$4,829.74

[NOTE: To view said Taxes click here.](#)

9. The land described herein is located within the boundaries of Boise City (208-384-3735) and is subject to any assessments levied thereby.

10. Intentionally Deleted.

11. Easements, reservations, restrictions, and dedications as shown on the official plat of McCarty's 2nd Addition recorded in Book 2 of Plats at Page 85, records of Ada County, Idaho.

[NOTE: To view said document\(s\) click here.](#)

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12. Terms and provisions contained in City of Boise Ordinance No. 6108.
Recorded: December 12, 2011
Instrument No.: 101131220, records of Ada County, Idaho.

[NOTE: To view said document\(s\) click here.](#)

13. Terms and provisions contained in a Notice of Buildable Parcel for Parcel Consolidation.
Recorded: March 26, 2019
Instrument No.: 2019-023512, records of Ada County, Idaho.

[NOTE: To view said document\(s\) click here.](#)

(End of Exceptions)

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SCHEDULE C

Legal Description:

Lots 8 and 9 in Block 11 and the Westerly 45 feet of Lot 10 in Block 11 of McCarty's Second Subdivision, according to the official plat thereof, filed in Book 2 of Plats at Page(s) 85, official records of Ada County, Idaho.

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COMMITMENT FOR TITLE INSURANCE
Issued by
TITLE RESOURCES GUARANTY COMPANY

Commitment No. 21416222

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, TITLE RESOURCES GUARANTY COMPANY, a Texas corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 180 days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

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COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements; and
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I—Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.

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- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <<http://www.alta.org/arbitration>>.

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1101 W. River Street, Suite 201
Boise, ID 83702
Ph. (208)424-8511
Fx. (866) 638-6981
www.titleonecorp.com

Privacy Policy Notice

Rev. 10-23-2017

FACTS	WHAT DOES TITLEONE DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and account balances • Payment history and credit card or other debt • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons TitleOne chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does TitleOneshare?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes- to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes- information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes- information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Go to https://www.titleonecorp.com/company/privacypolicy.aspx	

Page 2

Who we are	
Who is providing this notice?	TitleOne
What we do	
How does TitleOne protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does TitleOne collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Apply for insurance or pay insurance premiums • Provide your mortgage information or show your driver's license • Give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Our affiliates include companies that are owned in whole or in part by Realogy Holdings Corp., such as Better Homes and Gardens® Real Estate, CENTURY 21® , Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, ZipRealty®, NRT LLC, Cartus and Realogy Title Group.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>TitleOne does not share with nonaffiliates so they can market to you.</i>
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or service to you.</p> <ul style="list-style-type: none"> • <i>TitleOne does not share with nonaffiliated financial companies for joint marketing purposes.</i>
Other Important Information	
For European Union Customers	Please see our Privacy Policy located at https://www.titleonecorp.com/company/privacypolicy.aspx
For our California Customers	Please see our notice about the California Consumer Protection Act located at https://www.titleonecorp.com/company/privacypolicy.aspx



FACTS	WHAT DOES TITLE RESOURCES GUARANTY COMPANY DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and account balances • Payment history and credit card or other debt • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons TITLE RESOURCES GUARANTY COMPANY chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does TITLE RESOURCES GUARANTY COMPANY share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes- to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes- information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes- information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Go to https://www.trgc.com/privacypolicy	

Page 2

Who we are	
Who is providing this notice?	TITLE RESOURCES GUARANTY COMPANY
What we do	
How does TITLE RESOURCES GUARANTY COMPANY protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does TITLE RESOURCES GUARANTY COMPANY collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Apply for insurance or pay insurance premiums • Provide your mortgage information or show your driver's license • Give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes –information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Our affiliates include companies that are owned in whole or in part by Realogy Holdings Corp., such as Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, ZipRealty®, NRT LLC, Cartus and Title Resource Group.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • TITLE RESOURCES GUARANTY COMPANY does not share with nonaffiliates so they can market to you.
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or service to you.</p> <ul style="list-style-type: none"> • TITLE RESOURCES GUARANTY COMPANY does not share with nonaffiliated financial companies for joint marketing purposes.
Other Important Information	
For European Union Customers	Please see our Privacy Policy located at https://www.trgc.com/privacypolicy
For our California Customers	Please see our notice about the California Consumer Protection Act located at https://www.trgc.com/privacypolicy

Attachment 6

Reuse Appraisal



Valbridge
PROPERTY ADVISORS

Appraisal Report

17th & Idaho Multifamily Re-Use Project (Proposed)
Re-Use Appraisal
1707, 1715, and 1719 W. Idaho Street
Boise, Ada County, Idaho 83702

June 28, 2021



FOR:
Capital City Development Corporation (CCDC)
c/o Brady Shinn
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Client File No.: Task Order 20-002
PO#210041

**Valbridge Property Advisors |
Mountain States**

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

Valbridge Job No: ID02-21-0032-000



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

1459 Tyrell Lane, Suite B
Boise, Idaho 83706
208.336.1097 phone
208.345.1175 fax
valbridge.com

June 28, 2021

Capital City Development Corporation (CCDC)
c/o Brady Shinn
121 N. 9th Street, Suite 501
Boise, Idaho 83702

RE: Appraisal Report
17th & Idaho Multifamily Re-Use Project (Proposed)
Re-Use Appraisal
1707, 1715, and 1719 W. Idaho Street
Boise, Ada County, Idaho 83702

Dear Mr. Shinn:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject of this appraisal is a proposed multifamily residential project located in the west end of downtown Boise. The building will be 3 stories and include 48 apartment units. The unit mix will consist of (21) studios, (14) 1 bed/1 bath units, and (13) 2 bed/ 2 bath units. The improvements will be of very good building quality/design, similar to other newer competing projects in the downtown market.

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 Interagency Appraisal and Evaluation Guidelines; 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 site. 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 and at stabilized occupancy. 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. Development of a given property may include extraordinary restrictions agreed to by the parties, such as historic preservations, revitalization, 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 of this appraisal is to provide a basis for negotiating a sale or transaction of the CCDC owned parcel (which is a portion of the larger site) between the CCDC and the developer based on the 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.

Significant Market Factor

The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. On March 13, 2020, the State of Idaho issued an emergency declaration, which included a stay-at-home order through April 30, 2020. Pertaining to the business sector, only essential businesses are to remain open. Approximately 55% of businesses in Idaho are considered essential under the stay-at-home order. The national, regional, and local economy have been adversely impacted with significantly increasing unemployment that is actively being countered by government stimulus packages with the hopes of stabilizing the economy. The pandemic has created near-term uncertainty, but any long-term impact the pandemic may have on the local economy and real estate markets is unclear at this time. Sufficient transactional or market data has yet to become available to adequately measure future real estate market behavior relative to the pandemic. However, market participants do expect real estate markets to be negatively impacted to some degree. The duration of the pandemic is the major factor influencing the degree to which real estate may be impacted.

States around the county have begun to lift stay-at-home restrictions to "reopen" the economy from the shutdown. On April 23, 2020, the State of Idaho announced a 4-stage plan for opening up Idaho. Stage 4 guidelines went into effect June 13, 2020. 100% of Idaho businesses are allowed to reopen under the Stage 4 guidelines. As a result of a significant spike in COVID-19 cases, Stage 3 guidelines went back into effect for Ada County on June 24, 2020. "Modified" Stage 3 guidelines went into effect for all of Idaho on October 26, 2020, and then on November 13, 2020, "Modified" Stage 2 guidelines went into effect. As a result of a decline in cases, Idaho went back into Stage 3 guidelines on February 2, 2021, and as of May 11, 2021, Idaho is now in Stage 4. The document outlining the 4-stage guidelines is included in the Addenda section.

The reader is reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.



COVID-19 Impact On The Subject

Prior to Covid-19, the economy was healthy, and statistics indicated strong demand for conventionally rented apartments characterized by increasing rent levels and historically low vacancy, which has resulted in an increase in construction activity during the past several years. The impact of the pandemic on competing multifamily projects in the local market appears to be nominal thus far. Occupancies remain strong and rent levels have yet to be negatively impacted. In fact, rents have continued to increase in newer projects operating at stabilized occupancy. Vacancies remain at historic lows in competing projects. Tenants requesting rent abatements have not been prevalent, and landlords are not offering concessions.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions

- 1) The project is proposed. The appraisal and its conclusions relied upon architectural drawings, construction cost estimates, and specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein.
- 2) The proposed construction timeline was confirmed with a representative of the developer. Transfer of title for the CCDC property is projected to occur in June or July 2021, but no later than September 7, 2021. September 7, 2021 is the prospective date of value in this appraisal. Construction is projected to begin thereafter and is anticipated to be complete by July 31, 2022. As presented in this report, we anticipate the subject to reach stabilized occupancy within 3 months of completion. The stabilization period inherently assumes current market fundamentals will continue during this period and demand will remain at minimum consistent with the past one to two years.
- 3) The project will be subject to the following workforce housing requirements and other CCDC stipulated restrictions:
 - 1 unit will be designated for households earning no more than 60% of the area median income (AMI) for a period of 8 years following the project's Certificate of Completion.
 - 15% or 8 units will be restricted to 100% AMI or less for a period of 30 years based on the City of Boise Code 11-06-03.4 (the Housing Bonus Ordinance).
 - According to the developer's submittal, units are proposed to serve households earning roughly 80% to 120% AMI, to average project rents at 100% AMI for eight years following project's Certificate of Completion. Based on the AMI income limits, the rental rate range for each of the subject unit types are presented in the following table.
 - The project's executed and recorded Affordability Covenant. Note, the Affordability Covenant has not been finalized. The developer is contemplating an additional studio unit to be designated for voucher-supplied households, which will earn between 60-120% (AMI). Per the developer's latest proforma, one studio unit is targeted for households earning 60% of the area median income (AMI).



Project: 1715 W. Idaho Street -- Housing Infill Development

Program and Location Information		HUD Published Income Limits for 2021 (with no adjustments)	
Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)	<input checked="" type="radio"/> Display Income Limits	<input type="radio"/> Hide Income Limits
Year	2021 (effective 04/01/21)		
State	ID		
County	Ada County		
MSA	Boise City, ID HUD Metro FMR Area		
Rent Calculation Based on	AMI		
Persons / Bedroom	1.5 Person / Bedroom		
4-person AMI	\$75,300		
National Non-Metropolitan Median Income	\$63,400		

Income Limits for 2021 (Based on 2021 AMI Income Limits)				
Charts	60.00%	80.00%	100.00%	120.00%
1 Person	31,620	42,160	52,700	63,240
2 Person	36,120	48,160	60,200	72,240
3 Person	40,680	54,240	67,800	81,360
4 Person	45,180	60,240	75,300	90,360
5 Person	48,780	65,040	81,300	97,560
6 Person	52,380	69,640	87,300	104,760
7 Person	56,040	74,720	93,400	112,080
8 Person	59,640	79,520	99,400	119,280
9 Person	63,240	84,320	105,400	126,480
10 Person	66,840	89,120	111,400	133,680
11 Person	70,500	94,000	117,500	141,000
12 Person	74,100	98,800	123,500	148,200

Rent Limits for 2021 (Based on 2021 AMI Income Limits)						
Bedrooms (People)	Charts	60.00%	80.00%	100.00%	120.00%	FMR
Efficiency (1.0)		790	1,054	1,317	1,581	683
1 Bedroom (1.5)		846	1,129	1,411	1,693	801
2 Bedrooms (3.0)		1,017	1,356	1,695	2,034	1,002

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



Value Conclusions

Based on the analysis contained in the following report, our Fair Re-Use 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 (Assuming no CCDC cost reimbursements)	Fee Simple	September 7, 2021	Negative \$2,180,000
Fair Re-Use Value	Prospective To Date Of Acquisition (Assuming CCDC cost reimbursements)	Fee Simple	September 7, 2021	Negative \$935,000

Respectfully submitted,
 Valbridge Property Advisors | Mountain States

Jeff Vance, MAI
 Senior Appraiser
 Idaho, Certification # CGA-2828
 Certificate Expires 04/18/2022

G. Joseph Corlett, MAI, SRA
 Senior Managing Director
 Idaho, Certification # CGA-7
 Certificate Expires 03/11/2022



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Summary of Salient Facts

Property Name:	17th & Idaho Multifamily Re-Use Project (Proposed)
Property Identification:	
Address:	1707, 1715, and 1719 W. Idaho Street
City, State, Zip Code:	Boise, Ada County, Idaho 83702
Assessor Parcel No(s):	R5538941262, R5538941251, R5538941292
Property Ownership:	R5538941262: Urban Renewal Agency of the City of Boise Idaho R5538941251, R5538941292 pending sale to developer
Zoning:	R-3DD; Multifamily Residential w/ Downtown Design Review Overlay
FEMA Flood Zone/Map No:	Zone X; 160010277H
Site Size:	Total: 29,686 SF; 0.681 acres (CCDC parcel is 17,683 SF; 0.406 acres)
Improvements (Proposed):	
Property Type and Subtype:	Multifamily - apartments
Property Use:	Apartments
Gross Building Area:	37,866 SF
Rentable Building Area:	29,501 SF
Number of Units:	48 units
Density:	70 units per acre
Unit Size:	(21) studio units; (14) 1BR/1BA units; (13) 2BR/2BA units
Year Built:	To be 2021/2022 (completed by July 31, 2022)
Building Quality:	Very good
Condition:	New at completion
Extraordinary Assumptions:	Yes, see letter of transmittal
Hypothetical Conditions:	None
Highest and Best Use:	Not considered for a re-use appraisal
Purpose of Appraisal:	Provide an opinion of Fair Re-Use Value
Property Rights Appraised:	Fee Simple
Date of Inspection:	April 21, 2021
Date of Value(s):	September 7, 2021; prospective to date of property acquisition
Date of Report Preparation:	June 28, 2021
Valuation Indications & Concluded Value(s):	
Fair Re-Use Value	Negative \$2,180,000
(Assuming no CCDC cost reimbursements)	
Fair Re-Use Value	Negative \$935,000
(Assuming CCDC cost reimbursements)	

Site and Elevation Plans

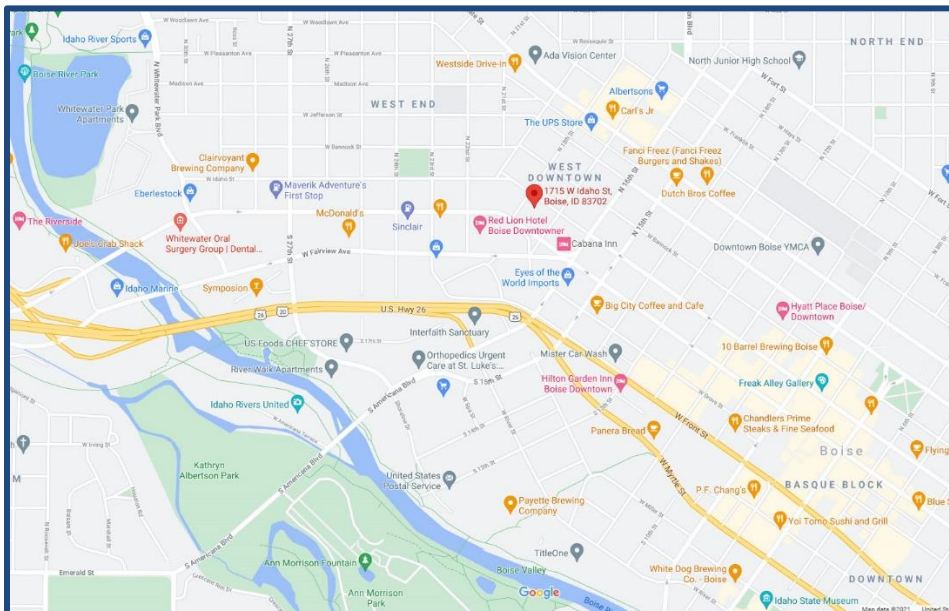
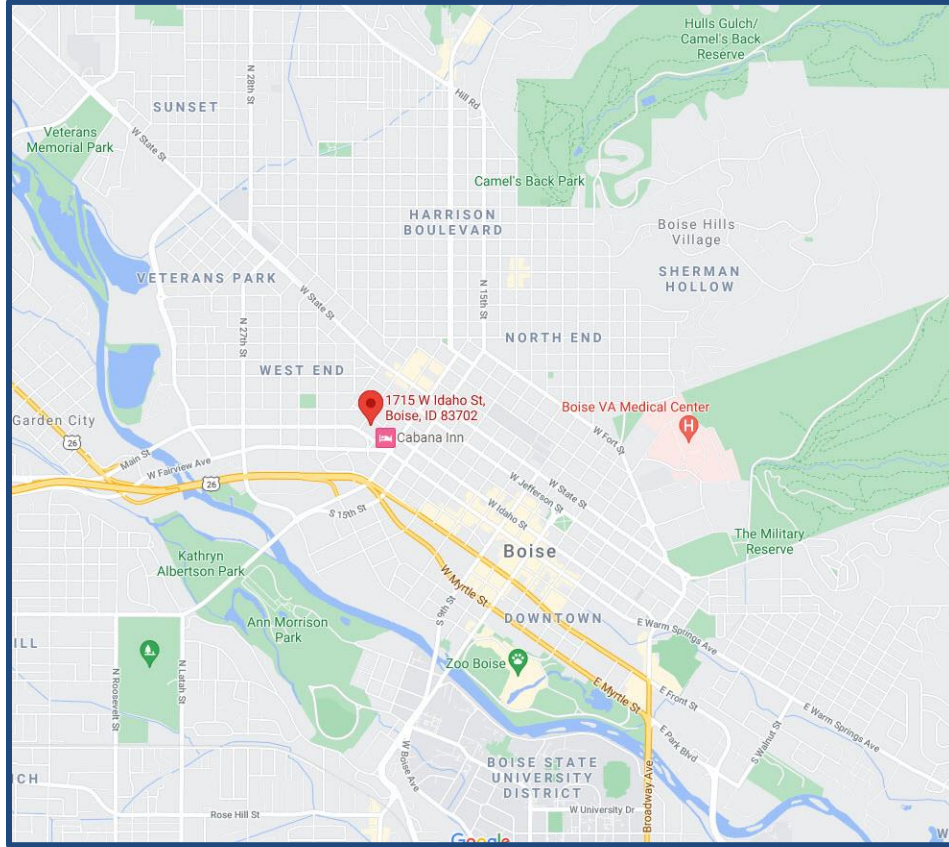
SITE PLAN



ELEVATION PLAN



Location Maps





Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Capital City Development Corporation (CCDC). 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. There are no other intended users of this report.

Intended Use of the Appraisal

The intended use of this appraisal is to provide a basis for negotiating a sale or transaction of the CCDC owned parcel (which is a portion of the larger site) between the CCDC and the developer based on the development proposal. There are no other intended uses of this report.

Real Estate Identification

The subject property is located at 1707, 1715, and 1719 W. Idaho Street, Boise, Ada County, Idaho 83702. The site is described by the Ada County Assessor as Assessor Parcel Numbers R5538941262 (CCDC parcel), R5538941251, and R5538941292. The property is located within the incorporated city limits of Boise.

Legal Description

The subject site is legally described as:

Lot 7, Block 11, Lots 8-10, Block 11 (Parcel 1 of ROS 11766), and Parcel A, Record of Survey 10349, Parcel Consolidation Record of Survey for Robin Cox, Boise, Ada County, Idaho

Use of Real Estate as of the Effective Date of Value

The subject of this appraisal is a proposed multifamily residential project located in downtown Boise. The building will be 3 stories and include 48 apartment units. The unit mix will consist of (21) studios, (14) 1 bed/1 bath units, and (13) 2 bed/ 2 bath units. The improvements will be of very good building quality/design, similar to other newer competing projects in the downtown market. The project will be subject to the workforce housing requirements and other CCDC stipulated restrictions.

Use of Real Estate as Reflected in this Appraisal

Same as above.

Ownership of the Property

Title to the CCDC parcel (R5538941262) is vested in Urban Renewal Agency of the City of Boise Idaho. Title to Parcel R5538941251 is vested in New Life Apostolic Church Inc. Title to Parcel R5538941292 is vested in Creamer Heating & Air Conditioning Inc.

History of the Property

In July 2020, the CCDC purchased parcel R5538941262 for a price of \$605,000. The subject had been listed for sale for around 1 month at a price of \$595,000. The seller, Cinco Port LLC, received multiple offers and the price was bid up to \$605,000. The transaction was arms-length and both the buyer and seller appear to have been typically motivated. The sale price was unaffected by any known special or



creative financing or sales concessions granted by anyone associated with the sale. No other known transactions of the subject properties have occurred during the past three years.

Listings/Offers/Contracts

Parcels R5538941251 and R5538941292 are under contract for purchase by the developer. The Purchase and Sale Agreements for the transactions were not provided in conjunction with this appraisal. None of the subject properties are currently listed for sale.

Type and Definition of Value

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 additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment, we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Property Rights Appraised	Effective Date of Value
Fair Re-Use Value	Fee Simple	September 7, 2021

The effective date of value is September 7, 2021, prospective to the date title of the property is projected to be transferred to the developer.

Date of Report

The date of this report is June 28, 2021, which is the same as the date of the letter of transmittal.

List of Items Requested but Not Provided

None



Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions

- 1) The project is proposed. The appraisal and its conclusions relied upon architectural drawings, construction cost estimates, and specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein.
- 2) The proposed construction timeline was confirmed with a representative of the developer. Transfer of title for the CCDC property is projected to occur in June or July 2021, but no later than September 7, 2021. September 7, 2021 is the prospective date of value in this appraisal. Construction is projected to begin thereafter and is anticipated to be complete by July 31, 2022. As presented in this report, we anticipate the subject to reach stabilized occupancy within 3 months of completion. The stabilization period inherently assumes current market fundamentals will continue during this period and demand will remain at minimum consistent with the past one to two years.
- 4) The project is proposed. The appraisal and its conclusions relied upon architectural drawings, construction cost estimates, and specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein.
- 5) The proposed construction timeline was confirmed with a representative of the developer. Transfer of title for the CCDC property is projected to occur in June or July 2021, but no later than September 7, 2021. September 7, 2021 is the prospective date of value in this appraisal. Construction is projected to begin thereafter and is anticipated to be complete by July 31, 2022. As presented in this report, we anticipate the subject to reach stabilized occupancy within 3 months of completion. The stabilization period inherently assumes current market fundamentals will continue during this period and demand will remain at minimum consistent with the past one to two years.
- 6) The project will be subject to the following workforce housing requirements and other CCDC stipulated restrictions:
 - 1 unit will be designated for households earning no more than 60% of the area median income (AMI) for a period of 8 years following the project's Certificate of Completion.
 - 15% or 8 units will be restricted to 100% AMI or less for a period of 30 years based on the City of Boise Code 11-06-03.4 (the Housing Bonus Ordinance).
 - According to the developer's submittal, units are proposed to serve households earning roughly 80% to 120% AMI, to average project rents at 100% AMI for eight years following project's Certificate of Completion. Based on the AMI income limits, the rental rate range for each of the subject unit types are presented in the following table.
 - The project's executed and recorded Affordability Covenant. Note, the Affordability Covenant has not been finalized. The developer is contemplating an additional studio unit to be designated for voucher-supplied households, which will earn between 60-120% (AMI). Per the developer's latest proforma, one studio unit is targeted for households earning 60% of the area median income (AMI).



Project: 1715 W. Idaho Street -- Housing Infill Development

Program and Location Information		HUD Published Income Limits for 2021 (with no adjustments)	
Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)	<input checked="" type="radio"/> Display Income Limits	<input type="radio"/> Hide Income Limits
Year	2021 (effective 04/01/21)		
State	ID		
County	Ada County		
MSA	Boise City, ID HUD Metro FMR Area		
Rent Calculation Based on	AMI		
Persons / Bedroom	1.5 Person / Bedroom		
4-person AMI	\$75,300		
National Non-Metropolitan Median Income	\$63,400		

Income Limits for 2021 (Based on 2021 AMI Income Limits)					
	Charts	60.00%	80.00%	100.00%	120.00%
1 Person	☞	31,620	42,160	52,700	63,240
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4 Person	☞	45,180	60,240	75,300	90,360
5 Person	☞	48,780	65,040	81,300	97,560
6 Person	☞	52,380	69,840	87,300	104,760
7 Person	☞	56,040	74,720	93,400	112,080
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11 Person	☞	70,500	94,000	117,500	141,000
12 Person	☞	74,100	98,800	123,500	148,200

Rent Limits for 2021 (Based on 2021 AMI Income Limits)						
Bedrooms (People)	Charts	60.00%	80.00%	100.00%	120.00%	FMR
Efficiency (1.0)	☞	790	1,054	1,317	1,581	683
1 Bedroom (1.5)	☞	846	1,129	1,411	1,693	801
2 Bedrooms (3.0)	☞	1,017	1,356	1,695	2,034	1,002

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



Scope of Work

The elements addressed in the Scope of Work are (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, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via city, county, and public records.
- Economic Characteristics - Economic characteristics of the subject property were projected via comparison to properties with similar locational, physical, and financial characteristics.
- Physical Characteristics - The architectural drawings and specifications provided by the developer were relied upon for describing the proposed improvements.

Extent to Which the Property Was Inspected

The subject site was personally inspected by Jeff Vance, MAI, on April 21, 2021. This included viewing the property from several different angles and driving the neighborhood. Joe Corlett, MAI, SRA, performed a current site inspection of the subject.

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type.

Disclosure of Comparable Verification/Inspection

Idaho is a non-disclosure state. Essential information like grantor, grantee, sale price, and sale date from real estate transactions is not required to be listed in public record. Therefore, the appraiser must gather the key data details from parties involved who may have no incentive to cooperate. Often, appraisers are compelled to obtain information from secondary sources. The appraisers made reasonable attempts, within the scope of this work, to obtain all key information from seemingly reliable sources, but some data may not be completely accurate.

Valbridge Property Advisors – Mountain States maintains an extensive database containing sale, rent, capitalization rate, and expense comparables, as well as other pertinent market data. Unless otherwise noted, the comparables utilized herein were all verified personally by Jeff Vance, MAI, and/or another appraiser employed with VPA-MSA. Verification was made from various sources including purchase contracts, rent rolls, real estate brokers, property management companies, buyers, sellers, and landlords. The conformation source is noted for each comparable utilized herein. For improved properties in the local market, we have completed at minimum exterior inspections of the comparables; either in conjunction with this appraisal or as a part of previous appraisals of other properties. Interior inspections have been completed for some but not all of the local comparable properties.



Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in development.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Approaches Applied

All of these approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment, we appraised the subject considering the proposed re-use, relying on the income capitalization approach to value. Total development cost was then deducted from the estimate of market value resulting in a residual value prior to development, also termed Fair Re-Use Value. Development costs include selling costs, direct and indirect costs associated with construction and lease-up, and an allowance for developer profit (entrepreneurial incentive).

Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

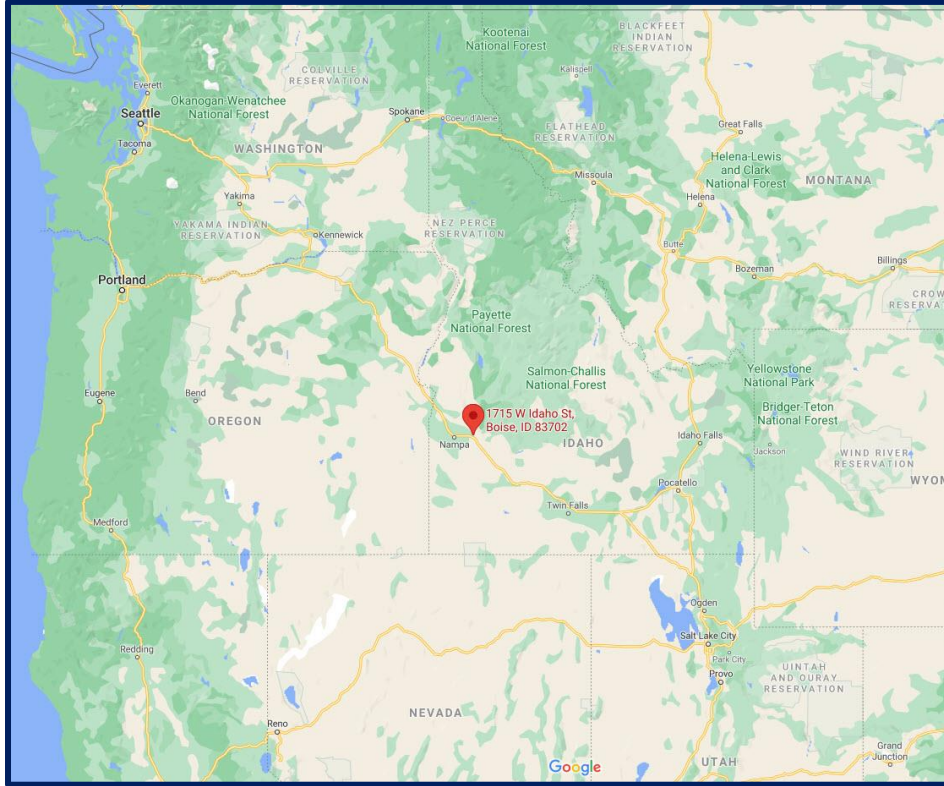
Appraisal Conformity and Report Type

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 Interagency Appraisal and Evaluation Guidelines; 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.

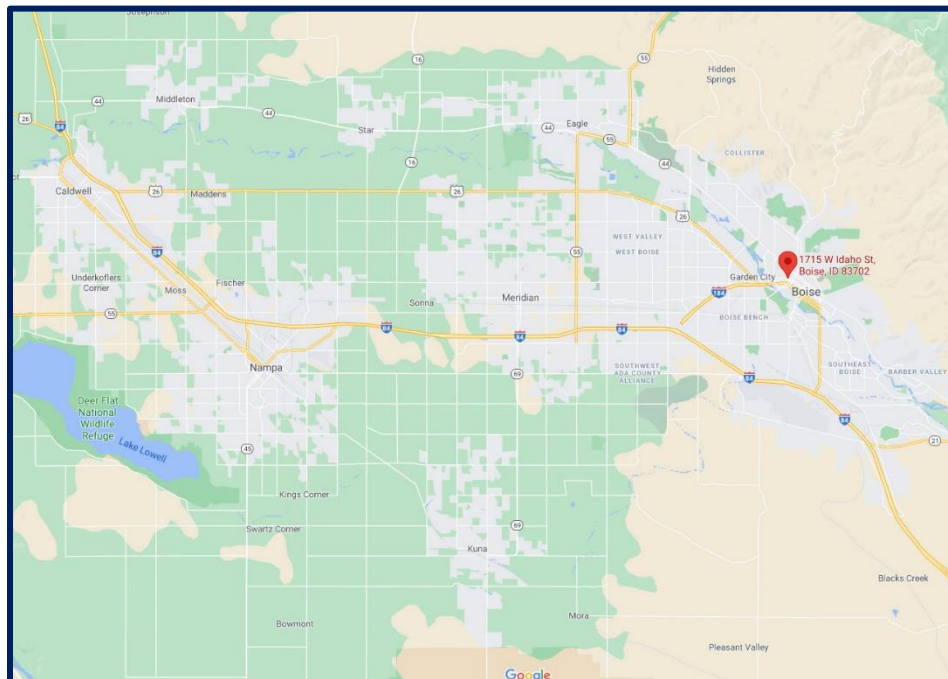


Regional and Neighborhood Description

REGIONAL MAP



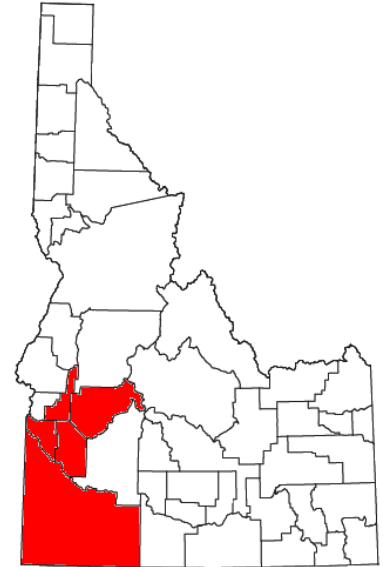
BOISE MSA MAP





Regional Overview

The subject's regional area is southwest Idaho, which is generally referred to as the Treasure Valley or the Boise-Nampa Metropolitan Statistical Area (Boise MSA). As defined by the U.S. Census Bureau, the Boise MSA consists of five counties (Ada, Boise, Canyon, Gem and Owyhee) as shown in adjacent exhibit. The Boise MSA is the state's largest metropolitan statistical area and includes Idaho's three largest cities – Boise, Meridian, and Nampa. Approximately 41% of Idaho's total population resides in the Treasure Valley with 95% of the metro area's population residing in Ada and Canyon counties.



The metro area is currently the 3rd largest in the Pacific Northwest after Seattle and Portland. The general area has been a popular relocation destination for new residents attracted to the outdoor lifestyle, low cost of living, the diversity of the economy and availability of employment.

Population

Population characteristics relative to the subject property are presented in the following table:

Population					
Area	2010	Estimated 2020	Annual % Change 2010 - 20	Projected 2025	Annual % Change 2020 - 25
United States	308,745,538	333,793,107	0.8%	346,021,282	0.7%
Idaho	1,567,582	1,856,821	1.7%	2,017,346	1.7%
Boise City, ID (MSA)	616,561	778,630	2.4%	867,359	2.2%
Ada County	392,365	502,689	2.5%	562,361	2.3%
Boise City	208,726	239,077	1.4%	261,080	1.8%

Source: ESRI (ArcGIS)

dpMarket Area Population

As shown, population growth has experienced an increasing trend during the past decade. Since 2010, population has been growing at an annual rate of 2.4% in the Boise MSA and 1.4% in Boise. This moderate to strong growth is project to continued moving forward.



Ada County Overview

Ada County is the state's most populated county with around 503,000 residents. Incorporated cities in Ada County include Boise, Meridian, Eagle, Garden City, Kuna, and Star. An overview of the cities follows:

Cities

Boise is the most populous city in Idaho with over 240,000 residents. It is the State Capitol and Ada County's seat of government. Located along the Boise River, Boise is the principal city in the Boise MSA, and is the largest city between Salt Lake City, Utah and Portland, Oregon. Boise is headquarters for a number of major corporations and serves as the primary government, economic, cultural, and education center for Southwest Idaho, Eastern Oregon, and Northern Nevada. Boise is continually recognized in numerous publications as one of the best places to live in the country.



Meridian is located adjacent west of Boise and is one of the state's fastest-growing cities. At over 117,000 residents, Meridian is now the 2nd largest city in the state. Because of Meridian's significant growth, the majority of residential neighborhoods in the city are relatively new. Over the past two decades, Meridian has become a center of retail and commercial development in southwest Idaho.

Eagle is located approximately 10 miles northwest of downtown Boise. The population of Eagle is 32,560 residents. Eagle has become one of the most desirable cities in the Treasure Valley because of its location near the Boise River, views of the Boise Foothills, and its upscale quality of residential and commercial developments.

Kuna is located approximately 7 miles south of Meridian. Once a small, rural farming community, Kuna is now one of the fastest growing communities in Idaho. From 2010 to 2020, the population in Kuna increased from 15,210 to 24,890, representing a 64% increase during this period. City officials expect the population to double during the next 10 to 15 years.

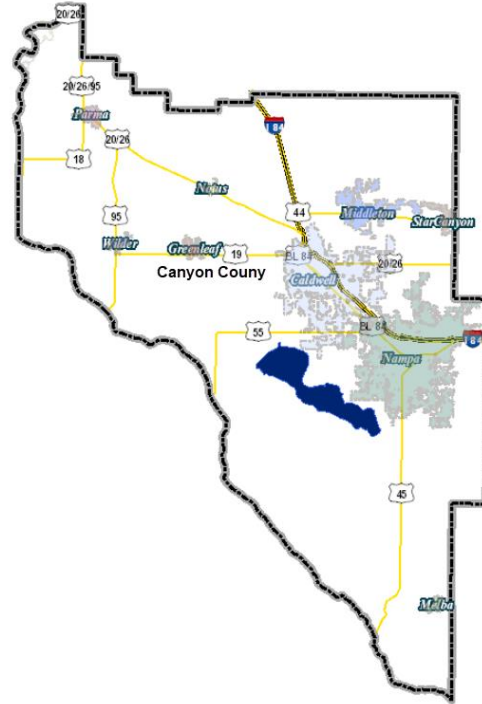
Garden City is located adjacent to Boise's downtown business core. Garden City is primarily developed with strip retail and service commercial uses along Chinden Boulevard and older residential subdivisions, mobile home parks, and older industrial buildings throughout the nonarterial streets. At 12,460 residents, population growth has been nominal during the past several years, because it is nearly fully built-up.

Star is located approximately 6 miles west of Eagle. Star has experienced strong growth during the past two decades and now has 11,860 residents. Because of good proximity to employment centers is nearby Boise, Meridian, and Eagle, Star has become a bedroom community to those cities with a significant number of commuters.



Canyon County Overview

Canyon County is located adjacent west of Ada County. At over 234,500 residents, Canyon County is the second most populous county in Idaho. Canyon County's economy is more agriculturally based and although it only ranks 39th (out of 44 Idaho counties in size), it produces 10% of the state's agricultural income. The county ranks 47th among 3,079 counties nationwide in agricultural production with approximately 84% of the land being used for this endeavor. As a product of the agricultural base, a number of agricultural manufacturing and processing businesses are headquartered in the county. Although Canyon County's economy has historically been agriculturally-oriented, it has become more urbanized over the past two decades as a result of strong population growth. The two largest cities in Canyon County are Nampa and Caldwell. Middleton, Greenleaf, Melba, Notus, Parma, and Wilder are smaller rural communities also located within Canyon County. An overview of the two largest cities follows:



Cities

Nampa is located approximately 25 miles west of Boise and 30 miles east of the Oregon state line. At over 106,500 residents, Nampa is the largest city in Canyon County and the 3rd largest in the state. Many residents commute to neighboring Ada County for work opportunities to benefit from lower overall housing prices and a more rural environment relative to Ada County.

Caldwell is located approximately 8 miles west of Nampa. At over 61,000 residents, Caldwell is the 2nd largest city in Canyon County. Caldwell's economy is largely agriculturally based. Caldwell is the county seat of Canyon County.



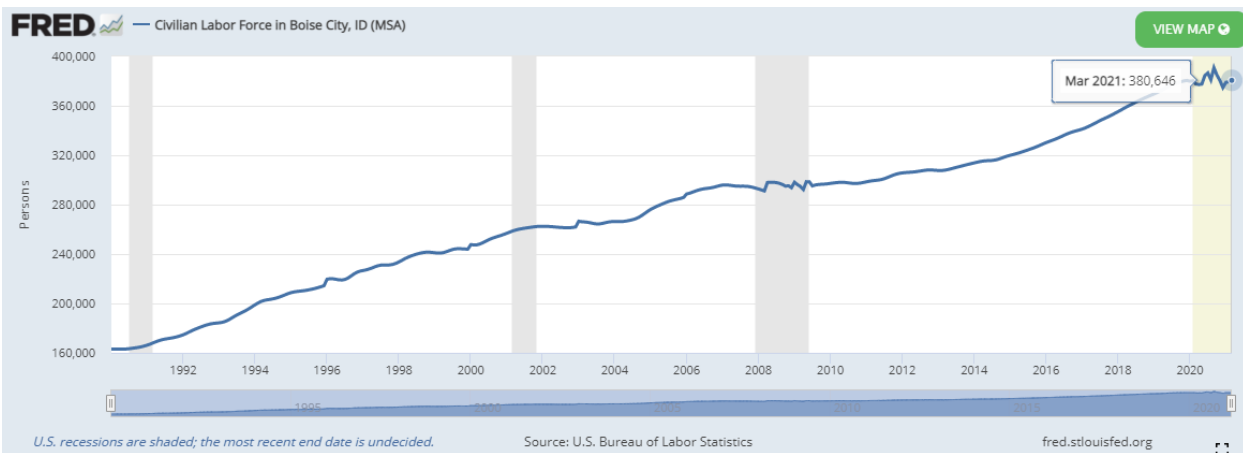
Comments on Impact of COVID-19

The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. On March 13, 2020, the State of Idaho issued an emergency declaration, which included a stay-at-home order through April 30, 2020. Pertaining to the business sector, only essential businesses are to remain open. Approximately 55% of businesses in Idaho are considered essential under the stay-at-home order. The national, regional, and local economy have been adversely impacted with significantly increasing unemployment that is actively being countered by government stimulus packages with the hopes of stabilizing the economy. The pandemic has created near-term uncertainty, but any long-term impact the pandemic may have on the local economy and real estate markets is unclear at this time. Sufficient transactional or market data has yet to become available to adequately measure future real estate market behavior relative to the pandemic. However, market participants do expect real estate markets to be negatively impacted to some degree. The duration of the pandemic is the major factor influencing the degree to which real estate may be impacted.

States around the county have begun to lift stay-at-home restrictions to "reopen" the economy from the shutdown. On April 23, 2020, the State of Idaho announced a 4-stage plan for opening up Idaho. Stage 4 guidelines went into effect June 13, 2020. 100% of Idaho businesses are allowed to reopen under the Stage 4 guidelines. As a result of a significant spike in COVID-19 cases, Stage 3 guidelines went back into effect for Ada County on June 24, 2020. "Modified" Stage 3 guidelines went into effect for all of Idaho on October 26, 2020, and then on November 13, 2020, "Modified" Stage 2 guidelines went into effect. As a result of a decline in cases, Idaho went back into Stage 3 guidelines on February 2, 2021, and as of May 11, 2021, Idaho is now in Stage 4. The document outlining the 4-stage guidelines is included in the Addenda section.

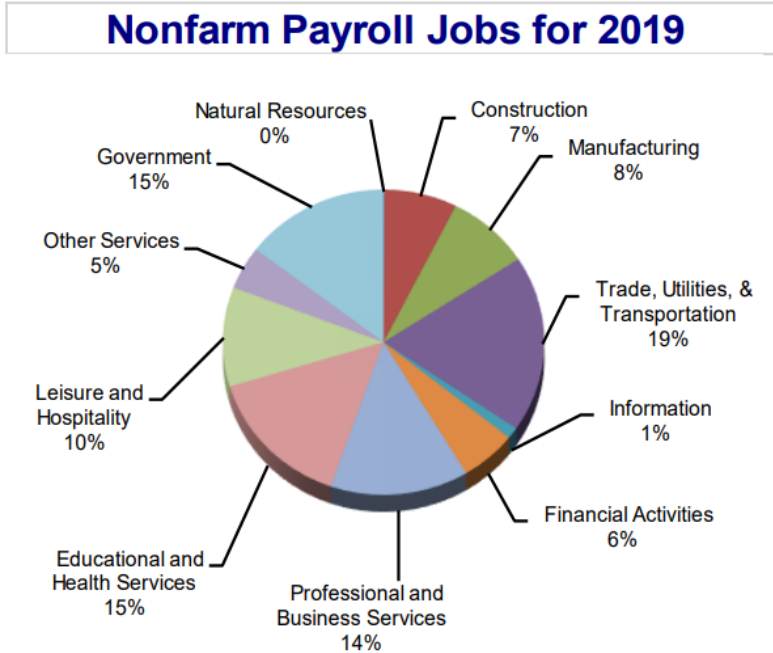
Employment – Boise MSA

Historical total employment trends for the Boise MSA are presented in the following table. Since bottoming out at around 292,000 during the great recession years of 2008 and 2009, total employment increased steadily to 384,007 as of February 2020, representing an increase of 31.5%. Due to the stay-at-home order issued on March 13, 2020, total employment declined to a low of 377,203 in April 2020. From June through September total employment increased as stay-at-home restrictions were being lifted. As of March 2021, total employment in the Boise MSA was 380,646.





Employment distribution for the Boise MSA as reported in the Idaho Department of Labor - Workforce Trends publication is presented following:



Major employers in the Boise MSA as identified by the Idaho Department of Labor are presented in the following table.

Employer	Ownership	Employee Range
St. Luke's Regional Medical Center	Private	5,000+
Micron Technology	Private	5,000+
St. Alphonsus Health System	Private	5,000+
Meridian Joint School District	Local Gov	2,500 - 4,999
Albertson's	Private	2,500 - 4,999
Boise School District	Local Gov	2,500 - 4,999
Boise State University	State Gov	2,500 - 4,999
Wal-mart	Private	2,500 - 4,999
City Of Boise	Local Gov	1,000 - 2,499
J. R. Simplot Company	Private	1,000 - 2,499

NOTE: Only employers that have given the Department permission to release employment range data are listed. Source: Idaho Department of Labor



Unemployment – Boise MSA

Historical unemployment trends for the Boise MSA are presented in the following table. From 1990 to 2008 unemployment rates in the Boise MSA were around 5%. With the onset of the great recession, unemployment rates increased significantly peaking at 10.6% in early 2010. Beginning in mid-2010, the economy began to recover, and unemployment rates exhibited a declining trend through early 2020. Unemployment rates were around 2.5% in mid-2019/early-2020. Due to the stay-at-home order issued on March 13, 2020, the unemployment rate increased significantly to 12.3%. Unemployment rates have since begun to decline as stay-at-home restrictions are being lifted in stages. As of March 2021, the unemployment rate in the Boise MSA was 3.8%.



Household Income Profile

Total household income statistics are presented in the following table. Median household income is lower in Boise versus greater Ada County, but similar to the Boise MSA.

Median Household Income			
Area	Estimated 2020	Projected 2025	Annual % Change 2020 - 25
United States	\$62,203	\$67,325	1.6%
Idaho	\$55,378	\$58,623	1.1%
Boise City, ID (MSA)	\$60,723	\$64,607	1.2%
Ada County	\$67,335	\$72,966	1.6%
Boise City	\$60,635	\$64,635	1.3%

Source: ESRI (ArcGIS)

dpMedian_Household_Income



Transportation

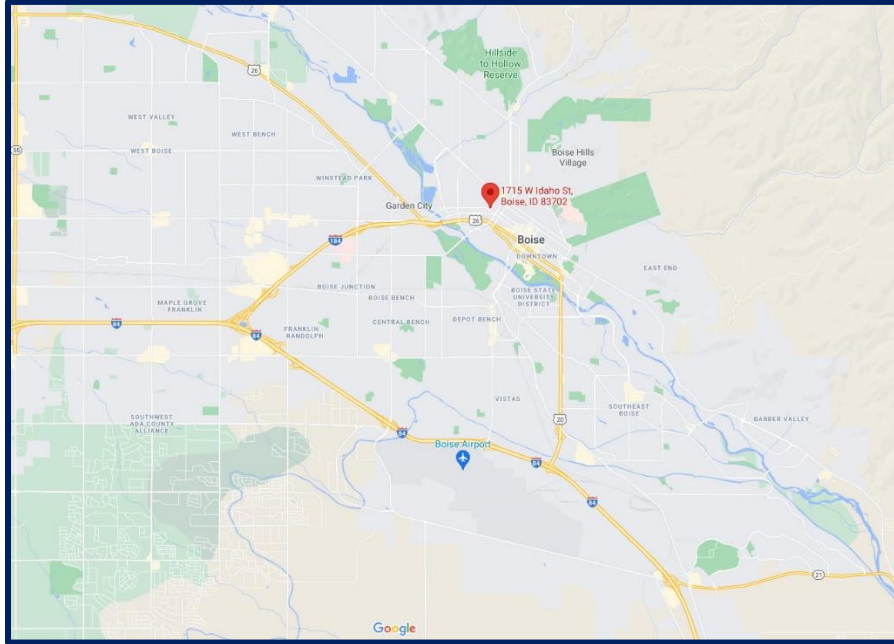
Primary ground transportation is via Interstate 84 that connects the area with Idaho Falls, Pocatello, and Salt Lake City, Utah to the southeast; and Portland, Oregon to the west. The Boise MSA is also served by several state and U.S. highways. The nearest major airport is the Boise Airport, located in southeast Boise.

Conclusions

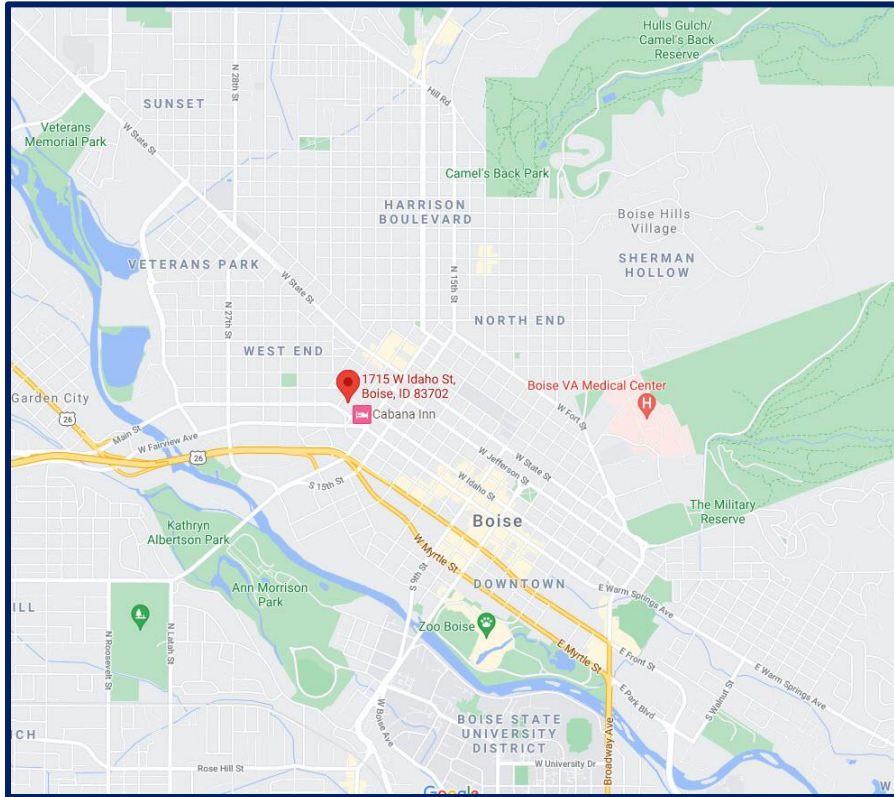
The Boise MSA serves as the governmental, economic, cultural center for Southwest Idaho, Eastern Oregon, and Northern Nevada. The Boise MSA is the 3rd largest in the Northwest, behind Seattle and Portland. The long-term economic outlook for the Boise MSA appears positive. Boise and surrounding neighboring communities are continually recognized by numerous publications as one of the best places to live in the country. Idaho was recently ranked #1 in the nation for job growth (U.S. Department of Labor), top performing economy (Bloomberg), and personal income growth (Idaho Department of Labor). Boise was recently named the fastest growing city in the U.S. (Forbes 2018) and named the #1 best place to live (Livability 2019). Population is expected to continue an increasing trend in the foreseeable future which will likely strengthen the demand for real estate long-term.

Neighborhood Analysis

CITY MAP



NEIGHBORHOOD MAP

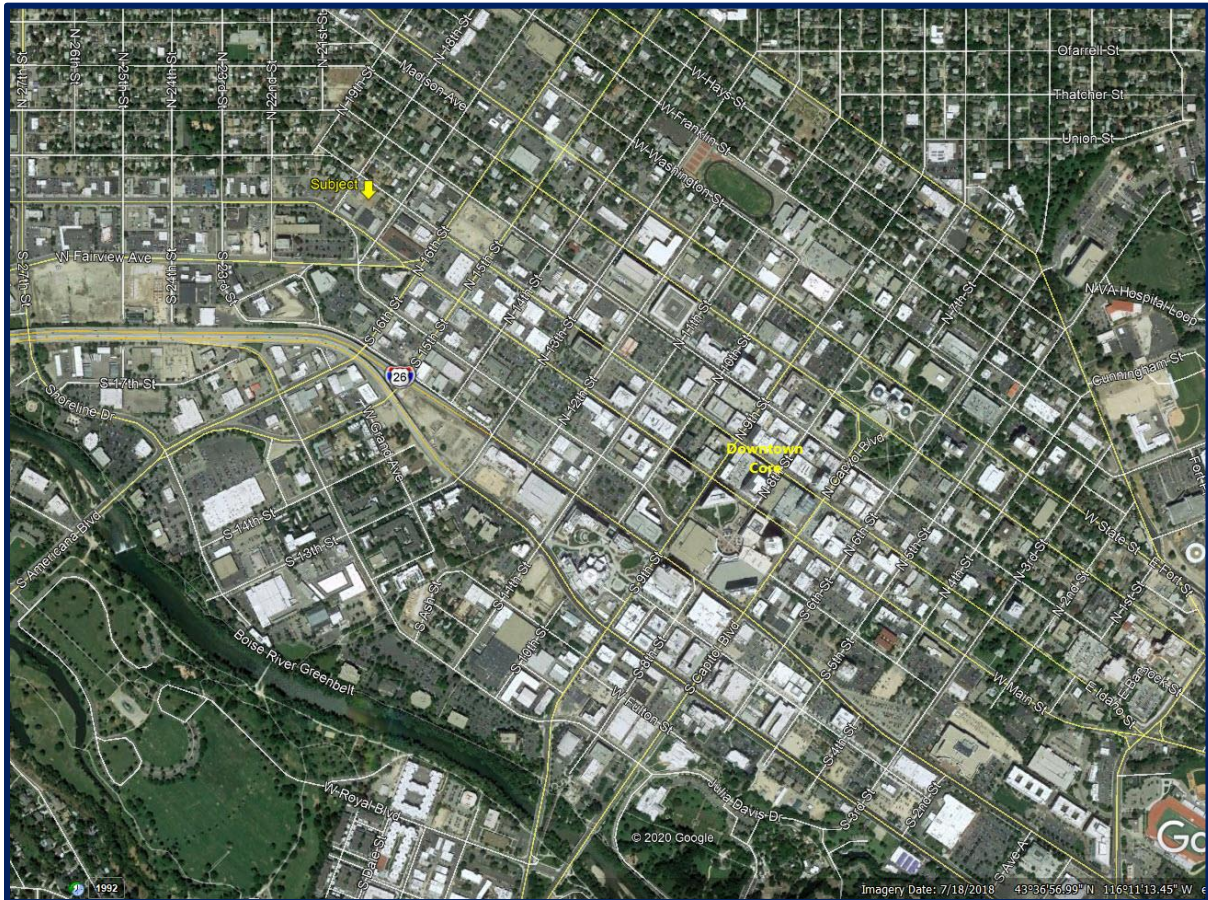




Overview

The neighborhood boundaries are reasonably defined by the major commercial real estate firms within the local market. Vacancy, absorption, and supply data is tracked for each submarket within Ada and Canyon Counties.

NEIGHBORHOOD AERIAL



Neighborhood Location and Boundaries

The subject is located in North Boise, adjacent west of the Downtown Boise or Central Business District (CBD) submarket. The Downtown Boise neighborhood boundaries are generally defined by the Boise River to the south, Broadway Avenue to the east, Hill Road and the Boise foothills to the north, and Americana Boulevard/N. 16th Street/N. Harrison Boulevard to the west. The subject is located one block west of N. 16th Street and is primarily influenced by the Downtown Boise neighborhood due to its downtown fringe location. Thus, the narrative description for the “Downtown Boise” neighborhood is included herein.



Demographics

The following table depicts the area demographics within a one, three, and five-mile radius from the subject.

Neighborhood Demographics			
Radius	1 Mile	3 Mile	5 Mile
Population Summary			
2010 Population	13,045	89,331	162,560
2020 Population Estimate	14,779	99,662	182,009
2025 Population Projection	16,007	107,987	197,264
Annual % Change (2020 - 2025)	1.6%	1.6%	1.6%
Housing Unit Summary			
2010 Housing Units	7,596	45,116	77,490
% Owner Occupied	31.7%	42.7%	51.7%
% Renter Occupied	57.2%	48.4%	40.2%
2020 Housing Units	8,950	51,080	87,673
% Owner Occupied	32.2%	43.2%	52.4%
% Renter Occupied	56.1%	48.2%	39.7%
2025 Housing Units	9,801	55,560	95,289
% Owner Occupied	31.6%	42.8%	52.2%
% Renter Occupied	56.7%	48.8%	40.2%
Annual % Change (2020 - 2025)	1.8%	1.7%	1.7%
Income Summary			
2020 Median Household Income Estimate	\$45,004	\$48,056	\$54,208
2025 Median Household Income Projection	\$50,138	\$51,278	\$56,979
Annual % Change	2.2%	1.3%	1.0%
2020 Per Capita Income Estimate	\$40,293	\$35,546	\$35,133
2025 Per Capita Income Projection	\$43,816	\$38,461	\$37,890
Annual % Change	1.7%	1.6%	1.5%
Source: ESRI (ArcGIS) (Lat: 43.6221727459806, Lon: -116.214055323349)			
dpNeighborhood_Demographics_Table			

Transportation Access

The nearest interstate access is from the Vista Avenue and Broadway Avenue/Interstate 84 Interchanges located approximately three miles south. The Interstate 1-84 "connector" is located approximately ½ mile west of the downtown core. The nearest major airport is the Boise Airport, located approximately 3.5 miles south.

Main Street, Idaho Street, and Front Street are major arterials extending through the downtown core. Capitol Boulevard is the major northbound arterial and 9th Street is the major southbound arterial through the downtown core. Myrtle Street is a major eastbound arterial located adjacent south of the downtown core. State Street is a major east-west arterial located adjacent north of the downtown core.



Neighborhood Land Use

The downtown core is nearly fully built-out, with very few vacant sites remaining. The neighborhood includes a mix of approximately 80% commercial, 15% residential, and 5% undeveloped land. The commercial uses are further delineated as 70% office, 20% retail, and 10% industrial. Downtown Boise is in a stage of growth/revitalization, based on typical lifecycle stages of growth, stabilization, decline, and revitalization. Properties include a mix of mid-and-high-rise office/mixed-use developments, hotels, retailers/restaurants, and special use properties such as the Boise Convention Center, Century Link Events Center, the Ada County Courthouse, and St. Luke's Regional Medical Center. Notable developments which have been constructed within the past 1-2 decades include the Banner Bank Building, City Side Lofts, Royal Plaza, The Jefferson, Aspen Lofts, and BoDo, a 500,000-square foot project featuring retail, restaurants, hotel, parking garage, and multiplex cinema.

Major Employment Centers

Boise is the state capitol of Idaho and the county seat with an abundant government employment in the neighborhood. Saint Luke's Regional Medical Hospital anchors the east end of the neighborhood and employs several thousand health care workers. Additionally, there are several jobs in the financial sector provided by banking institutions and other financial service providers.

Boise is the cultural hub of Treasure Valley and features 18 major cultural attractions, such as the Boise Art Museum, Zoo Boise, The Discover Center of Idaho and the recently renovated Egyptian Theater employing several hundred employees. Other employment includes retail with an estimated 230 retail stores and 80 restaurants/nightclubs.

Significant Recent Developments

There are several significant developments that have been recently completed or are currently under construction in downtown Boise. These include:

- 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.
- Trader Joe's, located at the corner of Capitol Boulevard and Front Street, was completed in early 2014.
- 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, located at 9th and Front Street adjacent to the JUMP project, was completed in 2017. 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% preleased (office 100% preleased).

- The OneNineteen Condominiums, located at the northwest corner of Grove Street and 10th Street, was completed in late 2016. The project is six-stories and includes 26 residential condominium units and two levels of garage parking.
- Phase One of Afton Condominiums, located at the northeast corner of River Street and 9th Street, is nearing completion. Phase One contains 28 residential condominium units and a parking garage. Construction of Phase Two is under construction and will contain 39 residential condominium units.
- Construction began in 2016 on two large scale hotels at the corner of Capitol Boulevard and Myrtle Street. The Inn at 500 Capitol is a six-story, 112-room boutique hotel; it was completed early 2017. The Residence Inn by Marriott is a 10-story, 186-room hotel; it was completed late October 2017.
- Another large scale hotel, Hyatt Place, located on Bannock Street between 10th Street and 11th Street, was completed in mid-2017. The hotel features 152 rooms.
- Four apartment complexes, located between Ann Morrison Park and S. Capitol Boulevard (across the Boise River), were completed in 2016. The complexes total 541 units and space for nearly 1,500 beds. The apartments are targeted for Boise State University students.
- The Fowler Apartments located at the corner of Myrtle Street and S. 5th Street, is new a 7-story, 159-unit, luxury apartment complex with main level commercial and two levels of garage parking. The project was completed in early 2018.
- The Watercooler Apartments, located at the corner of Idaho Street and S. 14th Street, was completed in mid-2017. The Watercooler Apartments is a 3-story, 37-unit, apartment complex with main level commercial.
- In spring 2017, Gardner Company 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, includes a recently completed an 827-space parking garage, a Panera Bread restaurant, and a 150-room Hilton Garden Inn hotel. A 5-story, 135,000 square foot office building is under construction. The office building was 50% preleased.
- The Gibson Apartments is a new 5-story, 81-unit apartment complex located at the corner of 5th Street and Idaho Street. Construction began in July 2017 and was completed in late 2018.
- Construction of a 546 stall, 6-story parking garage and integrated 138 room Hilton franchise Home2Suites Hotel began in mid-2019 at the northeast corner of 6th Street and Front Street. The project was completed at year-end 2020.
- Construction of a 10-story, 181,000 square foot office building is nearly complete at the northwest corner of 11th Street and Idaho Street. Construction on the \$40-\$45 million project was 0% pre-leased when construction began.
- The St. Luke's Regional Medical Downtown Boise Campus is undergoing a major expansion. A \$42 million, 100,000 square foot Children's Pavilion with underground parking was recently completed at the SEC of Jefferson Street and Avenue B. Additional proposed buildings include a new central plant and an addition to the main hospital building. According to Saint Luke's website, the investment will range from \$300 to \$400 million and occur over several years.
- River Caddis - Construction of an 8-story, 394-stall parking garage and integrated 174-unit luxury apartment complex is under construction at the NEC of 3rd Street and Myrtle Street. The parking garage will be located on levels 1-4; the apartments will be located on levels 5-8. Construction is projected to be complete in 2021.



- The Addison – Construction of a 5-story, 236-unit luxury apartment complex is under construction at 749 Park Boulevard adjacent to the Boise River. Construction is projected to be complete by mid-2021.
- 270 E. Myrtle Apartments - The 270 E. Myrtle Apartments is a mixed-use project under construction at the southeast corner of Myrtle Street and S. Ave A. The building will be 7-stories and include 243 luxury apartment units with main level commercial and garage parking spaces. Construction is anticipated to complete in 2021.
- Hearth Apartments (formerly Z by Cartee) is a mixed-use project under construction at the northeast corner of Myrtle Street and S. 3rd Street. The building will be 8-stories and include 163 luxury apartment units with main level commercial and 183 garage parking spaces. Construction is anticipated to complete in 2021.
- Thomas Logan, The Lucy, 5th St. office building – This is a mixed-use project under construction at the northeast corner of Grove Street and N. 5th Street. The project will include two mid-rise buildings with 164 luxury apartment units (50 rent-restricted) with retail and office. Construction is anticipated to complete in 2021.
- The Vanguard - This is a mixed-use building under construction at the northwest corner of Front Street and S. 6th Street. The building will be 8-stories and include 75 apartment units and one main level retail unit. Construction is anticipated to complete in fall 2021.
- 11th & Main - This is a mixed-use adaptive reuse of a portion of the Safari Inn at the corner of Main Street and N. 11th Street. The project includes converting existing hotel rooms into 41 apartments, primarily studio units with four one-bedroom units. Renovation includes updating the building's exterior. The main level is existing retail. Construction is anticipated to complete in 2021.
- Several other mid-and high-rise mixed-use projects are in the planning/approval stages to be developed in downtown Boise.



Conclusion

The subject location is rated good. It is located on the west fringe of downtown Boise. The subject benefits from its proximity to Boise's downtown core. Demand has been strong in the subject's immediate neighborhood during the past several years. Several significant commercial projects are currently under construction or planned for development in the downtown area, and renovation of older properties continues to be on-going.



Site Description

The characteristics of the site are summarized as follows:

Site Characteristics

Location:	1707, 1715, and 1719 W. Idaho Street, Boise
Gross Land Area:	29,986 SF; 0.681 acres (from ROS)
Usable Land Area:	29,986 SF; 0.681 acres
Usable Land %:	100%
Land Size Summary:	Land Size

<u>Parcel</u>	<u>Sq. Ft.</u>	<u>Acres</u>
R5538941262 (CCDC parcel)	17,683	0.406
R5538941251	6,095	0.140
R5538941292	<u>5,908</u>	<u>0.136</u>
Total land area	29,686	0.681

Shape:	Nearly rectangular; functional
Topography:	Generally level
Drainage:	Appears adequate
Grade:	At street grade
Utilities:	All typical utilities are available including public water and sewer, electricity, natural gas, and telephone service.
Off-Site Improvements:	Asphalt paved streets and concrete curbing and sidewalks.
Interior or Corner:	Secondary corner
Signalized Intersection:	No
Excess Land:	None
Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	W. Idaho Street	N. 18 th Street
Street Type:	Secondary arterial	Secondary arterial
Number of Curb Cuts:	None	None

Additional Access

Other:	Vehicular access will be from an alleyway extending along the south boundary between N. 17 th Street and N. 18 th Street.
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Flood Zone Data

Flood Map Panel/Number:	16001C0277H
Flood Map Date:	February 19, 2003
Flood Zone:	X
Description:	Zones B, C, and X are the areas outside the 1% annual chance floodplain, areas of 1% annual chance sheet flow flooding where average depths are less than one foot, areas of 1% annual chance stream flooding where the contributing drainage area is less than one square mile, or areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones. Source: FEMA
Site Area in Flood Zone:	0%

Other Site Conditions

Soil Type:	Subsoil and drainage appear adequate to support a multitude of improved uses.
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/Encroachments:	<p>The property is not subject to any known atypical easements or restrictions.</p> <p>A title report was provided in connection with this assignment. Based on this report and our own observations, no 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.</p>
Earthquake Zone:	The subject is located within Earthquake Zone 2B, considered a moderate zone with respect to seismic activity.

Adjacent Land Uses

North:	Single-family residential
South:	Commercial uses along W. Main Street
East:	Single-family residential
West:	Single-family residential



Zoning Designation

Zoning Jurisdiction: City of Boise

Zoning Classification: R-3DD; Multifamily Residential District with Downtown Design Review Overlay District

Permitted Uses: The R-3 zoning allows for high-density single-family and multi-family uses.

Zoning Definition:

- **R-3 (Multi-Family Residential):** Zone intended for higher density residential development in close proximity to retail, employment, transit, and other concentrated uses. Similar lot area and widths to the R-1C zone, but with up to 43.5 units allowed per acre and a maximum height of 45 feet.
- **DD (Downtown Design Review Overlay District):** Overlay which demands creative and high-quality urban design that is in compliance with the [Downtown Design Guidelines](#). Standards are meant to enhance downtown vitality by promoting compact, walkable development and high-quality design. Staff or committee approval is required for any exterior improvement, addition or new development. =

Comment: Per an affordable housing bonus density incentive, the subject is approved to be developed with 48 units, allowing the subject to be developed to a density of 70 units per acre.

As Is Condition

Improvements: The site is largely vacant and ready for development. An older dilapidated home is located on the easternmost parcel.

Site Improvements: Portions of the site are improved with older asphalt paving. The improvements are noncontributory and will be razed upon development.

Photographs of Subject: The photographs in the Addenda section provide additional clarification as to the "As Is" condition of the property.

Site Rating

Location: Good

Access: Average

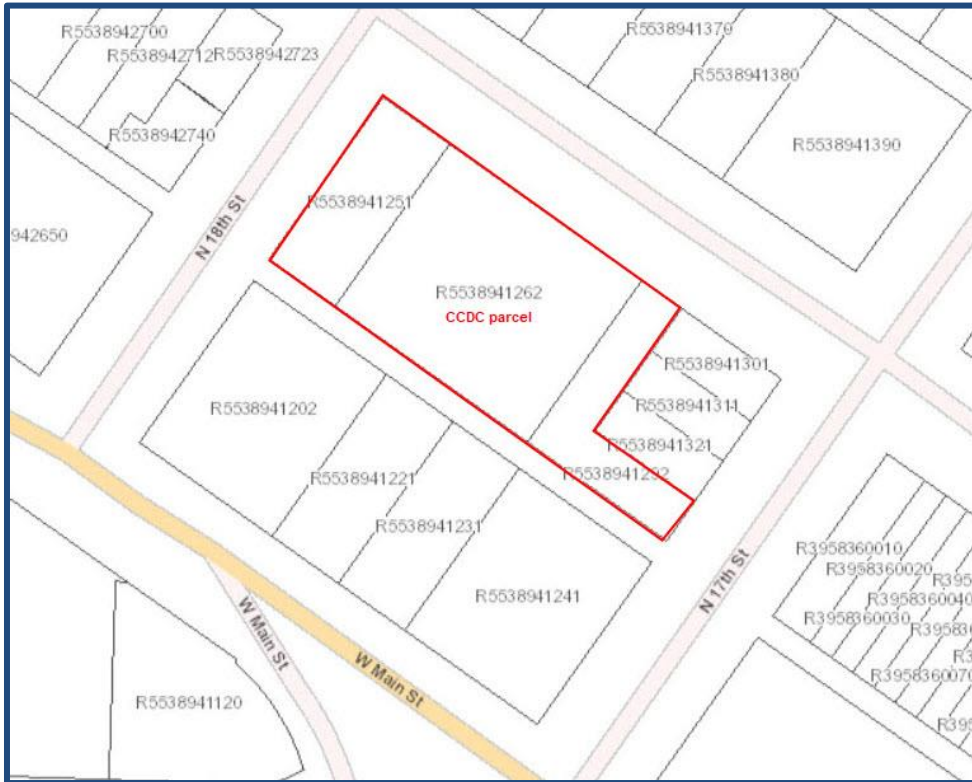
Exposure: Average

Functional Utility: Average

Overall Site: Average-good



PARCEL MAP






RECORD OF SURVEY - NO. 11766

RECORD OF SURVEY FOR PARCEL CONSOLIDATION 1709-15 WEST IDAHO, LLC. LOTS 8, 9 & 10 BLOCK 11, McCARTY'S 2ND ADDITION TO BOISE LYING IN A PORTION OF THE SE 1/4 OF SECTION 4, TOWNSHIP 3 NORTH, RANGE 2 EAST, B.M., BOISE, ADA COUNTY, IDAHO 2019.

RECORD OF SURVEY- NO. 10349

PARCEL CONSOLIDATION RECORD OF SURVEY FOR ROBIN COX PORTIONS OF LOTS 10, 11 AND 12, BLK. 11, McCARTY'S 2ND ADDITION TO BOISE, LYING IN THE SE 1/4 SECTION 4, T.3N., R.2E., B.M., BOISE, ADA COUNTY, IDAHO

FLOOD MAP



RiskMeter

The closest match to 1715 W Idaho Street, Boise, ID is 1715 W IDAHO ST BOISE, ID 83702-5128


1715 W IDAHO ST BOISE, ID 83702-5128

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: OUT

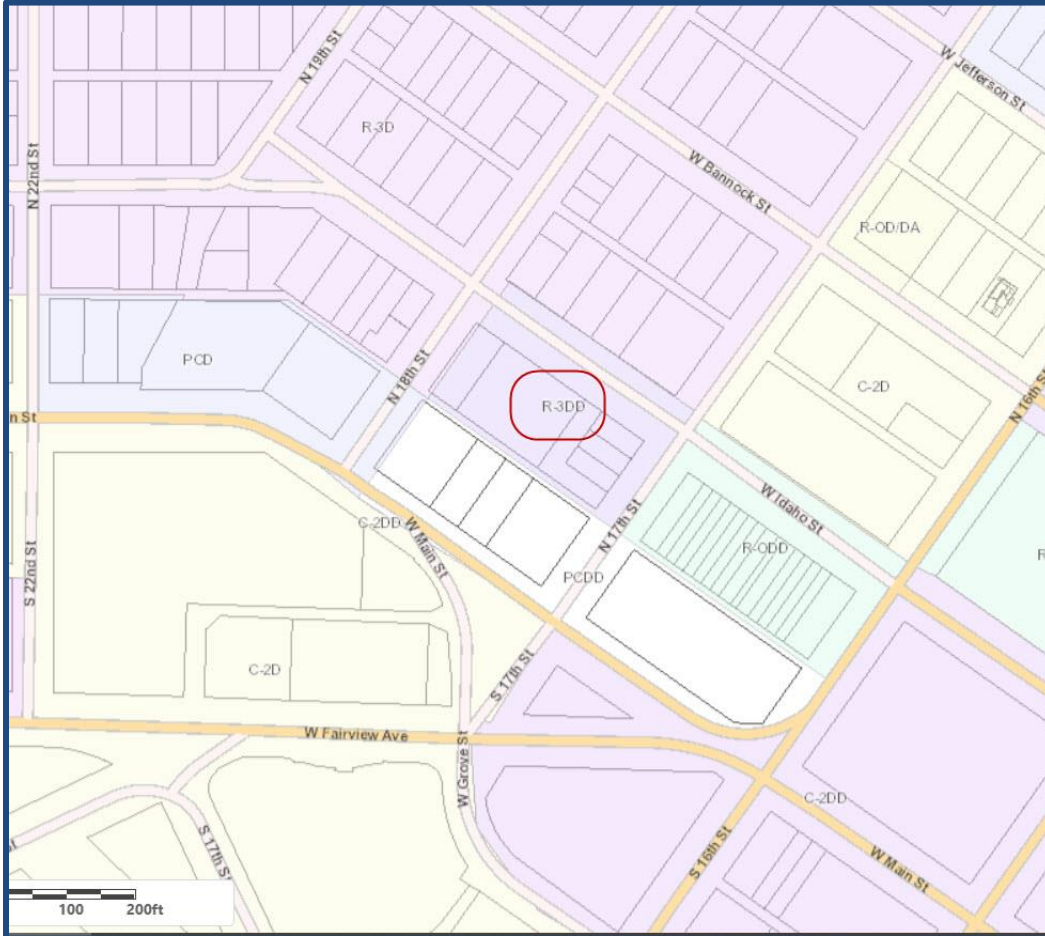
PANEL DATE	February 19, 2003	MAP NUMBER	160010277H
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- X500 or B Zone
- A Zone
- V Zone
- D Zone
- Floodway
- CBRA



ZONING MAP





Improvements Description

Characteristics of the improvements are summarized as follows:

Improvement Characteristics

Property Type:	Apartments
Property Subtype:	Interior corridor walk-up; flats
Occupancy Type:	Tenant occupied
Tenancy:	Multitenant
Number of Units:	48
Number of Buildings:	1
Number of Stories:	3
Basement or Mezzanine:	None
Construction Class:	Class D per Marshall Valuation Service
Construction Quality/Design:	Very good
Gross Building Area (GBA):	37,866 SF (per building plans)
Net Rentable Area (NRA):	29,501 SF (per floor plans and/or developer)
Unit Mix:	Unit Summary

<u>Unit</u>	<u># Units</u>	<u>Size (SF)</u>	<u>RBA</u>
Studio	21	465	9,765
1BR/1BA - small	6	565	3,390
1BR/1BA - large	8	625	5,000
2BR/2BA - small	5	794	3,970
2BR/2BA - large	8	922	7,376
Total/Average	48	615	29,501

<u>Unit Mix</u>	<u># Units</u>	<u>% Mix</u>
Studio	21	44%
1BR/1BA	14	29%
2BR/2BA	13	27%
Total	48	100%

Note, the unit mix was changed prior to completion of this appraisal. The latest development plan calls for 21 studios (versus 19) and 14 1BR/1BA units (versus 16), with the unit sizes changing slightly. New floor plans were not provided, but the latest concept will be similar.

Ratios & Parking

Land-to-Building Ratio:	0.78:1 (Usable Land/GBA)
Floor Area Ratio (FAR):	1.3:1 (based on GBA)
Density:	70 units/acre
Parking District:	P-3



Parking Spaces: 39 total; 26 spaces on-site, 13 spaces off-site (parallel on-street)
 Parking Ratio: 0.81 spaces per unit
 Comment: Parking will be available on a first come, first serve basis at no additional charge above base rent.

Age / Life

Year Built: 2021/2022 (to be completed by August 31, 2022)
 Condition: New at completion
 Actual Age: 0 years
 Effective Age: 0 years
 Typical Building Life: 65 years
 Remaining Economic Life: 65 years

Structural Characteristics

Foundation: Concrete
 Building Frame: Wood frame
 Exterior Walls: Brick veneer, cement fiber siding, and metal panels
 Roof Type / Material: Wood joist with TPO (white rubber membrane) roof cover

Interior Characteristics

Floors: Premium carpet in bedrooms, luxury vinyl plank in kitchen and living areas, and luxury vinyl tile in bathrooms
 Walls: Painted and textured gypsum board
 Ceiling: Painted and textured gypsum board; 9-10' standard height
 Lighting: LED
 Windows: Double-pane glass slider in vinyl frames with screens

Unit Amenities/Features

Interior Layout: The units feature a living room and dining area open to the kitchen, 0, 1, or 2 bedrooms, 1 to 2 bathrooms, and utility room/closet.
 Appliances: Higher-end appliance package with stainless steel refrigerator, oven/range with hood vent and microwave, dishwasher, garbage disposal, and washer and dryer set.
 Patio/Balcony: Two 3rd floor units will have a balcony.
 Gas/Electricity: Separately metered, tenants to pay directly
 Other Utilities: Ratio utility billing systems (RUBS) - The tenants will reimburse the landlord for water, sewer, and trash services on a monthly basis for their pro-rata share.
 Special Features: The units feature a modern design with quartz or granite countertops and tile backsplashes, wood cabinetry, wood or vinyl



blinds, and high-grade insulation and sound conditioning. The building is to be constructed with high-efficiency systems/materials and is targeted for LEED certification.

Mechanical Systems

Electrical:	Typical electrical service; assumed adequate
Plumbing:	Typical system and upgraded fixtures; assumed adequate
Heating/Air Conditioning:	Gas forced air and electric air conditioning
Fire Protection/Sprinklers:	Wet sprinkler system, smoke detectors, fire alarms
Number of Elevators:	None

Common Amenities

Common Amenities:	Common amenities include a bike storage room and a small courtyard.
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Site Improvements

Site Improvements:	Concrete sidewalks and asphalt paved parking
Landscaping:	Sprinkler irrigated landscaping

Legal, Conforming Status

Legally Permitted Use:	Yes, fully approved as proposed
Conforms to Parking:	Yes; parking meets zoning requirements and market expectations

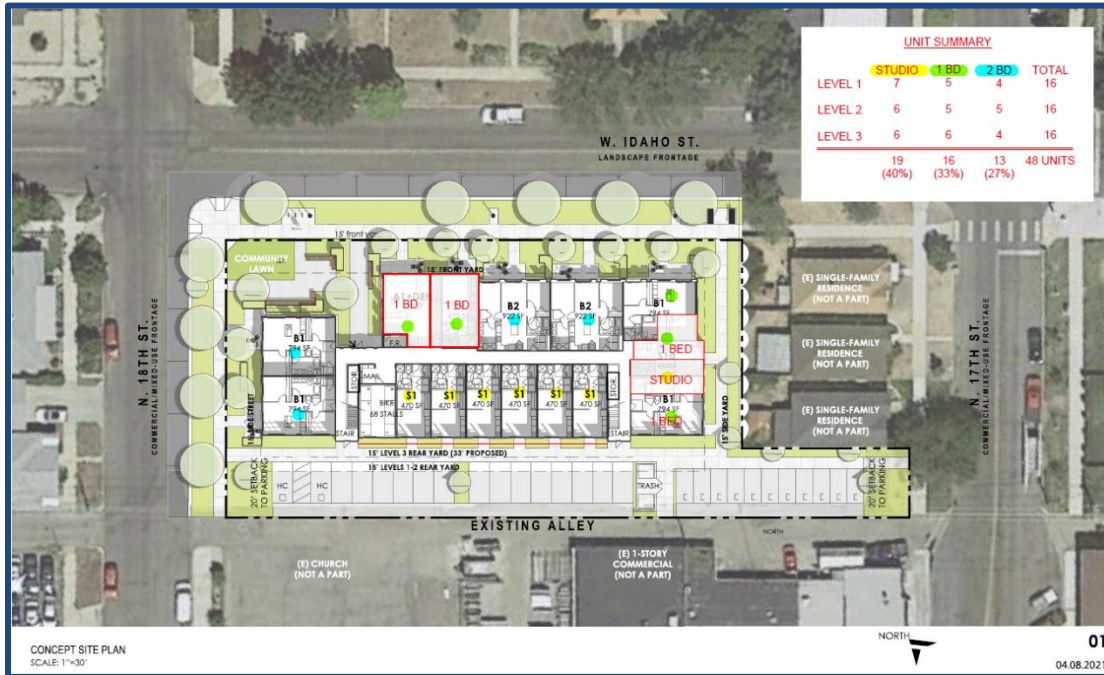
Improvements Rating

Quality/Design:	Very good
Age/Condition:	New at completion
Functional Utility:	Good; the overall design is similar to other new, mid-rise, urban, apartment projects in the downtown market; no functional inadequacies or superadequacies noted.
Deferred Maintenance:	None
Overall Rating:	Very good

CONCEPTUAL DRAWINGS



SITE/FLOOR PLAN – LEVEL 1



SITE/FLOOR PLAN – LEVEL 2



SITE/FLOOR PLAN – LEVEL 3



Unit mix comment: The unit mix was changed prior to completion of this appraisal. The latest development plan calls for 21 studios (versus 19) and 14 1BR/1BA units (versus 16), with the unit sizes changing slightly. New floor plans were not provided, but the latest concept will be similar.



Assessment & Tax Data

Projected Assessed Value and Property Taxes – Upon Stabilization

The subject's projected stabilized assessed value was based on assessment comparables of newer competing apartment/mixed-use projects in the downtown area market. The assessment comparables are presented in the following table.

2020 Assessment Comparables

<u>Property</u>	<u>Address</u>	<u>Built</u>	Assessor's No. of <u>Units</u>	2020 Total <u>Assessment</u>	Total Assess. <u>Per Unit</u>
Gibson	505 W. Idaho St., Boise	2019	84	\$19,700,000	\$234,524
The District at Parkcenter	501 E. Parkcenter Blvd., Boise	2017	287	\$47,464,500	\$165,382
Fowler Apartments	505 W. Broad St., Boise	2017	159	\$37,000,000	\$232,704
Watercooler Apartments	1401 W. Idaho St., Boise	2017	37	\$8,297,700	\$224,262
951 Front	951 E. Front St., Boise	2015	61	\$11,821,800	\$193,800
Ash & River Townhomes	503 Ash St., Boise	2019	34	\$7,995,300	<u>\$235,156</u>
				Minimum	\$165,382
				Average	\$214,305
				Maximum	\$235,156

The comparables exhibit assessed values ranging from \$165,382 to \$235,156 per unit, with an average of \$214,305 per unit. Considering the subject's location, building quality/design, average unit size, and new condition at completion, the assessed value for the subject is projected near the mid-tier of the range at \$210,000 per unit. Projected real estate taxes were based on the 2020 levy rate of 1.1872565% which is anticipated to be similar near term. The projected assessment and real estate taxes for the subject at stabilization are summarized in the following table.

Projected Assessed Value and Property Tax Estimate

<u>Assessed Value/Unit</u>	<u>Total Assessed Value</u>	<u># Units</u>	<u>Levy Rate</u>	<u>Projected Taxes</u>
\$210,000	\$10,080,000	48	1.1872565%	\$119,675



Market Analysis

Introduction

In this section, market conditions which influence the subject property are analyzed. The major factors requiring analysis are the supply and demand conditions in the subject market and submarket for multi-family development. To analyze supply and demand, the following sources were relied upon in presenting the data and developing the conclusions herein:

- COMPASS 2019 Performance Monitoring Report
- Ada County Apartment Area Survey (ARES)
- Interviews with local property managers, owners
- Cities of Boise and Meridian Planning/Building Departments
- Site To Do Business (www.stdb.com)
- U.S. Census Bureau

The analysis begins with a discussion of the impact of the coronavirus.

Impact of Coronavirus

To date, no market indications of a slow-down or reversal in rental, vacancy, or capitalization rates are apparent. Managers of complexes catering to lower-income tenants have occasionally offered temporary abatement on a case-by-case basis during the lockdown, but predominantly rent increases during the past 12-15 months have accelerated. Boise has been a popular destination for Americans moving from neighboring states with comparatively higher costs of living. Indications are the Covid 19 pandemic has accelerated that trend as Idaho remaining relatively open by comparison to coastal states. Consequently, the area has experienced a housing shortage in both rentals and homes for sale during that time characterized by very low vacancy, low inventory, increasing home prices, and significant development throughout the Boise MSA by local and regional investors.

To better gauge near-term market behavior, several market participants were interviewed regarding how the pandemic may affect the local real estate market, and specifically the apartment market. Some of the more consistent comments and direct quotes from market participants are summarized as follows:

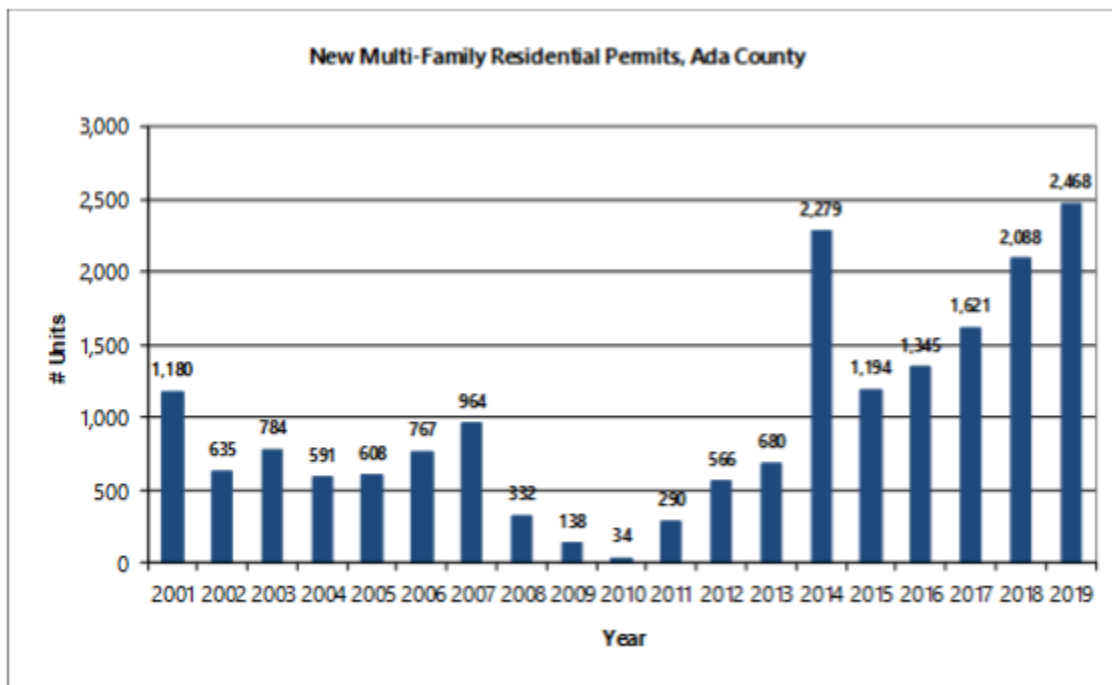
- Regarding transactions, buyers were being cautious initially. Many stated deals in the commercial sector that were pending to close since March 2020 did close or were closed following a slight delay. Multifamily conversely has shown no signs of a slowdown. Pricing remains aggressive for apartment projects. Investor interest in the region appears to remain strong, and there are few properties available for sale.
- Thus far, the impact on vacancy in the Boise MSA market has been nominal. New lease signings initially slowed due to the “stay-at-home” order, but absorption has recently increased. Occupancies remain strong and rent levels have yet to be negatively impacted. In fact, rents have continued to increase in newer projects at stabilized occupancy. Vacancies remain at historic lows in competing projects. Tenants requesting rent abatements have not been prevalent, and landlords are not offering concessions.



- According to the CEO of Home River, Andrew Propst, a national residential property management company, which manages over 6,000 residential units in southern Idaho, leasing and rent collection have remained strong in Idaho. Collections have been down in other states, but for the majority of markets, including Idaho, rent collections have been within 3% to 5% pre-pandemic levels. Through the pandemic to-date no rent decreases have been observed. Rather, consistent rent increases have continued.
- There is no concrete evidence in price declines. Rather, an upward trend is apparent characterized by declining capitalization rates and higher sale prices per unit, although sales are not abundant.
- Long-term effects on commercial real estate and multifamily development will depend largely on how long the pandemic lasts. A positive is that the economy and real estate markets were strong prior to the pandemic. Another positive is the fact the Boise MSA has been one of the fastest growing areas in the country during the past decade or so. Market participants believe the pandemic will fuel continued strong population growth for areas like Boise. More and more people can work remote resulting in an increasing trend of people moving from large cities to cities like Boise.

Supply

Existing Supply – The current supply of rental apartments in Ada County is estimated at approximately 36,000, derived from U.S. Census data with interim tracking by Mountain States Appraisal, COMPASS (Community Planning Association of Southwest Idaho) and other sources. Ada County has experienced significant growth over the past ±15 years. Commensurate with this growth, the supply of multifamily units has increased at a moderate rate.





Based on multifamily building permit data reported by COMPASS in the 2019 *Development Monitoring Report (2020 data not yet available)*, the number of multifamily building permits issued in Ada County ranged from 591 to 1,180 per year between 2001 and 2007. Due to the recession and slowdown in construction, the number of permits significantly declined in 2008, and bottomed out in 2010 at 34 permits. As a result of stabilizing to improving market conditions, the trend reversed itself beginning in 2011, and peaked at 2,279 in 2014. Although Year 2015 experienced a decline to 1,194, it was the second highest since 2001 at the time. Between 2016 and 2019, the number of permits has exhibited an upward trend at an increasing rate, with annual increases ranging from 13% to 29%.

Based on the appraisers' research, at least 9,025 new units have been built in Ada County since 2012. Approximately 46% (\pm 4,141 units) have been built in Meridian. Meridian is the 2nd largest city in Ada County and one of the fastest growing in the state and nation. Due to the built-out nature and/or growth patterns/trends, Boise and has experienced a lower rate of growth. The projects are summarized in the following table:



Ada County New Supply Additions (Since 2012)				
Project Name	City	Type	Year Built	# Units
Southridge Apartments (partially complete)	Meridian	Conventional	2020	36
Indigo Apartments (partially complete)	Meridian	Conventional	2020	72
Clover Leaf	Boise	Conventional	2020	96
Village East	Boise	Conventional	2020	88
Harper Ridge	Meridian	Conventional	2019-2020	124
The Villas at 12 Oaks	Meridian	Conventional	2019-2020	106
Brickyard	Meridian	Conventional	2019-2020	215
Maddyn Village	Meridian	Conventional	2019	48
The Enclave (formerly Little Creek)	Meridian	Conventional	2019	204
4 -Plexes	Kuna	Conventional	2019	52
Sunbeam Townhomes	Kuna	Conventional	2019	44
The Lofts at Ten Mile	Meridian	Conventional	2019	240
Warm Springs Apartments	SE Boise	Conventional	2019	42
River District Townhomes	Eagle	Conventional	2019	63
Skyline	Boise	Conventional	2019	192
Adare Manor	Boise	LIHTC	2019	134
The Lakes at Eagle	Eagle	Conventional	2019	250
The Gibson	Boise	Conventional	2019	84
Whistle Stop Townhomes	Meridian	Conventional	2019	64
Regency at River Valley, Phase 2	Meridian	Conventional	2019	96
Prelude at Paramount	Meridian	Conventional	2018-2019	280
Crimson Point Villas	Kuna	Conventional	2018-2019	154
Easton Village	Boise	Conventional	2018-2019	144
Central Park Commons	Meridian	Conventional	2018-2019	180
The Franklin @ Ten Mile, Phase 2	Meridian	Conventional	2018	108
Starpoint at Linder	Meridian	Conventional	2018	64
New Path Community Housing	Boise	LIHTC	2018	41
Owyhee Park	Boise	Conventional	2018	52
Cimarron Apartments	Boise	Conventional	2018	80
Cottonwood Meadows	Eagle	LIHTC; senior	2018	48
Fowler Apartments	Boise	Conventional	2018	159
Kensington at North Pointe	Boise	Conventional	2017-2018	312
Marena Apartments	Boise	Conventional	2017-2018	36
Towne Pointe Crossing	Boise	Conventional	2017	24
Palisades Apartments	Boise	Conventional	2017	68
Bown Crossing	Boise	Conventional	2017	10
Arboretum at Barber Station	Boise	Conventional	2017	162
Havenwood at Columbia Village	Boise	Conventional	2017	48
Cimarron	Boise	Conventional	2017	80
The Watercooler	Boise	Conventional	2017	37
Parkway Station	Garden City	Conventional	2017	20
Legacy at 50th Street	Garden City	Conventional	2017	108
Stone's Throw Townhomes, Phase 1	Meridian	Conventional	2017	140
Shallow Creek	Meridian	Conventional	2017	64
Art Court	Kuna	Conventional	2017	24
Merlin Point	Kuna	Conventional	2018	54
The Franklin @ Ten Mile, Phases 1-2	Meridian	Conventional	2016-2017	260
Verasso Village	Meridian	Conventional	2016-2018	96
Fallingbrook Townhomes, Phase 2	Boise	Conventional	2016	28
Gatehouse Apartments	Boise	Conventional	2016	22
The District at Parkcenter	Boise	Conventional	2016	287
Vineyards at Eagle Promenade	Eagle	LIHTC; senior	2016	30
Centre Pointe 4-Plexes	Meridian	Conventional	2016	80
High Point on Overland	Meridian	Conventional	2016	190
Aberdeen 4-Plexes	Boise	Conventional	2015-2017	192
Cantabria	Boise	Conventional	2015	88
Owyhee Plaza	Boise	Conventional	2015	36
The 951 Front	Boise	Conventional	2015	68
The Retreat at Silver Cloud	Boise	Conventional	2015	180
LaPointe (student housing)	Boise	Conventional	2015	131
Vista East/Vista West (student housing)	Boise	Conventional	2015	236
River's Edge (student housing)	Boise	Conventional	2015	175
Eagle River Luxury Living	Eagle	Conventional	2015	80
Trailwinds	Garden City	LIHTC; family	2015	64
Heron Village	Meridian	Conventional	2015	108
Linder Springs	Meridian	Conventional	2015	96
Red Tail	Meridian	Conventional	2015	220
Sawtooth Village (4-plexes)	Meridian	Conventional	2015	88
Westborough Square, Phase 1	Meridian	Conventional	2015	40
The Fields at Gramercy	Meridian	Conventional	2015	276
Touchstone Place (4-Plexes)	Meridian	Conventional	2015	64
Cordillera	Boise	Conventional	2014	90
Depot Lofts	Boise	Conventional	2014	24
Settler's Village	Meridian	Conventional	2014	36
Rushmore	Meridian	Conventional	2014	24
Owyhee Flats	Boise	Conventional	2014	36
The Retreat at Union Square, Phases 1 & 2	Boise	Conventional	2013-2014	208
Twone Point Crossing	Meridian	Conventional	2013-2014	24
Regency at River Valley	Meridian	Conventional	2013-2014	240
Rock Creek, Phase 2 (4-Plexes)	Meridian	Conventional	2013	56
Gramercy Villas, Phases 1 & 2	Meridian	Conventional	2012 & 2014	66
12th & River	Boise	HUD/LIHTC; senior	2012	53
Affinity at Boise (senior independent living)	Boise	Conventional	2012	150
Crossfield Townhomes	Meridian	Conventional	2012	80
Somersby Apartments	Meridian	Conventional	2012	56
Total				9,025
Boise Subtotal				3,893
Meridian Total				4,141



Under Construction – Downtown Boise – Seven new projects are currently under construction in the downtown Boise market. All of which are scheduled for completion in mid-to-late 2021. These new projects will increase downtown supply by 1,116 units.

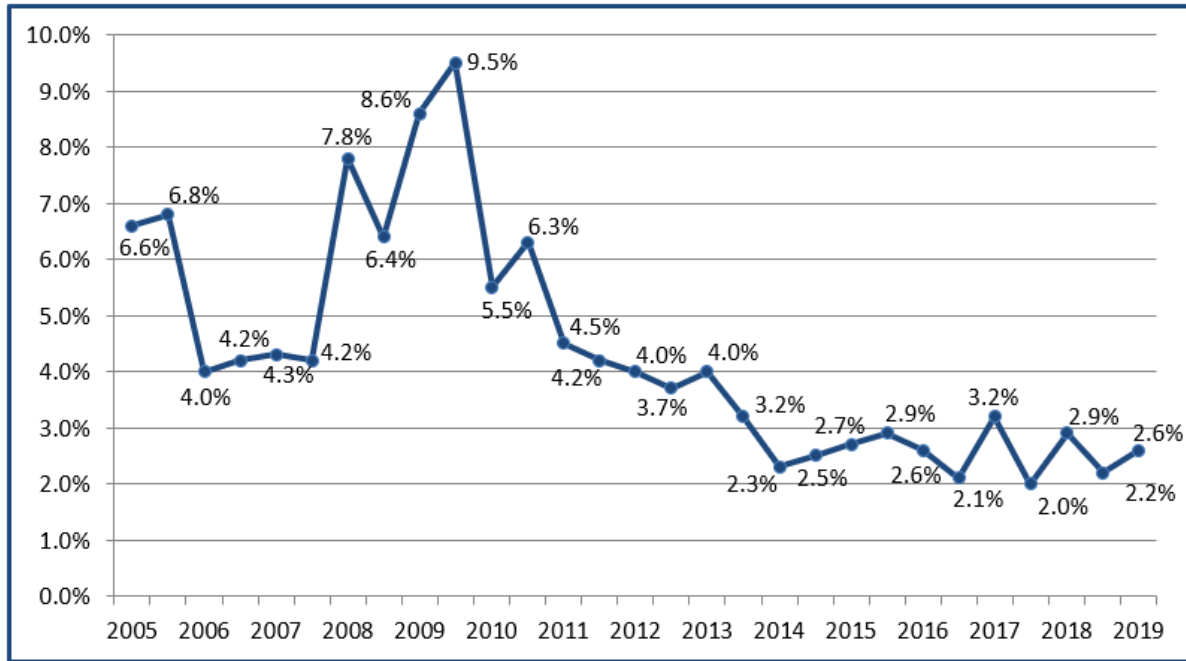
Downtown Area New Apartment Constuction		
Project Name	Projected Completion	# of Units
River Caddis	2021	174
The Addison	2021	236
270 E. Myrtle Apts.	2021	243
Hearth Apartments	2021	183
Thomas Logan (rent restricted)	2021	50
The Lucy	2021	114
The Vanguard	2021	75
11th & Main	2021	41
Total		1,116

Since late 2017, three mid-rise apartment projects have been constructed in downtown Boise; the Watercooler, Fowler, and Gibson. These projects added 280 units to the downtown supply. All three projects exhibited strong preleasing and very strong absorption. Considering historical strong absorption and the staggered completion dates, coupled with the anticipated continued growth in population and employment, these factors should allow for the timely absorption of the new inventory and not create a material long-term oversupply in the market. Based on these factors, and coupled with historical absorption in competing projects, the new supply would likely be fully absorbed with 6-12 months.

Demand

Demand is best illustrated through an analysis of vacancy, rent and absorption levels.

The chart to the right summarizes vacancy between October 2005 and February 2019 per the Ada County Area Apartment Survey (ARES) of which Mountain States Appraisal/Valbridge Property Advisors was a founding member. Prior to the most recent economic recession, apartment vacancy in Ada County reached a pre-recession low of 4.0% in 2006. As a result of the national economic downturn and a general softening in the local market, vacancy began trending upward in the latter part of 2006, peaking at 9.5% in 2009. Vacancy began trending downward again in 2010, indicating a strengthening in the market. As of the date of this report, the newest survey including 218 properties was completed by the end of February 2019. The reported average vacancy rate is 2.6%. Based on anticipated moderate new construction near-term coupled with the increasing population, vacancy is anticipated to remain relatively low and stable for the next 12+ months (in the overall Ada County market). A moderate softening in the market rate family projects may occur as the under construction and proposed projects come on-line over the next 12-18 months.



Submarket Vacancy

To analyze vacancy more specific to the subject market, several projects located in the downtown/peripheral downtown Boise area were surveyed.

Downtown/Peripheral Downtown Apartment Vacancy

Project Name	Year Built	# of Units	# Vacant	% Vacant
The Gibson	2019	81	5	6.2%
The Fowler	2018	159	7	4.4%
Owyhee Plaza Apts	1910/2014	36	0	0.0%
Watercooler Apts	2017	37	0	0.0%
Ash and River	2019	34	0	0.0%
951 Front Apts	2015	61	0	0.0%
CW Moore	1998	47	1	2.1%
The District at Parkcenter	2016/2017	287	0	0.0%
Arboretum at Barber Station	2017	162	4	2.5%
Clearwater Apts	1993	60	0	0.0%
The Idaho Building	1910/2000	50	0	0.0%
River Walk Apts	2002	75	0	0.0%
Fallingbrook Townhomes	2007/2016	48	0	0.0%
Arrive Skyline	2019	192	0	0.0%
Camels Back Apts	2001	84	0	0.0%
Idanha	1900	<u>53</u>	<u>0</u>	<u>0.0%</u>
Total		1,466	17	1.2%



Our vacancy survey included a sampling of 16 projects with a total of 1,466 units. At 1.2%, the submarket vacancy is lower than the overall market average per ARES (2.6%; effective as of February 2019). The low vacancy rate is attributed to strong demand derived from historically strong population growth that has outpaced supply. Units within new projects have been absorbed relatively quickly with nominal impact on the overall vacancy rate. It is also noted that the single-family housing market is currently undersupplied, which is also placing upward pressure on both occupancy and rental rates.

Rent Levels

Rent levels were increasing at a moderate rate of 3% to 5% per year through 2007. As a result of the economic recession and general softening of the rental market, vacancy began trending upward in 2006/2007. This placed downward pressure on rental rates, a trend that continued through 2009. Rent levels bottomed out in mid-2010, followed by a moderate improvement in the 2nd half of 2010 that continued through 2013. Our research in 2014 through 2017 revealed that many property managers implemented rate increases on turnover, and lease renewal. Further, projects have not currently offered concessions in the past 4 years. Rents are anticipated to continue to moderately increase over the next ±12 months.

Absorption – Downtown Boise Market

The experience of recently completed projects in the subject market is indicative of strong demand. The majority of the new projects indicate absorption ranging from approximately 10 to 20 units per month with substantial preleasing prior to completion. The projects are briefly discussed as follows:

- 1) Depot Lofts, a 24-unit complex completed in August 2014, was fully leased by October 1st, 2014.
- 2) The Owyhee Plaza apartments were constructed in 2014 (renovated from hotel use). Owyhee Plaza contains 36 units which were absorbed within 3 months, corresponding to an average absorption rate of 12 units/month.
- 3) The 951 Apartments, a 61-unit project completed in the summer of 2015 reached stabilized occupancy in six months following completion of construction correlating to an absorption rate of approximately 10 units per month.
- 4) The District at Parkcenter, a 287-unit project completed the first 2 buildings (48 units) in September of 2016. Seventy units were preleased as of September 1st, 2016. The project completed construction February 2017. As of March 2017, 200 units were leased. The absorption rate was 22 units per month.
- 5) The Legacy at 50th St., a 108-unit project was completed November 2016, reported 95% occupancy. Property reached 95% occupancy at a rate of 12 units per month.
- 6) The Watercooler Apartments, a 37-unit project in the western periphery of Downtown Boise was completed in August 2017. The project was fully occupied within 4 months. Absorption rate was 9 units per month.
- 7) The Fowler is a 7-story mixed-use project containing 159 apartment units. The project was completed early 2018. The project reached stabilized occupancy within 8 months with 34 units (21%) preleased prior to completion. Average absorption was 20 units per month.
- 8) The Gibson Apartments is a 5-story, mixed-use project containing 81 apartment units. The project was completed in November/December 2018. It was approximately 40% preleased and reached stabilized occupancy within 3 months of completion, representing absorption of around 15 units per month after preleasing.



TOK Multifamily Market Summary

Selected tables from the latest Thornton Oliver Keller Commercial Real Estate (TOK) multifamily market report are presented on the following pages. TOK is the largest commercial real estate brokerage and property management firm in the Boise MSA. TOK tracks commercial vacancies, absorption, rental rates, and transactions on a monthly basis throughout all markets and submarkets in both Ada and Canyon County.

MARKET RENTS | MULTIFAMILY MARKET 2021



MARKET RENTS						
	1 bed lo	1 bed hi	2 bed lo	2 bed hi	3 bed lo	3 bed hi
BOISE Excluding Downtown	\$1,276	\$1,500	\$1,425	\$1,759	\$1,600	\$2,000
BOISE Downtown	\$1,408	\$1,550	\$2,000	\$2,455	--	--
MERIDIAN	\$1,333	\$1,505	\$1,427	\$1,625	\$1,705	\$1,983
CANYON COUNTY	\$1,125	\$1,485	\$1,225	\$1,555	\$1,413	\$1,795

SOURCE: APARTMENTS.COM
 SAMPLE SIZE OF PROPERTIES, BY CITY

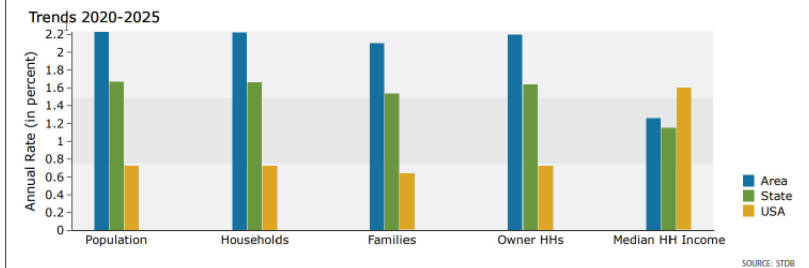
MARKET SNAPSHOT

Rents have increased 16 percent from Q1 2020 to Q1 2021, according to Apartment List. In March 2021 alone, rents rose over 3 percent. The question of whether the market's median income is enough to support these increases looms large. The median income in Ada & Canyon counties (combined) is \$61,949.

Boise's residential market also remains strongly tilted towards sellers, with less than 1 month of inventory on the market in Ada County.

The average sales price continues to reach new heights. In Q1 2021, the median sales price for a home in Ada County was \$452,400 with the average days on market at just 19 days.

GROWTH RATE | ADA & CANYON COUNTIES





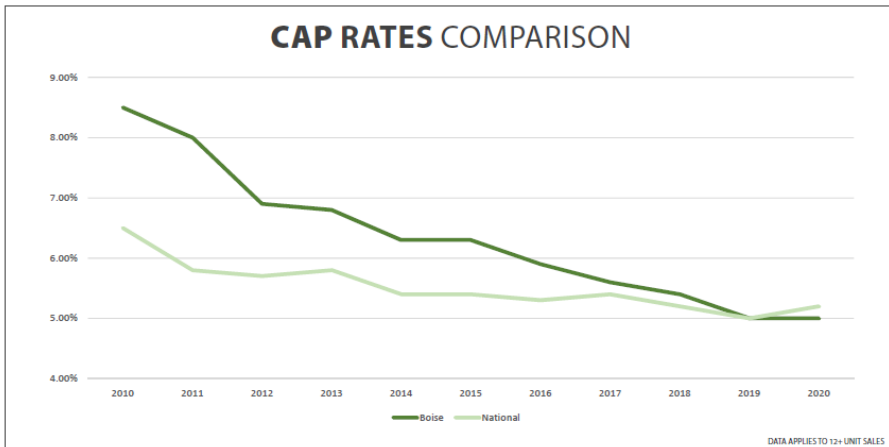
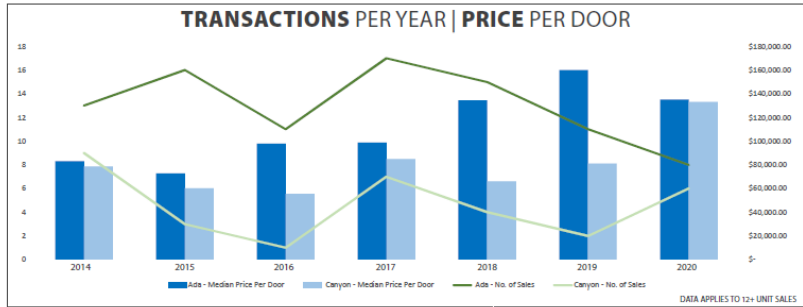
TRANSACTION VOLUME | MULTIFAMILY MARKET 2021



MULTIFAMILY SALES

Demand for multifamily investment product remains high, but the biggest hurdle for buyers is the lack of quality assets on the market. As a result, the number of transactions in Ada County has declined over the last few years. Canyon County saw an uptick in sales in 2020. Of the deals that do occur, more are happening off-market.

The median price per door in Ada and Canyon counties for 2020 were nearly aligned, while historically Canyon County has lagged Ada County prices. Part of this uptick is accounted for in the size of complexes sold in 2020. Ada Canyon's average sale was 75 units, while Canyon was half that amount. Smaller complexes typically see higher price per door values.



MULTIFAMILY PERFORMANCE

Multifamily cap rates have decreased steadily, both locally and nationally, since the recession. Boise MSA has finally caught up to the national average of 5.0 percent in 2019. In 2020, the national average cap rate increased slightly to 5.2 percent.

Cap rates are expected to remain flat throughout 2021, however the market will continue to be very competitive for buyers. Many sales occur off-market or before a new project even completes construction.

Boise's economy is expected to remain strong in the coming years. Robust in-migration and low unemployment rates are encouraging a thriving market.

Additionally, Boise continues to be an attractive alternative to larger markets where the return on investment is lower.

Market Conditions Conclusions

Statistics indicate continued strong demand in the multifamily market characterized by increasing rent levels and historically low vacancies, which has resulted in significant new construction levels. The impact of the pandemic on the local multifamily market appears to be nominal thus far. Occupancies remain strong and rent levels have yet to be negatively impacted. In fact, rents have continued to increase in newer projects operating at stabilized occupancy. Vacancies remain at historic lows. Over 1,100 units are nearing completion in several projects in downtown Boise. A moderate softening may occur as the under-construction projects are completed over the next 6-12 months, though this will likely be partially offset by anticipated continued gains in population and employment.



Market Value: Upon Stabilization

Introduction – 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 selling costs, direct and indirect costs associated with construction and lease-up, and an allowance for developer profit.
- 3) Development 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 development. The conclusion is termed Fair Re-Use Value.

Income Capitalization Approach Methodology

The income capitalization approach is developed by converting a projection of future installments of income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Direct capitalization involves developing a stabilized forecast of income and capitalizing the income into value using an overall capitalization rate. Direct capitalization assumes the income forecast and value change will be similar for the subject and comparables analyzed.

Discounted cash flow analysis, or yield capitalization, requires a forecast of the income stream a property may produce during its remaining useful life or during a specific holding period, and a value reversion (i.e., resale of the property) at the end of the holding period. Development of the cash flow is a forecast predicated upon various assumptions about the property's future performance. The income stream and reversion are discounted to a present value at an appropriate discount, or yield rate. Yield capitalization allows modeling of an income stream to reflect potential fluctuations over the holding period, and is of particular importance to investors as it enables one to compare the financial return of the subject with alternative investments.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The steps in developing the income approach are as follows:

Market Rent Analysis

An opinion of market rent is developed through an analysis of comparable rental transactions.



Income Analysis

Existing subject leases (if applicable) are reviewed and compared to market rent. Market rent is applied to vacant space and upon lease rollover. Additional income sources, expense recoveries, and rent escalations are considered. The sum of all income develops potential gross income (PGI).

Vacancy Analysis

The subject's existing vacancy is compared to the market. Turnover loss and collection loss are considered. Application of vacancy and collection loss develops effective gross income (EGI).

Expense Analysis

Expenses that are an obligation to the property are estimated based on the subject's history and/or comparable data, and are deducted to develop an estimate of net operating income (NOI). Inflation of expenses and other costs such as leasing commissions, tenant improvements, concessions and replacement reserves are developed as appropriate.

Rate Analysis

Capitalization of the net operating income and/or cash flow stream is completed through the development of appropriate direct (overall), terminal, and yield capitalization rates, as appropriate.

Application of Methodology

In this analysis, we use only direct capitalization because investors in this property type most often rely on this method.

Estimate of Market Rent – Comparable Selection

The first step is to estimate the subject's potential gross rental income, (PGRI) which is derived by comparing the subject property with rentals of competing properties. The subject includes a mix of studio, 1 bed/1bath, and 2 bed/2 bath units. The unit types as summarized in the following table.

Unit Summary

<u>Unit</u>	<u># Units</u>	<u>Size (SF)</u>	<u>RBA</u>
Studio	21	465	9,765
1BR/1BA - small	6	565	3,390
1BR/1BA - large	8	625	5,000
2BR/2BA - small	5	794	3,970
2BR/2BA - large	<u>8</u>	<u>922</u>	<u>7,376</u>
Total/Average	48	615	29,501

<u>Unit Mix</u>	<u># Units</u>	<u>% Mix</u>
Studio	21	44%
1BR/1BA	14	29%
2BR/2BA	<u>13</u>	<u>27%</u>
Total	48	100%



Base Comparison Units

Three of the unit types have been selected as the “base” comparison units: studio, 1BR/1BA – large, and 2BR/2BA -large. 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 other competing projects in the downtown market. Concluded market rents for the base units are then utilized as a basis for estimating market rent for the balance of the unit types, with consideration for differences in size, bedroom count, and/or design.

To develop an opinion of market rent, we surveyed representatives of comparable and competitive properties in the subject market area, focusing on those offering the greatest similarity in terms of location, size, and market appeal.

Market Rent Analysis

When necessary, adjustments were made for differences in the various elements of comparison. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment is applied if inferior. A summary of the elements of comparison follows.

Adjustments

When applicable, quantitative adjustments are applied for differences in market conditions, location, age/condition, quality/design, and unit size. This is followed by adjustments for differences in bathroom count, utilities (included in rent), heating/cooling system, appliances, presence of an in-suite washer/dryer, patio/balcony, covered parking, and common amenities. Adjustments are based on paired analysis, owner/management responses and the appraisers’ experience in the market. The adjustment categories are discussed briefly below, and the adjustments are illustrated in the Rent Comparable Summation Table to follow.

Market Conditions

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable rent transactions consummated during periods of dissimilar market conditions.

The comparables are current rents and representative of the current market. The prospective date of stabilization for the subject is October 31, 2022. Rents have exhibited moderate to strong appreciation during the past several years. As a result of strong market fundamentals, this trend is projected to continue through the next ± 12 months. Upward adjustments were applied to current rents at 5% per year (through May 2022). No market conditions adjustment is applied thereafter.

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 is located on the west fringe of downtown Boise. The comparables are superior to the subject for location. They are located nearer to the downtown Boise core. Downward adjustments ranging from \$50/SF to \$100/SF were applied.



Age/Condition

The subject will be a new project. 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.

Although similar newer projects, the comparables are slightly inferior to the subject for age/condition. Upward adjustments ranging from \$15 to \$50 were applied.

Quality/Appeal

Similar to the subject, the comparables are newer urban projects of good quality/design with higher-end interior finishes. No adjustments were applied. Note, differences in other design/appeal factors such as common amenities and floor/view amenity are considered in subsequent adjustments.

Size

Unit size has an impact on rent. Our paired property analysis shows rent differences in a dominant 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 units, an adjustment rate near the upper-range of the paired analysis, or 45% is most appropriate.

Average Unit Size Paired Analysis						
Project Name	Unit Type	SF	Rent	Rent/SF	Premium/SF	
River Walk	2BR/1BA	861	\$850	\$0.99	\$0.25	25%
	2BR/1BA	961	\$875	\$0.91		
Camas Apts	1BR/1BA	441	\$450	\$1.02	\$0.29	28%
	1BR/1BA	528	\$475	\$0.90		
Garrett Street	1BR/1BA	725	\$525	\$0.72	\$0.40	55%
	1BR/1BA	825	\$565	\$0.68		
Huntington	1BR/1BA	622	\$679	\$1.09	\$0.50	46%
	1BR/1BA	722	\$729	\$1.01		
Rock Pionte	2BR/1BA	764	\$740	\$0.97	\$0.47	48%
	2BR/1BA	839	\$775	\$0.92		
Lodge at Maple Grove	1BR/1BA	560	\$625	\$1.12	\$0.25	22%
	1BR/1BA	760	\$675	\$0.89		
The Retreat at Union Square	1BR/1BA	624	\$795	\$1.27	\$0.53	42%
	1BR/1BA	812	\$895	\$1.10		
Mallard Pointe	1BR/1BA	425	\$520	\$1.22	\$0.30	25%
	1BR/1BA	475	\$535	\$1.13		
Mallard Court	1BR/1BA	620	\$595	\$0.96	\$0.57	59%
	1BR/1BA	735	\$660	\$0.90		
Morrison Park	1BR/1BA	527	\$600	\$1.14	\$0.59	52%
	1BR/1BA	687	\$695	\$1.01		
Parklane Apts	1BR/1BA	680	\$545	\$0.80	\$0.31	39%
	1BR/1BA	840	\$595	\$0.71		
Bown Crossing Condos	2BR/2BA	1,100	\$1,595	\$1.45	\$0.70	48%
	2BR/2BA	1,528	\$1,895	\$1.24		
Average					\$0.43	41%
Median					\$0.43	44%

Bedroom Count

This category considers value differences associated with the appeal of additional bedrooms net of any additional square-footage. An adjustment of \$100 was applied for bedroom count differences.



Patio/Balcony

The subject base comparative units do not have patios or balconies. The majority of the units in Comparable 5 have balconies or patios. Downward adjustments of \$40 were applied to the comparable based on comparisons for this amenity.

Parking

Open parking will be provided to tenants for 39 of the 48 units upon a first come first serve basis. The comparables do not include parking in base rent. Upward adjustments of \$50 were applied.

Floor/View Amenity

The subject apartments are located on floors 1-3 and vary in view/floor amenity. The comparative analysis considers an average subject unit with an average view located on the 2nd floor. Comparables 3 and 4 are located in 5 and 7 story buildings resulting in a superior floor/view amenity (on average). Downward adjustments ranging from \$15 to \$45 were applied.

Project Amenities

Amenities in the subject include bike storage and a small courtyard. The majority of the comparables are superior to the subject with notable amenities including a fitness center, lounge, and rooftop terrace. Downward adjustments ranging from \$25 to \$50 were applied.







Base Utilities

The tenants for the subject units will be responsible for heat/electric (tenants pay directly) and will reimburse the landlord for water, sewer, and trash services (ratio utility billing systems - RUBS). The landlord pays for all other expenses. The comparables all have similar lease types. No adjustments were warranted.

Presentation

Presented on the following pages are the Rent Comparable Summation Table, Rent Comparable Location Map, the discussion and analysis of the comparables, and conclusion(s) of market rent for the subject.

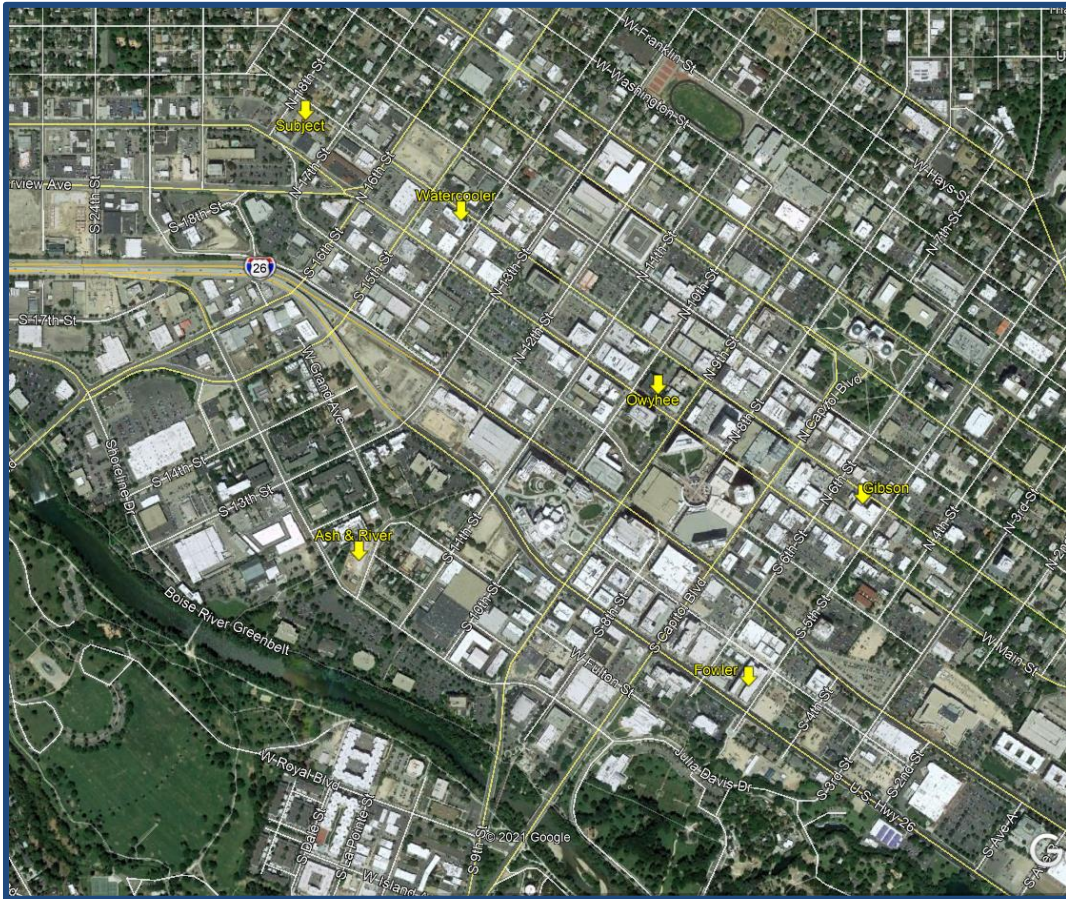
ESTIMATES OF MARKET RENT BY COMPARISON						
Studio						
	Subject Studio	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5
	<u>Data</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>
Project Name	17th & Idaho Apts	Watercooler Apts	Owyhee Plaza Apts	The Fowler	The Gibson	Ash & River Townhomes
Address	1707, 1715, and 1719 W. Idaho Street	1401 W. Idaho St.	1109 W. Main St.	505 W. Broad St.	505 W. Idaho St.	503 Ash st.
Town/City	Boise, Ada County, Idaho 83702	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho
General Location	Good	Superior (\$50)	Superior (\$100)	Superior (\$100)	Superior (\$100)	Superior (\$100)
Type of Project	Apartments	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
# of Stories	3 Story	3 Story	4 (apartments 2-4)	7 (apartments 3-7)	5 Story	3 Story
Tot. Units in Project	48	37	36	159	81	34
# of Units this Type	21 Studio	6 studio	3 studio	54 studio	20 studio	9- 1 bed/1 bath
Eff. Date of rental	October-22	May-21 \$63	May-21 \$55	May-21 \$70	May-21 \$73	May-21 \$73
Data Source	n/a	Property management	Property management	Property management	Property management	Property management
Year Built/Condition	2021/2022; new	2017; very good \$25	1910/Renov./units new 2014; good \$50	2017/2018; very good \$25	2018/2019; new \$15	2019; new \$15
Project Quality/Appeal	Very good	Similar	Similar	Similar	Similar	Similar
Apartment Size(S.F.)	465	494 (\$33)	443 \$24	617 (\$155)	556 (\$107)	471 (\$8)
Number of Bedrooms	0	0	0	0	0	1 (\$100)
Number of Baths	1	1	1	1	1	1
Balcony/Patio	None	None	None	None	None	Patio/deck (\$40)
Type of Parking Provided	Surface	None (leased separately) \$50	None (leased separately) \$50	None (leased separately) \$50	None (leased separately) \$50	None (leased separately) \$50
Kitchen Appliances	All Standard	All Standard	All Standard	All Standard	All Standard	All Standard
Other Unit Amenities:						
Heat Type	GFA	GFA	Geothermal	PTAC units	GFA	GFA
Air-conditioned	CAC	CAC	CAC	PTAC units	CAC	CAC
Washer/Dryer	W/D Sets	W/D Sets	W/D Sets	W/D Sets	W/D Sets	W/D Sets
Fireplace	No	No	No	No	No	No
Cable TV in Rent	No	No	No	No	No	No
View	Average; 2nd floor	Average; 2nd floor	Average; 2nd floor	Yes (avg. 5th floor) (\$45)	Average; 3rd floor (\$15)	Average; 2nd floor
Other	n/a	n/a	n/a	n/a	n/a	n/a
Project Amenities:	Bike storage, small courtyard	Bike storage, use of fitness center in the Owyhee Plaza (3 blocks SE) (\$25)	Lobby, fitness center, lounge (\$25)	Fitness center, lounge, dog wash, roof terrace (\$50)	Rooftop terrace, dog wash, bike storage (\$25)	None
Services: i.e.-Ten. Pays	WST, Heat, Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric
Rent Range	Developer rent estimate \$1,250	\$1,200-\$1,375	\$970-\$1,130	\$1,200-\$1,560	\$1,400-\$1,580	\$1,305-\$1,680
Average Rent		\$1,250	\$1,090	\$1,400	\$1,450	\$1,450
Concessions		\$0	\$0	\$0	\$0	\$0
Rent/S.F		\$2.53	\$2.46	\$2.27	\$2.61	\$3.08
Net Adjustments		\$29	\$54	(\$205)	(\$109)	(\$111)
Indicated market rent for subject		\$1,279	\$1,144	\$1,195	\$1,341	\$1,339

ESTIMATES OF MARKET RENT BY COMPARISON						
1 Bed/1 Bath						
						
	Subject 1 Bed/ 1 Bath	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5
	<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>	<u>Data</u> <u>Adjust</u>
Project Name	17th & Idaho Apts	Watercooler Apts	Owyhee Plaza Apts	The Fowler	The Gibson	Ash & River Townhomes
Address	1707, 1715, and 1719 W. Idaho Street	1401 W. Idaho St.	1109 W. Main St.	505 W. Broad St.	505 W. Idaho St.	503 Ash st.
Town/City	Boise, Ada County, Idaho 83702	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho
General Location	Good	Superior (\$50)	Superior (\$100)	Superior (\$100)	Superior (\$100)	Superior (\$100)
Type of Project	Apartments	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
# of Stories	3 Story	3 Story	4 (apartments 2-4)	7 (apartments 3-7)	5 Story	3 Story
Tot. Units in Project	48	37	36	159	81	34
# of Units this Type	8-1 Bed/1 Bath (large)	14- 1 bed/1 bath	30- 1 bed/1 bath	51- 1 bed/1 bath	40- 1 bed/1 bath	9- 1 bed/1 bath
Eff. Date of rental	October-22	May-21 \$69	May-21 \$68	May-21 \$75	May-21 \$80	May-21 \$73
Data Source	n/a	Property management	Property management	Property management	Property management	Property management
Year Built/Condition	2021/2022; new	2017; very good \$25	1910/Renov./units new 2014; good \$50	2017/2018; very good \$25	2018/2019; new \$15	2019; new \$15
Project Quality/Appeal	Very good	Similar	Similar	Similar	Similar	Similar
Apartment Size(S.F.)	625	654 (\$27)	693 (\$60)	680 (\$55)	681 (\$59)	471 \$213
Number of Bedrooms	1	1	1	1	1	1
Number of Baths	1	1	1	1	1	1
Balcony/Patio	None	None	None	None	None	Patio/deck (\$40)
Type of Parking Provided	Surface	None (leased separately) \$50	None (leased separately) \$50	None (leased separately) \$50	None (leased separately) \$50	None (leased separately) \$50
Kitchen Appliances	All Standard	All Standard	All Standard	All Standard	All Standard	All Standard
Other Unit Amenities:						
Heat Type	GFA	GFA	Geothermal	PTAC units	GFA	GFA
Air-conditioned	CAC	CAC	CAC	PTAC units	CAC	CAC
Washer/Dryer	W/D Sets	W/D Sets	W/D Sets	W/D Sets	W/D Sets	W/D Sets
Fireplace	No	No	No	No	No	No
Cable TV in Rent	No	No	No	No	No	No
View	Average; 2nd floor	Average; 2nd floor	Average; 2nd floor	Yes (avg. 5th floor) (\$45)	Average; 3rd floor (\$15)	Average; 2nd floor
Other	n/a	n/a	n/a	n/a	n/a	n/a
Project Amenities:	Bike storage, small courtyard	Bike storage, use of fitness center in the Owyhee Plaza (3 blocks SE) (\$25)	Lobby, fitness center, lounge (\$25)	Fitness center, lounge, dog wash, roof terrace (\$50)	Rooftop terrace, dog wash, bike storage (\$25)	None
Services: i.e.-Ten. Pays	WST, Heat, Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric
Rent Range	Developer rent estimate \$1,450	\$1,200-\$1,555	\$1,250-\$1,450	\$1,350-\$1,670	\$1,500-\$1,848	\$1,305-\$1,680
Average Rent	Assume Market	\$1,375	\$1,350	\$1,500	\$1,600	\$1,450
Concessions	Assume Market	\$0	\$0	\$0	\$0	\$0
Rent/S.F	Assume Market	\$2.10	\$1.95	\$2.21	\$2.35	\$3.08
Net Adjustments	Assume Market	\$41	(\$17)	(\$100)	(\$54)	\$211
Indicated market rent for subject		\$1,416	\$1,333	\$1,400	\$1,546	\$1,661

ESTIMATES OF MARKET RENT BY COMPARISON 2 BED/2 BATH						
	Subject 2 Bed/ 2 Bath	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5
	<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>	<u>Data</u> <u>Adjust</u>
Project Name	17th & Idaho Apts	Watercooler Apts	Owyhee Plaza Apts	The Fowler	The Gibson	Ash & River Townhomes
Address	1707, 1715, and 1719 W. Idaho Street	1401 W. Idaho St.	1109 W. Main St.	505 W. Broad St.	505 W. Idaho St.	503 Ash st.
Town/City	Boise, Ada County, Idaho 83702	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho
General Location	Good	Superior	Superior	Superior	Superior	Superior
Type of Project	Apartments	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
# of Stories	3 Story	3 Story	4 (apartments 2-4)	7 (apartments 3-7)	5 Story	3 Story
Tot. Units in Project	48	37	36	159	81	34
# of Units this Type	8- 2 Bed/ 2 Bath (large)	8- 2 bed/2 bath	30- 1 bed/1 bath	54- 2 bed/2 bath	21- 2 bed/2 bath	2- 2 bed/2 bath
Eff. Date of rental	October-22	May-21	May-21	May-21	May-21	May-21
Data Source	n/a	Property management	Property management	Property management	Property management	Property management
Year Built/Condition	2021/2022; new	2017; very good	1910/Renov./units new 2014; good	2017/2018; very good	2018/2019; new	2019; new
Project Quality/Appeal	Very good	Similar	Similar	Similar	Similar	Similar
Apartment Size(S.F.)	922	767	693	834	1,032	990
Number of Bedrooms	2	2	1	2	2	2
Number of Baths	2	2	1	2	2	2
Balcony/Patio	None	None	None	None	None	Patio/deck
Type of Parking Provided	Surface	None (leased separately)	None (leased separately)	None (leased separately)	None (leased separately)	None (leased separately)
Kitchen Appliances	All Standard	All Standard	All Standard	All Standard	All Standard	All Standard
Other Unit Amenities:						
Heat Type	GFA	GFA	Geothermal	PTAC units	GFA	GFA
Air-conditioned	CAC	CAC	CAC	PTAC units	CAC	CAC
Washer/Dryer	W/D Sets	W/D Sets	W/D Sets	W/D Sets	W/D Sets	W/D Sets
Fireplace	No	No	No	No	No	No
Cable TV in Rent	No	No	No	No	No	No
View	Average; 2nd floor	Average; 2nd floor	Average; 2nd floor	Yes (avg. 5th floor)	Average; 3rd floor	Average; 2nd floor
Other	n/a	n/a	n/a	n/a	n/a	n/a
Project Amenities:	Bike storage, small courtyard	Bike storage, use of fitness center in the Owyhee Plaza (3 blocks SE)	Lobby, fitness center, lounge	Fitness center, lounge, dog wash, roof terrace	Rooftop terrace, dog wash, bike storage	None
Services: i.e.-Ten. Pays	WST, Heat, Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric	WST, Heat ,Electric
Rent Range	Developer rent estimate \$1,850	\$1,550-\$1670	\$1,250-\$1,450	\$1,500-\$2,096	\$1,950-\$2,590	\$1,893-\$2,015
Average Rent	Assume Market	\$1,600	\$1,350	\$1,800	\$2,170	\$2,000
Concessions	Assume Market	\$0	\$0	\$0	\$0	\$0
Rent/S.F	Assume Market	\$2.09	\$1.95	\$2.16	\$2.10	\$2.02
Net Adjustments	Assume Market					
Indicated market rent for subject		\$1,826	\$1,693	\$1,855	\$2,099	\$1,963



RENT COMPARABLE LOCATION MAP





Discussion of Rent Comparables/Market Rent Conclusions

From the market data available, five properties were utilized in the comparative analysis and adjustments were applied based on pertinent elements of comparison. The following table summarizes the adjusted rental rates.

Adjusted Rent Comparable Summary - Base Units						
<u>Unit Type</u>	<u>Size (SF)</u>	<u>Low</u>	<u>High</u>	<u>Mean</u>	<u>Median</u>	
Studio	465	\$1,144	\$1,341	\$1,260	\$1,279	
1BR/1BA - large	625	\$1,333	\$1,661	\$1,471	\$1,416	
2BR/2BA - large	922	\$1,693	\$2,099	\$1,887	\$1,855	

Market Rent Conclusion – Studio (Base Unit)

Prior to adjustment, the comparables ranged from \$1,090 to \$1,450. Comparables 3-5 represent the upper-tier of the range. They are the three newest projects in the downtown market and have superior locations. Comparables 1 and 2 represent the lower-tier of the range. Comparable 1 is located furthest from the downtown core. Comparable 2 is an older building fully renovated in 2014 (apartments converted from hotel rooms). After adjustment, the comparables bracket market rent for the subject in a range of \$1,144 to \$1,341, with a mean of \$1,260 and median of \$1,279. With primary weight given to Comparable 1, which is the most similar for location, project size, and appeal, and secondary weight given to the balance of the comparables, average market rent for the studio units is concluded to be \$1,250. Note, original projected developer pricing was \$1,195. The developer has since raised their rent projection to \$1,250.

Market Rent Conclusion – 1BR/1BA – Larger (Base Unit)

Prior to adjustment, the comparables ranged from \$1,350 to \$1,600. After adjustment, the comparables bracket market rent for the subject in a range of \$1,333 to \$1,661, with a mean of \$1,471 and median of \$1,416. With primary weight given to Comparable 1, which is the most similar for location, project size, and appeal, and secondary weight given to the balance of the comparables, average market rent for the 1BR/1BA - larger units is concluded to be \$1,450. Note, original projected developer pricing was \$1,350. The developer has since raised their rent projection to \$1,450.

Market Rent Conclusion – 2BR/2BA – Larger (Base Unit)

Prior to adjustment, the comparables ranged from \$1,350 to \$2,170. After adjustment, the comparables bracket market rent for the subject in a range of \$1,693 to \$2,099, with a mean of \$1,887 and median of \$1,855. With primary weight given to Comparable 1, which is the most similar for location, project size, and appeal, and secondary weight given to the balance of the comparables, average market rent for the 2BR/2BA - larger units is concluded to be \$1,850. Note, original projected developer pricing was \$1,795. The developer has since raised their rent projection to \$1,850.

Market Rent Conclusion – 1BR/1BA – Smaller

The subject 1BR/1BA – smaller units are 65 SF smaller than the 1BR/1BA – larger (base) units. A downward adjustment of \$65 was applied to account for the smaller living space. The adjustment is consistent to the size adjustment applied in the base unit comparative analysis. After adjustment, average market rent for the 1BR/1BA – smaller units is concluded to be \$1,385 (\$1,450-\$65). Note,



original projected developer pricing was \$1,305. The developer has since raised their rent projection to \$1,385.

Market Rent Conclusion – 2BR/2BA - Smaller

The subject 2BR/2BA – smaller units are 128 SF smaller than the 2BR/2BA – larger (base) units. A downward adjustment of \$115 was applied to account for the smaller living space. The adjustment is consistent to the size adjustment applied in the base unit comparative analysis. After adjustment, average market rent for the 2BR/2BA – smaller units is concluded to be \$1,735 (\$1,850-\$115). Note, original projected developer pricing is \$1,645. The developer has since raised their rent projection to \$1,735.

The following table summarizes the preceding conclusions of average market rent for each unit type.

Market Rent Conclusions

<u>Unit Type</u>	<u># Units</u>	<u>Size (SF)</u>	<u>Market Rent Conclusion</u>	<u>Rent/SF</u>
Studio	21	465	\$1,250	\$2.69
1BR/1BA - small	6	565	\$1,385	\$2.45
1BR/1BA - large	8	625	\$1,450	\$2.32
2BR/2BA - small	5	794	\$1,735	\$2.19
2BR/2BA - large	8	922	\$1,850	\$2.01
Total	48			



Workforce Housing Restrictions

The project will be subject to the following workforce housing requirements and other CCDC stipulated restrictions:

- 1 unit will be designated for households earning no more than 60% of the area median income (AMI) for a period of 8 years following the project’s Certificate of Completion.
- 15% or 8 units will be restricted to 100% AMI or less for a period of 30 years based on the City of Boise Code 11-06-03.4 (the Housing Bonus Ordinance).
- According to the developer’s submittal, units are proposed to serve households earning roughly 80% to 120% AMI, to average project rents at 100% AMI for eight years following project’s Certificate of Completion. Based on the AMI income limits, the rental rate range for each of the subject unit types are presented in the following table.
- The project’s executed and recorded Affordability Covenant. Note, the Affordability Covenant has not been finalized. The developer is contemplating an additional studio unit to be designated for voucher-supplied households, which will earn between 60-120% (AMI). Per the developer’s latest proforma, one studio unit is targeted for households earning 60% of the area median income (AMI).

Project: 1715 W. Idaho Street -- Housing Infill Development

Program and Location Information		HUD Published Income Limits for 2021 (with no adjustments)	
Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)	<input checked="" type="radio"/> Display Income Limits <input type="radio"/> Hide Income Limits	
Year	2021 (effective 04/01/21)		
State	ID		
County	Ada County		
MSA	Boise City, ID HUD Metro FMR Area		
Rent Calculation Based on	AMI		
Persons / Bedroom	1.5 Person / Bedroom		
4-person AMI	\$75,300		
National Non-Metropolitan Median Income	\$63,400		

Income Limits for 2021 (Based on 2021 AMI Income Limits)					
	Charts	60.00%	80.00%	100.00%	120.00%
1 Person	☞	31,620	42,160	52,700	63,240
2 Person	☞	36,120	48,160	60,200	72,240
3 Person	☞	40,680	54,240	67,800	81,360
4 Person	☞	45,180	60,240	75,300	90,360
5 Person	☞	48,780	65,040	81,300	97,560
6 Person	☞	52,380	69,840	87,300	104,760
7 Person	☞	56,040	74,720	93,400	112,060
8 Person	☞	59,640	79,520	99,400	119,260
9 Person	☞	63,240	84,320	105,400	126,460
10 Person	☞	66,840	89,120	111,400	133,660
11 Person	☞	70,500	94,000	117,500	141,000
12 Person	☞	74,100	98,800	123,500	148,200

Rent Limits for 2021 (Based on 2021 AMI Income Limits)						
Bedrooms (People)	Charts	60.00%	80.00%	100.00%	120.00%	FMR
Efficiency (1.0)	☞	790	1,054	1,317	1,581	683
1 Bedroom (1.5)	☞	848	1,129	1,411	1,693	801
2 Bedrooms (3.0)	☞	1,017	1,356	1,695	2,024	1,002



Stabilized Rental Income – Proforma Rent Conclusions

We assume two units will be designated as 60% AMI units. These units will be rent restricted below our conclusions of market rent. Market rent for a studio unit is concluded to be \$1,250. Based on the 60% AMI restriction, contract rent will be restricted to \$790. Market rent for a 2BR/2BA small unit is concluded to be \$1,735. Based on the 60% AMI restriction, contract rent will be restricted to \$1,017. Our conclusions of market rent for the balance of the units are within the AMI ranges. Overall, stabilized rental income, as presented in the following table, is projected to be 99% of AMI, with only the two units below market.

Proforma Rent Conclusions

<u>Unit Type</u>	<u># Units</u>	<u>Size (SF)</u>	<u>Proforma Rent</u>	<u>100% AMI</u>	<u>%AMI</u>	<u>PGI</u>	<u>100% AMI</u>
Studio	20	465	\$1,250	\$1,317	95%	\$300,000	\$316,080
Studio- 60% AMI	1	465	\$790	\$1,317	60%	\$9,480	\$15,804
1BR/1BA - small	6	565	\$1,385	\$1,411	98%	\$99,720	\$101,592
1BR/1BA - large	8	625	\$1,450	\$1,411	103%	\$139,200	\$135,456
2BR/2BA - small	4	794	\$1,735	\$1,695	102%	\$83,280	\$81,360
2BR/2BA - large	8	922	\$1,850	\$1,695	109%	\$177,600	\$162,720
2BR/2BA - 60% AMI	<u>1</u>	<u>794</u>	<u>\$1,017</u>	<u>\$1,695</u>	<u>60%</u>	<u>\$12,204</u>	<u>\$20,340</u>
Total/Average	48	615	\$1,426	\$1,447	99%	\$821,484	\$833,352

Other Income – Utility Reimbursements

For the subject, water, sewer and trash will not be included in the monthly base rent. Rather, the tenants will reimburse the landlord on a monthly basis for their pro-rata share (ratio utility billing systems - RUBS). Average monthly reimbursement rates generally range from \$30-\$40 for studio and 1 bedroom units and \$40-\$50 for 2 bedroom and 3 bedroom units. Considering the majority of the project includes studio and 1 bedroom units, we estimate an average monthly reimbursement rate of \$40, near the lower-mid-tier of the comparable range.

Utility Reimbursement Comparables

<u>Project</u>	<u>Year Built</u>	<u># of Units</u>	<u>Avg. Mo. Utility Charge</u>
Trojan Apartments	1977	32	\$38
Selway	2009	171	\$35
River Pointe	1998	204	\$27
Owyhee Plaza Apts.	1910/2014	36	\$31
Watercooler	2017	37	\$47
Rosewood	1993/2017	168	\$45
Reflections at River's Edge	1996	324	\$25-\$45
CW Moore	1998	47	\$20
Red Tail	2014-2015	220	\$30-\$50
Fields at Gramercy	2014-2015	276	\$40
Regency at River Valley	2013	240	\$42



Other Income – Miscellaneous Income

Other income includes revenues from sources such as application fees, late charges, forfeited security deposits, non-refundable fees, NSF check charges, pet rent, month-to-month fees, turnover income (from damages/repairs by tenants), etc. The comparables, presented following, exhibit a range from \$282 to \$776, with an average of \$514 per unit per year for “other income”. For the subject, revenue generated from these sources is concluded below the mid-tier of the comparable range at \$450 per unit per year.

Other Income Comparables							
Project	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
Location	Garden City, ID	Boise, ID	Nampa, ID	Meridian, ID	Boise, ID	Boise, ID	Boise, ID
Income Year	2019	2018	2018	2018	2016	2016	2016
# Units	200 to 250	250 to 300	100 to 150	150 to 200	50 to 100	50 to 100	25 to 50
Other Income	\$135,554	\$131,318	\$23,601	\$147,440	\$49,754	\$23,601	\$17,565
Per Unit/Year	\$664	\$517	\$282	\$776	\$592	\$393	\$374

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.

Based on the anticipated level of new construction near-term, partially offset by continued gains in population and employment, vacancy is anticipated to remain relatively low for the next 12+ months. A moderate softening in the conventional multifamily market may occur as proposed/under construction projects are completed over the next 6-12 months. Our conclusion is above the current overall market average and considers the anticipated increase in supply to meet demand over the long-term.

Operating Expenses - Apartments

To estimate operating expenses, we have relied upon expense comparables from the market with emphasis placed on generally newer and reasonably similarly sized complexes. The developer’s projections of stabilized expenses were also considered (presented in expense analysis and conclusions table). The expense comparables are summarized in the table to follow.


EXPENSE COMPARABLES

Category	Comparable 1		Comparable 2		Comparable 3	
Name	Confidential		Confidential		Confidential	
Type	Coventional family		Coventional family		Conventional family	
Location	Garden City, ID		Boise, ID		Boise, ID	
Year Built	1998/1999		2014		1998	
Design	3 story walk-up		4 story interior corridor		3 story interior corridor	
Size (# Units)	200-250		50-100		25-50	
Expense Year	2019		2018		2018	
<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	\$1,384	9.5%	\$2,086	14.2%	\$1,489	13.5%
Insurance	\$254	1.8%	\$225	1.5%	\$161	1.5%
Utilities	\$668	4.6%	\$508	3.5%	\$306	2.8%
Repairs & Maintenance	\$638	4.4%	\$1,225	8.4%	\$1,212	11.0%
Payroll	\$1,235	8.5%	\$621	4.2%	\$268	2.4%
Professional Management	\$363	2.5%	\$655	4.5%	\$447	4.0%
Advertising	\$286	2.0%	\$70	0.5%	\$35	0.3%
General/Administrative	\$244	1.7%	\$225	1.5%	\$43	0.4%
Reserves For Replacement	\$0	0.0%	\$0	0.0%	\$0	0.0%
TOTAL	\$5,072	35.0%	\$5,615	38.3%	\$3,961	35.8%

Category	Comparable 4		Comparable 5		Comparable 6	
Name	Confidential		Confidential		Confidential	
Type	Conventional family		Conventional family		Conventional family	
Location	Meridian, ID		Boise, ID		Meridian, ID	
Year Built	2013		1995		2015	
Design	4-story walk-up		2-story walk-up		3-story over garage	
Size (# Units)	200 to 250		200-300		100-200	
Expense Year	2018		2017		2018	
<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	\$1,391	10.2%	\$1,231	12.5%	\$1,774	11.0%
Insurance	\$111	0.8%	\$83	0.8%	\$177	1.1%
Utilities	\$585	4.3%	\$546	5.5%	\$1,184	7.3%
Repairs & Maintenance	\$750	5.5%	\$849	8.6%	\$970	6.0%
Payroll	\$1,450	10.7%	\$490	5.0%	\$734	4.5%
Professional Management	\$727	5.4%	\$295	3.0%	\$485	3.0%
Advertising	\$86	0.6%	\$69	0.7%	\$215	1.3%
General/Administrative	\$160	1.2%	\$95	1.0%	\$488	3.0%
Reserves For Replacement	\$0	0.0%	\$0	0.0%	\$0	0.0%
TOTAL	\$5,259	38.7%	\$3,658	37.2%	\$6,027	37.2%



Our operating expense conclusions are discussed on the following pages. For comparison the developer's expense projections for each expense category are also presented. The developer's income proforma is presented in the Addenda section.

Expense Analysis and Conclusions

Real Estate Taxes

	<u>Ranges/Conclusion</u>
Developer Projection	\$131,000
Comparable Expense Range	\$1,231 to \$2,086
Levy Rate	1.1872565%
Per Unit Conclusion	\$2,493
Annual Conclusion	\$119,675

Analysis

As presented on page 36, the projected assessed value for the subject was concluded to be \$210,000 per unit. Based on the 2020 levy rate of 1.1872565%, total real estate taxes are estimated at \$119,675 or \$2,493 per unit.

Insurance

	<u>Ranges/Conclusion</u>
Developer Projection	\$9,600
Comparable Expense Range	\$83 to \$254
Per Unit Conclusion	\$250
Annual Conclusion	\$12,000

Analysis

Considering finish quality, unit size, overall project size, common amenities, the insurance expense for the subject is projected to be \$250 per unit, at the upper-tier of the comparable range.

Utilities

	<u>Ranges/Conclusion</u>
Developer Projection	\$32,640
Comparable Expense Range	\$306 to \$1,184
Per Unit Conclusion	\$550
Annual Conclusion	\$26,400

Analysis

This includes electricity and gas for the common areas and water, sewer and trash for the entire complex. Considering the majority of the project includes studio and 1 bedroom units, we conclude near the lower-tier of the comparable range at \$550 per unit. Note, this includes the water, sewer, trash expense reimbursed by the tenants at \$480 per unit (\$40/mo).

Maintenance and Repairs

	<u>Ranges/Conclusion</u>
Developer Projection	\$19,200
Comparable Expense Range	\$638 to \$1,225
Per Unit Conclusion	\$700
Annual Conclusion	\$33,600

Analysis

This category includes all maintenance and repair costs to the building, and common area, including turnover costs. Based on such physical factors as age, quality, average unit size, and amenities, we conclude a stabilized maintenance and repairs expenses of \$700 per unit. We acknowledge that initial expenses may be lower as the property will be new and certain items will be covered by warranty; however, our conclusion is reflective of a stabilized scenario over the economic life of the property, and not over a short-term period.

Payroll

	<u>Ranges/Conclusion</u>
Developer Projection	\$38,400
Comparable Expense Range	\$268 to \$1,450
Per Unit Conclusion	\$800
Annual Conclusion	\$38,400

Analysis

This category includes salary, payroll taxes, workers compensation and health insurance/benefits for leasing management staff. We conclude at the mid-tier of the comparable range.



Professional Management

	<u>Ranges/Conclusion</u>		
Developer Projection	3% of EGI		
Comparable Expense Range	2.5%	to	5.4%
% of EGI Conclusion	3.0%		
Annual Conclusion	\$24,685		

Analysis

Professional management fees typically range from 3% to 6% of effective gross income. Newer/smaller properties with higher rents are typically managed at the low-end of the range while older/larger properties with lower rents are managed at higher percentages. Considering the subject's age, size, and rent levels, the professional management expense is concluded at 3.0% of effective gross income.

Advertising

	<u>Ranges/Conclusion</u>		
Developer Projection	\$4,800		
Comparable Expense Range	\$35	to	\$286
Per Unit Conclusion	\$150		
Annual Conclusion	\$7,200		

Analysis

The valuation assumes the subject is at stabilized occupancy. The advertising expense is projected to be \$150 per unit to account for turnover.

General/Administrative

	<u>Ranges/Conclusion</u>		
Developer Projection	\$4,800		
Comparable Expense Range	\$43	to	\$488
Per Unit Conclusion	\$150		
Annual Conclusion	\$7,200		

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 near the mid-tier of the range at \$150 per unit.

Reserves for Replacement

	<u>Ranges/Conclusion</u>		
Developer Projection	\$9,600		
Comparable Expense Range	\$0	to	\$0
Per Unit Conclusion	\$300		
Annual Conclusion	\$14,400		

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, average unit size, a per unit expense of \$300 is concluded.

Summary

	<u>Ranges/Conclusion</u>		
Expense Comps - Per Unit	\$3,658	to	\$6,027
Expense Comps - % of EGI	35.0%	to	38.7%
Total	\$283,560		
Per Unit	\$5,907		
% of EGI	34.5%		

Analysis

The forecasted operating expenses for the subject are near the upper-tier of the typical range on a per unit basis, and near the lower-mid-tier of the range of a % of EGI basis. Overall, the expenses are deemed appropriate for use in this analysis.



Direct Capitalization Analysis

The next step in the Income Capitalization Approach is to apply a factor or ratio to convert projected net income into an expression of property value. Direct capitalization is a method used to convert a single year's income into an indication of value. This conversion is accomplished in one step by dividing the income estimate by an appropriate 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 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. Properties used as comparables should reflect the risk, income, expense, and physical and location characteristics similar to the property being appraised. Capitalization rates should also 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

Derivation from comparable sales was utilized to determine the overall rate for the subject. The analysis is supplemented by data compiled by the Situs RERC Real Estate Report.

Market Capitalization Rate Comparables

The capitalization rate comparables, presented in the following table, include recent confirmed sales of apartment complexes in the local market. Note, the names, addresses, and sale prices of the sales are redacted for confidentiality purposes, but will be provided separately to the client 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

Name	Location	Size (# Units)	Year Built	Sale Date	Sale Price	Price Per Unit	OAR	PGIM
Confidential	Nampa, ID	<50	2017	Pending	Confidential	\$150,000	4.53%	n/a
Confidential	Nampa, ID	<50	1978	Jul-20	Confidential	\$132,381	4.90%	n/a
Confidential	Eagle, ID	<100	1995	Mar-20	Confidential	\$150,000	4.86%	12.1
Confidential	Meridian, ID	<125	2015	Jan-20	Confidential	\$174,074	5.19%	n/a
Confidential	Boise, ID	<100	2018	Nov-19	Confidential	\$159,375	5.30%	11.4
Confidential	Kuna, ID	<175	2018	Oct-19	Confidential	\$155,844	4.74%	12.6
Confidential	Boise, ID	<100	1973/renov 2008	Sep-19	Confidential	\$129,577	4.93%	10.4
Confidential	Meridian, ID	<250	2014/2015	Jun-19	Confidential	\$181,818	4.56%	12.1
Confidential	Boise, ID	<50	2007/2016	Mar-19	Confidential	\$233,333	5.27%	12.3
Confidential	Meridian, ID	<200	2018	Dec-18 & May-19	Confidential	\$176,441	5.86%	11.3
Confidential	Meridian, ID	<100	2016-2018	Oct-18	Confidential	\$229,167	5.43%	12.1
Confidential	Boise, ID	<50	2017	Sep-18	Confidential	\$167,188	5.37%	12.1
Confidential	Boise, ID	<300	1994-1995	Aug-18	Confidential	\$133,858	4.94%	11.2
Confidential	Nampa, ID	<20	2018	Aug-18	Confidential	\$131,250	5.50%	11.3
Confidential	Boise, ID	<50	1998	Apr-18	Confidential	\$133,362	5.23%	9.8
Confidential	Boise, ID	<80	1994	Feb-18	Confidential	\$110,577	4.08%	11.5
Confidential	Nampa, ID	<20	2017	Jan-18	Confidential	<u>\$121,250</u>	<u>5.50%</u>	<u>11.3</u>
					Mean	\$157,029	5.07%	11.5
					Median	\$150,000	5.19%	11.5
					Min	\$110,577	4.08%	9.8
					Max	\$233,333	5.86%	12.6

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 4.08% to 5.86%, with a mean and median of 5.07% and 5.19% respectively.

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. Since 2016/2017 capitalization rates have largely stabilized 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 immediate neighborhood is considered the west fringe of downtown Boise (approximately 0.7 miles northwest of the downtown core). The subject location is rated good as it relates to the greater downtown Boise market.
- The building will be of very good quality/design and in new condition at completion. Building quality/design is similar to other new competing mid-rise, urban, apartment projects in the downtown market.
- Statistics indicate strong demand in the multifamily market characterized by increasing rent levels and historically low vacancies.
- The project will be subject to the following workforce housing requirements and other CCDC stipulated restrictions:
 - 1 unit will be designated for households earning no more than 60% of the area median income (AMI) for a period of 8 years following the project's Certificate of Completion.
 - 15% or 8 units will be restricted to 100% AMI or less for a period of 30 years based on the City of Boise Code 11-06-03.4 (the Housing Bonus Ordinance).
 - According to the developer's submittal, units are proposed to serve households earning roughly 80% to 120% AMI, to average project rents at 100% AMI for eight years following project's Certificate of Completion. Based on the AMI income limits, the rental rate range for each of the subject unit types are presented in the following table.
 - The project's executed and recorded Affordability Covenant. Note, the Affordability Covenant has not been finalized. The developer is contemplating an additional studio unit to be designated for voucher-supplied households, which will earn between 60-120% (AMI). Per the developer's latest proforma, one studio unit is targeted for households earning 60% of the area median income (AMI).
- Based on AMI restrictions, only 2 unit are below market. The balance of the project will be leased at market.
- The subject is concluded to have good marketability.

It should be recognized that typically, existing complexes exhibit a range of rents with a portion being below market. The below market rents are a function of holding older leases steady as market rents increase over time. In turn, the below market average rents of a complex push down the capitalization rate relative to a proposed project like the subject in which all units are assumed to be rented at market. Thus, in developing a capitalization rate for a proposed project such as the subject, caution is used in selecting a rate toward the low-end of the range.

Capitalization Rate Conclusion

Considering the aforementioned factors, **a capitalization rate for the subject is concluded at 5.25%**, above the mid-tier of the most recent comparable range.



Situs RERC Real Estate Report Survey Data

The market sales and mortgage/equity analyses are supplemented by data compiled by the Situs RERC Real Estate Report. Capitalization rate data compiled by the Situs RERC surveys (4th Quarter 2020) 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 categories to the subject contained within the RERC surveys.

Regional Investment Criteria | First-Tier¹ Investment Properties

	Office		Industrial			Retail			Apt	Student Housing	Hotel
	CBD	SUB	WHSE	R&D	FLEX	RGNL MALL	PWR CNTR	NEIGH/ COMM			
WEST INVESTMENT CRITERIA											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.5 - 10.0	7.5 - 11.5	6.0 - 9.5	6.0 - 12.0	6.0 - 9.5	7.0 - 12.0	8.0 - 10.0	7.5 - 10.0	5.0 - 10.0	6.0 - 8.5	8.0 - 12.5
Average	8.5	9.0	7.7	8.5	8.3	9.1	8.7	8.5	7.2	7.6	10.3
Going-In Cap Rate (%)											
Range	5.5 - 9.0	6.0 - 9.0	4.5 - 7.5	4.5 - 8.5	6.0 - 8.5	6.0 - 8.5	6.5 - 9.0	5.5 - 8.0	4.0 - 6.5	4.5 - 6.5	6.5 - 9.5
Average	6.7	6.9	6.1	6.6	6.7	7.4	7.4	6.8	5.2	5.9	8.3
Terminal Cap Rate (%)											
Range	6.5 - 8.5	6.5 - 10.0	5.0 - 8.5	5.0 - 9.5	5.0 - 9.0	7.0 - 11.5	7.0 - 9.0	6.5 - 8.5	4.5 - 7.0	6.0 - 7.0	7.0 - 10.5
Average	7.1	7.6	6.8	7.4	7.3	8.2	7.9	7.5	5.9	6.8	8.8

The Situs RERC survey indicates a range of 4.0% to 6.5% with an average of 5.2% for apartment capitalization rates within the national western region 1st-tier market. Our capitalization rate conclusion of 5.25% is near the mid-tier of the range, lending further support to our capitalization rate conclusion.



Income Capitalization Approach Value Indication – 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 for the subject via the Income Capitalization Approach.

Direct Capitalization Summation Table

Rental Income

<u>Count</u>	<u>Unit Type</u>	<u>Qty</u>	<u>Size (SF)</u>	<u>Monthly Rent</u>	<u>Rent/SF/Mo.</u>	<u>Annual Income</u>
1	Studio	20	465	\$1,250	\$2.69	\$300,000
2	Studio - 60% AMI	1	465	\$790	\$1.70	\$9,480
3	1BR/1BA - small	6	565	\$1,385	\$2.45	\$99,720
4	1BR/1BA - large	8	625	\$1,450	\$2.32	\$139,200
5	2BR/2BA - small	4	794	\$1,735	\$2.19	\$83,280
6	2BR/2BA - large	8	922	\$1,850	\$2.01	\$177,600
7	2BR/2BA - 60% AMI	<u>1</u>	<u>794</u>	<u>\$1,017</u>	<u>\$1.28</u>	<u>\$12,204</u>
Total/Average		48	615	\$1,426	\$2.32	\$821,484

Other Income

Miscellaneous Income (\$450/unit/year)	\$21,600
RUBS (\$480/unit/year)	<u>\$23,040</u>

Potential Gross Income (PGI) \$866,124

Vacancy and Collection Loss -5.00% (\$43,306)

Effective Gross Income (EGI) \$822,818

Operating Expenses	<u>Total</u>	<u>Total/Unit</u>	<u>% EGI</u>
Real Estate Taxes	\$119,675	\$2,493	14.5%
Insurance	\$12,000	\$250	1.5%
Utilities	\$26,400	\$550	3.2%
Maintenance & Repairs	\$33,600	\$700	4.1%
Payroll - Part Time Manager	\$38,400	\$800	4.7%
Professional Management	\$24,685	\$514	3.0%
Advertising	\$7,200	\$150	0.9%
General/Administrative	\$7,200	\$150	0.9%
<u>Reserves for Replacement</u>	<u>\$14,400</u>	<u>\$300</u>	<u>1.8%</u>
Total Operating Expenses	\$283,560	\$5,907	34.5%

Net Operating Income (NOI) \$539,258

Divided By Capitalization Rate 5.25%

Equals Market Value \$10,271,577

**Income Capitalization Approach Conclusion,
 Market Value: Upon Stabilization, rounded** **\$10,270,000**



PGIM Crosscheck

The potential gross income multiplier (PGIM), as indicated by the market sales, will be applied to the potential gross income for the subject property to crosscheck the preceding price per unit conclusion. The multiplier is also 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 in the table on page 64 within the Income Capitalization Approach section, the comparables exhibit a PGIM range of 9.8 to 12.6, with a mean and median of 11.5 and 11.5 respectively. Based on the preceding value and potential gross income conclusions, a PGIM of **11.9** is inferred for the subject ($\$10,270,000 \div \$866,124$). The inferred rate is within the comparable range, lending further support to the analysis.



Reconciliation - Market Value: Upon Stabilization

Summary of Value Indications

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

Value Indications

Approach to Value	Upon Stabilization
Cost Approach	Not Developed
Sales Comparison Approach	Not Developed
Income Capitalization Approach	\$10,270,000

In order to reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach.

Income Capitalization Approach

The income capitalization approach resulted in a reliable conclusion of market value due to an adequate number of recent rent 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 given weight in the final value reconciliation.

Sales Comparison Approach

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 mid-rise urban 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, the sales used as capitalization rate comparables were analyzed on a potential gross income multiplier (PGIM) basis. On a PGIM basis, our value conclusion for the subject is bracketed by the sales, lending further support to our value conclusion.

Cost Approach

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 Conclusions

Component	Upon Stabilization
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	October 31, 2022
Value Conclusion	\$10,270,000

Exposure and Marketing Times

Marketing time is the time frame subsequent to the effective date of appraisal necessary to affect a sale of the property at the estimate of value(s) detailed herein. The estimate of value in this appraisal assumes the subject would experience a marketing time typical of the current market. Exposure time is the length of time a property would have been offered on the market prior to consummation of sale at the estimate of market value on the effective date of the appraisal. Exposure time is a retrospective estimate based on the analysis of past events and market conditions.

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates ± 12 months, respectively, are considered reasonable and appropriate for the subject property.



Development Cost Estimates

Introduction

The prior valuation concluded Market Value: Upon Stabilization for the proposed project. To conclude our estimate of Fair Re-Use Value, total development costs are deducted from the estimate of market value resulting in a residual value prior to development. Development costs include selling costs, direct and indirect costs associated with construction and lease-up, and an allowance for developer profit (entrepreneurial incentive).

Cost of Sale

Expenses associated with the cost of sale include marketing, sales commissions, and closing costs. At our market value conclusion of \$10,270,000 for the project "upon stabilization", the cost of sale is estimated at 4% or \$410,800.

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 direct costs and indirect costs to be incurred during construction and lease-up of the project. The developer included line items for developer fee and a debt guarantee fee of \$700,000 and \$112,000 respectively or approximately 7% (combined) of total development cost. 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. The developer's cost estimate is summarized in the following table.

Developer's Cost Estimate	
Acquisition and holding costs	\$45,407
Soft costs	\$1,205,634
Hard costs	\$8,349,176
Financing costs	<u>\$213,483</u>
Total Construction Cost	\$9,813,700
Total Cost/GBA	\$259.17
Size (GBA)	37,866
Total Cost/Unit	\$204,452
No. Units	48
<u>Appraiser Excluded Costs from Budget</u>	
CCDC land purchase	\$605,000
1707 and 1719 W. Idaho land value	\$411,000
Marketing/Leasing (Lease-up phase)	\$25,000
Loan Guarantee	\$112,000
Developer Fee at 6%	<u>\$700,000</u>
Total Developer's Cost Estimate	\$11,666,700



Construction Cost Comparables

To test the reasonableness of the developer's cost estimate, six cost comparables of multi-story residential and mix-use projects located in or near downtown Boise were analyzed. Specific names and details have been held confidential in our reporting. As summarized in the table presented below, the comparables exhibit construction costs ranging from \$150.85/SF to \$268.45/SF (average \$183/SF) of gross building area and \$183,807 to \$227,353 (average \$207,809) per unit.

Construction Cost Comparables						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Project Name	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
Location	Garden City, ID	Boise, ID	Boise, ID	Boise, ID	Boise, ID	Boise, ID
Effective Date of Cost Estimate	2020	2019	2019	2018	Late 2018	Late 2017
Type	2/3-story apts	3-story apts/retail	5-story apts/retail	7-story apts/retail	4-story apts/retail	3-story townhomes
# Units	<100	<50	<100	<175	<150	<50
GBA	>150,000	>100,000	>100,000	>200,000	>100,000	>40,000
Parking	Mixed	Mixed	None	Garage	Surface	Garage
Size (SF)	217,504	35,335	21,750	35,886	109,248	35,374
Site Size (Acres)	<5 acres	<1 acre	<1 acre	<1 acre	<3 acres	< 1 acre
Total Cost/SF (GBA)	\$165.78	\$177.54	\$268.45	\$150.85	\$166.27	\$168.30
Total Cost/Unit	\$210,787	\$227,353	\$198,868	\$208,221	\$183,807	\$217,819

*Total cost includes all direct and indirect costs, but excludes developer profit

Improvement Cost New Conclusion

Total cost of construction per the developer's cost estimate is \$9,813,700 (\$259/SF; \$204,452 per unit). The subject is a 48-unit apartment complex with no garage parking or commercial component. The majority of the comparables have garage parking and/or a commercial component. As such, it is reasonable that the developer's cost on a per square foot basis is near the high-end of the comparable range, but near the low-end on a per unit range. It is also noted; construction costs have increased moderately since these projects were built. At \$204,452 per unit, the developer's cost on a per unit basis is slightly below the average of the comparable range, lending support to the developer's cost estimate. The developer's estimated costs are deemed reasonable and supportable for use in this appraisal. Improvement cost new for the subject is concluded to be \$9,813,700. This estimate includes all direct and indirect costs for the improvements, site improvements, and appliance package.

Lease-up Costs

The initial analysis in this report concluded Market Value: Upon Stabilization. The valuation assumed construction was complete and the subject had 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 lease commissions and holding costs (i.e. fixed and variable expenses for unleased units).



Absorption

As presented on page 43 of the Market Analysis section, absorption in new apartment projects has dominantly ranged from approximately 10 to 20 units per month with substantial preleasing prior to completion. The strong absorption is anticipated to continue near-term. Considering current strong multifamily market fundamentals, the subject units are projected to be 25%+ preleased prior to completion, with the balance to lease-up within 3 months of completion, reflecting in an average absorption of 16 units per month. Note, seven new projects are currently under construction in the downtown Boise market. All of which are scheduled for completion in mid-to-late 2021. These new projects will increase downtown supply by 1,116 units. Considering historical strong absorption and the staggered completion dates, coupled with the anticipated continued growth in population and employment, these factors should allow for the timely absorption of the new inventory and not create a material long-term oversupply in the market. Based on these factors, and coupled with historical absorption in competing projects, the new supply will likely be fully absorbed within 6-12 months. As such, new supply of competing downtown units will be again limited when the subject project is complete.

Lease-Up Cost Conclusion

Lease-up costs of \$25,000 were included in the developer's cost estimate. The allowance is deemed reasonable to account for lease commissions and holding costs during the short-term lease-up period. 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.

Up Front Land Costs

The subject site is comprised of three parcels. The developer is required to purchase the CCDC land parcel upfront at a price of \$605,000 or \$34.25/SF. Based on a cursory review of recent land sales in the downtown market, the price of \$34.25/SF is representative of market value. The land cost for the balance of the site was based on the \$34.25/SF price of the CCDC parcel. Market value for the balance of the site is concluded to be \$411,000 (12,003 SF x \$34.25/SF).



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

Based on these conversations, and considering the scope of the project, assumed preleasing, and projected lease-up period, an entrepreneurial incentive/developer profit of 12% of construction and lease-up costs or \$1,180,644 (\$9,838,700 x 12%) is concluded to be reasonable 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 project.

Development Cost Estimate Conclusion

<u>Component</u>	<u>Size (SF)</u>	<u>Cost Per SF</u>	<u>Total Cost</u>
Cost of Sale	37,866	\$10.85	\$410,800
Construction Phase Costs	37,866	\$259.17	\$9,813,700
Lease-up Phase Costs	37,866	\$0.66	\$25,000
Land Costs	37,866	\$26.83	\$1,016,000
Developer Profit	<u>37,866</u>	<u>\$31.18</u>	<u>\$1,180,644</u>
Total Development Cost, rounded	37,866	\$328.79	\$12,450,000

Potential Developer Cost Reimbursements

As presented in the developer's proforma, the developer expects some cost reimbursements from the CCDC and/or other government entities. Potential reimbursements include: 1) the \$605,000 land purchase price for the CCDC land parcel, 2) a cost of \$214,465 for soil remediation, and 3) a cost of \$423,104 for burying Idaho Power lines and other public improvements sitework. These reimbursements will be applied as a net positive in the final value summary.



Fair Re-Use Value Conclusion

Fair Re-Use Value

Total development costs, including cost of sale, cost of construction, lease-up costs, land costs, and developer profit/entrepreneurial incentive are deducted from the "upon stabilization" market value to derive the conclusion of Fair Re-Use Value. Note, two values are presented, one assuming no CCDC cost reimbursements and one assuming full CCDC cost reimbursements. The calculations are detailed in the following table.

Fair Re-Use Value	
Market Value: Upon Stabilization:	\$10,270,000
<u>Deduct: Cost of Sale</u>	
Cost of Sale at 4% of Market Value	(\$410,800)
<u>Deduct: Construction and Lease-up Costs</u>	
Construction phase costs	(\$9,813,700)
Marketing/lease-up costs	<u>(\$25,000)</u>
Total Construction and Lease-up Costs	(\$9,838,700)
<u>Deduct: Up-Front Land Costs</u>	
CCDC parcel (\$34.25/SF)	(\$605,000)
1707 & 1719 W. Idaho St. (\$34.25/SF land value)	<u>(\$411,000)</u>
Total Up-Front Land Costs	(\$1,016,000)
<u>Deduct: Developer Profit (Entrepreneurial Incentive)</u>	
Developer Profit at 12% of Construction and Lease-up Cost	<u>(\$1,180,644)</u>
Total Deductions, rounded	<u>(\$12,450,000)</u>
Conclusion of Fair Re-Use Value (Assuming no CCDC cost reimbursements)	(\$2,180,000) Negative
<u>Add: Potential CCDC Cost Reimbursements</u>	
CCDC parcel (\$34.25/SF)	\$605,000
Soil remediation	\$214,465
ROW/offsite work	<u>\$423,104</u>
Total Reimbursements, rounded	<u>\$1,245,000</u>
Conclusion of Fair Re-Use Value (Assuming CCDC cost reimbursements)	(\$935,000) Negative



Comment on Project Feasibility

Market Value: Upon Stabilization was concluded to be \$10,270,000. Sales, construction, lease-up, and land costs were concluded at \$11,265,000, rounded. With a developer profit allowance of 12% or \$1,180,644, total development costs are concluded at \$12,450,000, rounded. The resulting Fair Re-Use Value, assuming no CCDC cost reimbursements, for the proposed project is a negative \$2,180,000. Assuming full CCDC reimbursements, the resulting Fair Re-Use Value is a negative \$935,000. The negative Fair Re-Use Value indicates the project is less than a breakeven venture on 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 moving forward, there are three main factors that could enhance the profitability in the venture: 1) Cost savings in construction, 2) Achieving higher lease rates, and 3) Actual expenses are lower than projected. These factors could reduce the negative Fair Re-Use Value to a breakeven or marginally profitable venture.



General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and 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 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. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
5. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
6. 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 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.
7. 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.
8. 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. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
9. 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.
10. 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.



11. 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.
12. 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.
13. 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 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.
14. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not 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.
15. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Mountain States.
16. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
17. 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.
18. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
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 and 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. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
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 more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
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, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.



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. The 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 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 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 Valbridge Property Advisors | Mountain States or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Mountain States for this assignment, and under no circumstances shall any claim for consequential damages be made.
35. Valbridge Property Advisors | Mountain States 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. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Mountain States 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 harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Mountain States in such action, regardless of its outcome.
36. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Mountain States. 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.
37. 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.
38. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
39. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.



Certification – Jeff Vance

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

1. The statements of fact contained in this report are true and correct.
2. 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.
3. 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.
4. I performed an appraisal of the CCDC land parcel in 2020 under an unrelated 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a current site inspection of the property that is the subject of this report.
10. No one other than Joe Corlett, MAI, provided significant real property appraisal assistance to the person signing this certification.
11. 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 and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in blue ink that reads "Jeff R. Vance" with a long horizontal flourish extending to the right.

Jeff Vance, MAI
Senior Appraiser
Idaho, Certification # CGA-2828



Certification – Joe Corlett

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

1. The statements of fact contained in this report are true and correct.
2. 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.
3. 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.
4. I have performed no 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
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13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in blue ink, appearing to read "Joe Corlett".

G. Joseph Corlett, MAI, SRA
Senior Managing Director
Idaho, Certification # CGA-7



Addenda

Subject Photos

Engagement Letter

Developer Proforma – Cost Estimate

Public Improvement Costs Estimate

Idaho Opening Up Guidelines

Glossary

Qualifications

- Jeff Vance, MAI – Senior Appraiser
- Joe Corlett, MAI, SRA – Senior Managing Director

Information on Valbridge Property Advisors

Office Locations



Subject Photographs



Subject site, viewing south



Viewing southeast



Alleyway, viewing east, subject on left



Viewing southwest, old home to be razed



W. Idaho St, viewing east, subject on right



W. Idaho St, viewing west, subject on left



Engagement Letter



MOUNTAIN STATES APPRAISAL AND CONSULTING, INC.

d/b/a VALBRIDGE PROPERTY ADVISORS

2020-2023 ON-CALL PROFESSIONAL SERVICES AGREEMENT

TASK ORDER 20-002

*CONSULTANT: Use the Project Name and **PO# 210041** number on all project-related invoices.*

TO: Moe Therrien, MAI, Senior Managing Director
Mountain States Appraisal and Consulting, Inc.
1459 Tyrell Lane, Suite B
Boise, Idaho 83706
#208.336.1097
moe@appraiseidaho.com

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

ORIGINAL AGREEMENT: 2020-2023 On-Call Professional Services ("Agreement")
AGREEMENT DATE: May 5, 2020
TASK ORDER DATE: March 11, 2021
TASK ORDER AMOUNT: \$5,000

1. PROJECT NAME: Re-Use Appraisal of 1715 West Idaho Street, Boise, Idaho

2. PROJECT DESCRIPTION

CCDC owns real property at 1715 West Idaho Street in Boise, Idaho, in CCDC's Westside Urban Renewal District. Part of CCDC's urban renewal plan for the Westside District is to promote the development of infill residential housing that services a mixture of income levels. CCDC has sought proposals for development of the real property and received a proposal for the development of a residential housing project.



3. SERVICES TO BE PERFORMED

CCDC desires to obtain an opinion of "Fair Re-Use Value" from CONSULTANT for the site based on its proposed use. CONSULTANT shall perform the services described in CONSULTANT's proposal dated February 22, 2021 attached hereto as Exhibit A ("Scope of Services" or "Scope"). CONSULTANT shall not incur charges for the Scope of Services in excess of the not-to-exceed amount for this Task Order without prior written approval from CCDC.

4. SUBCONSULTANT(S) (n/a)

5. PAYMENT

- (a) Amount and Method of Payment. The total amount paid for this Task Order shall be an amount not to exceed **FIVE THOUSAND DOLLARS (\$5,000)**. CCDC shall pay CONSULTANT for the Scope of Services performed under this Task Order based on hours expended on the Scope at the agreed upon hourly rate(s).
- (b) Reimbursable Expenses. Payment for reimbursable expenses shall be included in the not-to-exceed limit of \$5,000.
- (c) Subconsultants. Payment to SUBCONSULTANT is included in the not-to-exceed amount for this Task Order. CONSULTANT shall assume responsibility for the amount and schedule of payments to the SUBCONSULTANT
- (d) NOTICE REQUIRED PRIOR TO OVERAGES. CONSULTANT must notify CCDC if CONSULTANT anticipates that costs for the Scope of Services will exceed the not-to-exceed limit set for this Task Order.

6. SCHEDULE

CONSULTANT shall begin work upon Notice to Proceed and work diligently toward completion of the Scope of Services, with such completion no later than ninety days from Notice to Proceed.

7. DELIVERABLES / COPIES OF PRODUCTS

CONSULTANT shall provide CCDC with an opinion of Fair Re-Use Value for the property.

8. CONTRACT TERMS

Terms of the 2020-2023 On-Call Professional Services Agreement shall apply to the services performed and work products created under this Task Order.

End of Task Order | Signatures appear on the following page.



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

CAPITAL CITY DEVELOPMENT CORP.

CONSULTANT: MOUNTAIN STATES APPRAISAL AND CONSULTING, INC.



John Brunelle, Executive Director



~~Moe Therrien, Senior Managing Director~~
Joe Corlett, Senior Managing Director

Date: March 11, 2021

Date: 3/11/21

EXHIBITS

A: Consultant's Proposal dated February 22, 2021

Budget Info / For Office Use	
Fund/District	303
Account	5501
Activity Code	n/a
PO #	210041
Completion Date	90 days NTP
Task Order Term	September 30, 2021



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

February 22, 2021

Mr. Brady Shinn
Capital City Development Corporation (CCDC)
121 N. 9th Street, Suite 501
Boise, ID 83702

RE: Authorization & Engagement
Re-Use Appraisal of:
Proposed Multifamily Project
1715 W. Idaho Street, Boise, ID 83702

Dear Mr. Shinn:

This letter serves as our agreement for appraisal services relating to the above referenced property. The subject is a proposed apartment project located at 1715 W. Idaho Street in downtown Boise.

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.

We will develop our analyses, opinions, and conclusions and prepare 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 will be presented in Appraisal Report format and comply with the requirements set forth under Standards Rule 2-2(a) of USPAP. It will present a narrative discussion of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinion(s). The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

The fee will be \$5,000. Delivery of the report will be no later than five weeks from the date we receive the signed engagement letter. The fee is due within 30 days of delivery. Jeff Vance, MAI, and Joe Corlett, MAI, SRA, will be co-signors of the report.

VALBRIDGE PROPERTY ADVISORS: AKRON • ATLANTA • BATON ROUGE • BOISE • BOSTON • BOULDER • CENTRAL VALLEY CA/CENTRAL COUNTIES • CHARLESTON • CHARLOTTE • CINCINNATI • COEUR D'ALENE • DALLAS-FORT WORTH • DAVENPORT • EAST LANSING • GREENVILLE • HARTFORD • HILTON HEAD • HOUSTON • INDIANAPOLIS • JACKSONVILLE • KANSAS CITY • KNOXVILLE • LAS VEGAS • LOS ANGELES • ORANGE COUNTY • LOUISVILLE • LUBBOCK • MEMPHIS • MILWAUKEE • MINNEAPOLIS • MONTEREY/CARMEL • MONTGOMERY • NAPLES • NASHVILLE • NEW ORLEANS • NORFOLK/VIRGINIA BEACH • NORWALK/STAMFORD • OLYMPIA • ORLANDO • PHILADELPHIA • PITTSBURGH • RALEIGH • RICHMOND • RDANCKE • SACRAMENTO • SALT LAKE CITY • SAN ANTONIO • SAN DIEGO • SAN FRANCISCO BAY AREA/EAST BAY • SAN FRANCISCO BAY AREA/SILICON VALLEY • SEATTLE • SHREVEPORT • SPOKANE • SOUTHERN UTAH • TAMPA/ST. PETERSBURG • TUCSON • TULSA • WASHINGTON DC/BALTIMORE



If you agree to these terms, please have the person(s) responsible for payment acknowledge the intent for payment by signing this engagement letter. Thank you for the opportunity to be of service.

Sincerely,

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

Jeff Vance, MAI
Idaho Certified General Appraiser
CGA-2828
Phone: 208-336-1097, ext. 22
E-mail: jvance@valbridge.com

I agree to these terms.

Signatures appear on Task Order 20-002

Client Signature

Date

Client Name

Business Name

Valbridge Property Advisors | Mountain States Appraisal and Consulting, Inc.



Developer Proforma – Cost Estimate

Inputs								
Property Overview								
Name	17th and Idaho							
Type	Multifamily Development							
M/A	Rose, Idaho							
Address	Corner of 18th and Idaho Rose, Idaho							
Number of Listings	3							
Number of Stories	3							
Land Area (sq)	Acres: 0.08 29,700							
Units	48							
Parking Stalls	38							
Stalls/Unit	0.79							
Multifamily	Efficiency: 84% 29,901							
Office	-							
Retail	-							
Circulation/Misc	5,863							
Gross Building Area	35,764							
Team								
Developer	17th and Idaho Development LLC							
Architect	Provet North Architects							
General Contractor	Visser							
Property Management	TableRock							
Lease-up Assumptions								
Units Leased / Month	13							
Concessions	0 Months							
Concession Buyoff	0 Months							
Pre-Construction Leasing	0 Months							
Timetable								
Month	Start	Duration	End	Month				
Acquisition	Month 0 7/31/22	3 Months	7/31/23	Month 0				
Soft Costs	Month 1 8/31/22	12 Months	7/31/23	Month 12				
Hard Costs	Month 1 8/31/22	12 Months	7/31/23	Month 12				
Lease-up	Month 12 7/31/22	4 Months	10/31/22	Month 15				
Stabilization	Month 12 7/31/22	4 Months	10/31/22	Month 15				
Exit	Month 36 7/31/24	3 Months	7/31/24	Month 36				
Investment Overview								
Acquisition Date	7/31/21							
Hold Period	36 Months							
Exit Date	7/31/24							
Exit Closing Costs	1.00%							
Exit Cap Rate	5.16%							
Sale Price on Month 36	\$278,677/Unit	\$10,976,437						
Total Cost w/o Incentive	\$243,056/Unit	\$11,646,700						
Total Cost w/ Incentive	\$214,368/Unit	\$10,289,684						
Untraded YoC	4.4%							
Stabilized YoC	4.5%							
Assumptions								
Year	MF Occupancy	Rent Growth	Other Revenue Growth	Expense Growth	RET Growth	Cap Rate		
1	95%	0.00%	0.00%	0.00%	0.00%	5.00%		
2	95%	3.00%	3.00%	2.00%	2.00%	5.00%		
3	95%	3.00%	3.00%	2.00%	2.00%	5.16%		
4	95%	3.00%	3.00%	2.00%	2.00%	5.24%		
5	95%	3.00%	3.00%	2.00%	2.00%	5.32%		
6	95%	3.00%	3.00%	2.00%	2.00%	5.40%		
7	95%	3.00%	3.00%	2.00%	2.00%	5.48%		
8	95%	3.00%	3.00%	2.00%	2.00%	5.56%		
9	95%	3.00%	3.00%	2.00%	2.00%	5.64%		
10	95%	3.00%	3.00%	2.00%	2.00%	5.72%		
11	95%	3.00%	3.00%	2.00%	2.00%	5.80%		
Office		Retail	Parking	Other Income				
5.0%		5.0%	5.0%	5.0%				
Unit Mix - Option 1								
100% AMI	% AMI	Type	Count	Unit Size	Potential Rent	Rent PSE	Monthly Rent	Annual Rent
1310	91%	Studio	19	470	1,195	2.34	\$22,705	\$272,460
1402	93%	1 Br / 1 Ba - Small	7	565	1,305	2.31	\$9,135	\$109,620
1402	96%	1 Br / 2 Ba - Large	9	630	1,350	2.14	\$12,150	\$145,800
1682	98%	2 Br / 2 Ba - Small	4	794	1,645	2.07	\$6,580	\$78,960
1682	107%	2 Br / 2 Ba - Large	8	922	1,795	1.95	\$14,360	\$172,320
1682	60%	2 Br / 2 Ba - 60% AMI	1	794	1,009	1.27	\$1,009	\$12,108
1441	95%	Total	48	623	1,374	2.21	\$65,939	\$793,268
Other Income								
Parking	Count	Unit Size	Rent/Stall	Monthly Rent	Total Annual			
On-Street Parking	28	373	--	--	--			
Street Parking	10	--	--	--	--			
Parking total/avg	38	--	--	--	--			
Financing Assumptions								
Senior Note	Fixed	960	7/31/21	36 Months				
Start Date	7/31/21							
Term	36 Months							
Maturity Date	7/31/24							
Loan Amount	\$8,000,000							
Loan-to-Cost	68.6%							
Interest Rate Spread	L+	\$50 bps						
All-in Rate	3.62%							
Fixed Rate	3.75%							
Interest Only Period	24 Months							
Amortization Period	30 Years							
Amortization Rate	3.75%							
Origination Fee	1.25%							
Interest Reserve	113,483							
Operating Reserve	--							
Other Financing								
Type	Incentives							
Amount	\$1,377,016							
Month Credited	12							
Untraded Stabilized Pro Forma								
Assumptions	Total							
Stabilized Occupancy	95%							
Potential Rent / Month	\$1,374							
Effective Rent / Month	\$1,274							
Income								
Net Potential Rent	791,268							
Concessions	--							
Net Effective Rent	791,268							
Vacancy Loss	(19,565)							
Non-Revenue Units	--							
Rent Debt	--							
Total Rental Income	\$751,705							
Office Revenue	--							
Retail Revenue	--							
Parking Revenue	--							
Storage Revenue	--							
MISC Revenue	55							
LI Incentivity	0							
Effective Gross Income	\$751,801							
Expenses	% of EGI	Per Unit	Total					
Repairs & Maintenance		200	\$,600					
Turnover		200	\$,600					
Marketing		100	\$,400					
General & Administrative		100	\$,400					
Payroll		800	\$8,400					
Property Management Fees	3.0%	489	\$2,454					
Utilities		680	\$2,640					
Real Estate Taxes	16.8%	2,729	\$11,000					
Property Insurance		200	\$,600					
Office OpEx		--	--					
Retail OpEx		--	--					
Total Operating Expenses	38.8%	\$5,458	\$263,834					
Net Operating Income		\$10,790	\$517,967					
Asset Management Fee	1.5%	244	\$1,727					
Capital Reserves (required by lender)		200	\$,600					
Total Expenses	36.5%	\$5,942	\$285,223					
Operating Cash Flow		\$10,245	\$486,540					





Development Budget Summary	Total Cost	\$/Unit	\$/GSF
Land Purchase Price	605,000	12,604	16.92
1707 and 1719 W. Idaho	411,000	8,563	11.49
Acquisition Cost for CCDC Land	20,000	417	0.56
Holding Cost for CCDC Land	25,407	529	0.71
Acquisition Costs	1,061,407	22,113	29.68
Due Diligence and Pre-Development Subtotal	73,500	1,531	2.06
Architecture, Engineering & Permits Subtotal	702,672	14,639	19.65
Insurance Subtotal	103,930	2,165	2.91
Marketing and Leasing Subtotal	25,000	521	0.70
Other Soft Costs Subtotal	325,532	6,782	9.10
Soft Costs	1,230,634	25,638	34.41
Contractor Hard Cost Subtotal	6,907,567	143,908	193.14
Other Hard Costs Subtotal	1,441,609	30,034	40.31
Hard Costs	8,349,176	173,941	233.45
Development Fee	700,000	14,583	19.57
Loan Guarantee	112,000	2,333	3.13
Additional Contingency	-	-	-
Other Development Costs	812,000	16,917	22.70
Total Unlevered Costs	\$11,453,217	\$238,609	320.24
Financing Fees	100,000	2,083	2.80
Interest Reserve	113,483	2,364	3.17
Operating Reserve	-	-	-
Financing Costs	213,483	4,448	5.97
Total Development Costs	\$11,666,700	\$243,056	\$326
Soft Cost Contingency	<i>% of Soft Costs</i>	58,672	4.8%
Hard Cost Contingency	<i>% of Hard Costs</i>	484,000	5.8%
Additional Contingency		-	-
Total Contingencies	<i>† Total Development Costs</i>	542,672	4.7%
Development Fee			6.0%
Sources of Financing			
Equity			3,666,700
Debt			8,000,000
Total			\$11,666,700



	Total Cost	\$ / Unit	\$ / GSF
Acquisition Costs			
Land Purchase Price	605,000	12,604	16.92
1707 and 1719 W. Idaho	411,000	8,563	11.49
Acquisition Cost for CCDC Land	20,000	417	0.56
Holding Cost for CCDC Land	25,407	529	0.71
Acquisition Costs	1,061,407	22,113	29.68
Due Diligence and Pre-Development			
Predevelopment Costs	15,000	313	0.42
Preliminary Design	16,000	333	0.45
Environmental	5,000	104	0.14
Geotechnical	7,500	156	0.21
Boundary Survey/ALTA	5,000	104	0.14
Lot Line Adjustment - Plat	5,000	104	0.14
Preliminary Legal - Development	5,000	104	0.14
Preliminary Legal - Financing	5,000	104	0.14
Seal Coating for Church	10,000	208	0.28
FHA Exam/Application Fee	-	-	-
Due Diligence and Pre-Development Subtotal	73,500	1,531	2.06
Architecture, Engineering & Permits			
A&E	420,640	8,763	11.76
A&E Spent Prior to Construction	-	-	-
A&E (Reimbursable Expenses)	21,032	438	0.59
Testing & Inspection - Geotechnical	15,000	313	0.42
Testing & Inspection - Materials	15,000	313	0.42
Building Permit Fees and SDCs	231,000	4,813	6.46
Architecture, Engineering & Permits Subtotal	702,672	14,639	19.65
Insurance			
Title Policy for Site Acquisition	-	-	-
Title Policy for Construction	45,000	938	1.26
Builder's Risk Insurance	55,464	1,156	1.55
General Liability (Excess)	3,466	72	0.10
Insurance Subtotal	103,930	2,165	2.91
Marketing & Leasing			
Marketing & Startup	25,000	521	0.70
Retail Leasing Fees	-	-	-
Office Leasing Fees	-	-	-
Marketing and Leasing Subtotal	25,000	521	0.70
Other Soft Costs			
Legal and Accounting Fees	103,000	2,146	2.88
Project Overhead	7,500	156	0.21
Construction Manager	84,000	1,750	2.35



Travel	4,000	83	0.11
Property Taxes for Project Duration	11,860	247	0.33
Tie-Back Agreements	-	-	-
ALTA Survey	-	-	-
Appraisal	6,500	135	0.18
LEED Documentation & Commissioning	50,000	1,042	1.40
Security before/during Construction	-	-	-
Soft Cost Contingency	58,672	1,222	1.64
Other Soft Costs Subtotal	325,532	6,782	9.10

Soft Costs	1,230,634	25,638	34.41
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Contractor Hard Cost

GC - Cost of Work	5,453,087	113,606	152.47
GC - General Conditions	390,180	8,129	10.91
GC - Additional Permit Fees	-	-	-
GC - General Requirement	-	-	-
GC - Insurance	18,406	383	0.51
GC - Fee	350,596	7,304	9.80
GC - Construction Contingency	175,298	3,652	4.90
Contractor Design Contingency	319,000	6,646	8.92
Contractor Site Contingency	-	-	-
Inflation/escalation	201,000	4,188	5.62
Value Engineering	-	-	-
Contractor Hard Cost Subtotal	6,907,567	143,908	193.14

Other Hard Costs

Retail Tenant Improvements Allowance	-	-	-
Amenity Upgrades	50,000	1,042	1.40
Residential Unit Upgrades	24,000	500	0.67
Mechanical Parking	-	-	-
Appliances Upgrade	12,000	250	0.34
Residential FF&E (Common Area)	25,000	521	0.70
Amenity FF&E (Equipment, BBQ, Etc)	15,000	313	0.42
Art Allowance	35,000	729	0.98
Access Control Upgrade (including gates)	15,000	313	0.42
Security System Upgrade	15,000	313	0.42
Signage - exterior	25,000	521	0.70
Signage - interior	15,000	313	0.42
Alley Utility Relocation - CCDC Request	300,000	6,250	8.39
Streetscape Improvements - CCDC Request	251,609	5,242	7.04
Est Soil Mitgation - CCDC Request	175,000	3,646	4.89
Hard Cost Contingency	484,000	10,083	13.53
Other Hard Costs Subtotal	1,441,609	30,034	40.31

Hard Costs	8,349,176	173,941	233.45
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Other Development Costs



Development Fee	700,000	14,583	19.57
Loan Guarantee	112,000	2,333	3.13
Additional Contingency	-	-	-
Other Development Costs	812,000	16,917	22.70
Total Unlevered Costs	\$11,453,217	\$238,609	320.24
Financing Fees	112,500	2,344	3.15
Interest Reserve	145,185	3,025	4.06
Operating Reserve	-	-	-
Financing Costs	257,685	5,368	7.21
Total Development Costs	\$11,710,902	\$243,977	327.45



Public Improvement Costs

CCDC Participation Program Schedule of Eligible Soil Remediation Costs Actual Eligible Costs To Be Determined by CCDC		
<i>Project Name: 17th & Idaho Workforce Housing Project</i>	<i>Plan Date: FINAL</i>	<i>By: SMR Development</i>

SITE:					
#	ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
1	Excavation -- includes materials, labor, shoring, hauling, compaction EXCLUDED: 24" of soil excavation	CY	14.95	6,150	91,956
2	Structural Backfill -- includes materials, labor, shoring, hauling, compaction	CY	33	6,094	103,013
Total Site Costs:					194,968
TOTAL ELIGIBLE COSTS:					194,968
PLUS: 5% GENERAL CONDITIONS:					9,748
PLUS: 5% CONTINGENCY:					9,748
TOTAL					\$ 214,465.17
Important Note: Each program where eligible costs are identified will only pay for those approved expenses not otherwise paid for by another public entity.					



CCDC Participation Program
Schedule of Eligible Expenses Application Form
 Actual Eligible Costs To Be Determined by CCDC

Project Name: 17th & Idaho Workforce Housing Project

Plan Date: FINAL

By: SMR Development

ALL SCOPE MUST BE 1) LOCATED ON PUBLIC IMPROVEMENT PERMIT AND 2) IN THE PUBLIC RIGHT OF WAY

#	ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
SITE PREPARATION: DIVISIONS 2 and 31					
1	Surface demolition	LS	0	0	0
2	Asphalt demolition	LS	0	0	0
3	Curb and gutter demolition	LS	4,300	1	4,300
4	Saw cut	LS	10,100	1	10,100
5	Replace subbase	LS	17,900	1	17,900
6	Stand alone tree removal - demo & disposal of trees, etc.	LS	4,200	1	4,200
SIDEWALK WORK: DIVISION 32					
7	Scored concrete sidewalk	LS	10,900	1	10,900
8	Dry laid brick	0	0	0	0
9	Pedestrian ramp	LS	16,100	1	16,100
10	Truncated dome	0	0	0	0
11	Lawn parkway	0	0	0	0
12	Irrigation – 10 trees	0	0	0	5,000
OTHER: DIVISION 32					
13	Asphalt repair	LS	0	0	0
14	Concrete curb cut	LS	3,000	1	3,000
15	Vertical curb and gutter (6")	LS	8,990	1	8,990
16	Meyers cabinet	0	0	0	INC
17	Water meter	LS	2,800	1	2,800
SITUATIONAL FURNISHINGS: DIVISION 32					
18	Street trees - supply & install 10 trees	LS	2,300	10	23,000
19	Tree grates & frames	0	0	0	0
20	Trench drain cover	0	0	0	0
21	Historic street light - supply & install 5 light poles	EA	5,000	5	57,500
22	Bench - supply & install 3 benches	EA	2,100	3	6,300
23	Bike rack - supply and install 3 bike racks	EA	1,200	3	3,600
24	Litter receptacle	0	0	0	0
25	Pre-cast planter	0	0	0	0
OTHER:					
26					
27	TBD		0	0	0
Total Streetscape Costs:					173,690



CCDC Participation Program				
Eligible Costs Application Form				
Actual Eligible Costs To Be Determined by CCDC				
INFRASTRUCTURE & UTILITIES: (In right-of-way)				
	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
STORM WATER MITIGATION: DIVISION 33				
28		0	0	0
29	Surface demo			
29	Surface prep - allowance for storm drainage	LS	16,500	1
30	Finish materials (permeable pavers, etc.)		0	0
UTILITIES: DIVISION 33				
31	Power line (new/relocation/extension)	LS	40,000	1
32	Water line (new/relocation/extension)		0	0
33	Sewer line (new/relocation/extension)		0	0
34	Geothermal Line (new/relocation/extension)		0	0
35	Natural gas line (new/relocation/extension)		0	0
36	Phone & cable line (new/relocation/extension)	LS	20,000	2
37	Fiber line (new/relocation/extension)	LS	20,000	1
38	ACHD power box relocation		0	0
STREET: DIVISIONS 2, 31 and 32				
39	Asphalt demolition - demolition of curb & gutter along streets	LS	9,000	1
40	Road sub-base and prep		0	0
41	Asphalt paving patch back along roadway	LS	3,100	1
PATH:				
42	Surface demolition		0	0
43	Surface prep		0	0
44	Paving material		0	0
ALLEY:				
45	Asphalt demolition	LS	13,000	1
46	Alley sub-base and prep	LS	15,850	1
47	Asphalt paving in alley	LS	52,000	1
PLAZA:				
48	Surface demolition		0	0
49	Surface prep		0	0
50	Paving material		0	0
OTHER:				
51	TBD		0	0
52	TBD		0	0
Total Infrastructure & Utilities Costs:				209,450



CCDC Participation Program			
Eligible Costs Application Form			
Actual Eligible Costs To Be Determined by CCDC			
OTHER:			
57	TBD	0	0
58	TBD	0	0
Total Site Costs:			0
TOTAL ELIGIBLE COSTS:			383,140
PLUS: 5% GENERAL CONDITIONS			19,157
PLUS: 5% CONTINGENCY:			19,157
TOTAL			421,454
Important Note:			
Each program where eligible costs are identified will only pay for those approved expenses not otherwise paid for by another public entity.			

Per client, slight change shown below:

Update below shown in red, small detail but figure if you are still doing it, then we can revise now.

CCDC potential Financial Participation (page 77 table) – Breakdown as follows, backup attached for inclusion as an Appendix item.

- 1) CCDC Parcel -- \$605,000
 - 2) Soil Remediation -- \$214,465
 - 3) ROW/offsite work -- \$423,104
- TOTAL: \$ 1,242,569



Idaho Opening Up Guidelines



GUIDELINES FOR OPENING UP IDAHO

Governor Brad Little, with the help of the Department of Health and Welfare and guidance issued by President Donald Trump and the Centers for Disease Control and Prevention, has established a data-driven approach to opening up Idaho's economy. This approach reduces the risk of COVID-19 to Idaho's most vulnerable population and preserves capacity in our healthcare system, while opening up businesses safely. From an economic standpoint, Idaho's rebound from COVID-19 starts with employee and consumer confidence, which leads into business stability and growth and eventually promotion and attraction.

[REBOUND.IDAHO.GOV](https://rebound.idaho.gov)

GUIDELINES FOR OPENING UP IDAHO

APRIL 23, 2020 | 2

MEETING IDAHO CRITERIA MEANS ADVANCING TO A STAGED APPROACH

All criteria below must be met before Idaho advances to the next stage of reopening. The Idaho Division of Public Health and the Governor's Coronavirus Working Group will review the criteria every two weeks to assess if criteria are met, or continue to be met, so Idaho can move to the next stage. **To advance to the next stage, all criteria must be met. If the criteria indicates trends are beginning to move the wrong direction, or there is evidence that a stage has adversely impacted rates, stages may have to be extended or reversed.** Dates shown in the document are estimated timelines only.

IDAHO CRITERIA

SYNDROMIC

Downward trend or low numbers of COVID-19-like illness patient visits as tracked by Emergency Departments within a 14-day period

MEASURED BY: NSSP (Idaho's syndromic tracking system). Displayed on website as "Number of Emergency Department Visits for COVID-Like Illness."

METRIC: Downward trend over most recent reported 14-day period, OR less than 20 visits/day on average over same 14-day period

AND

Downward trend or very low numbers of patients with COVID-19-like illness admitted from Emergency Departments within a 14-day period

MEASURED BY: NSSP (Idaho's syndromic tracking system). Displayed on website as "Number of emergency Department Patients with COVID-like Illness Symptoms Admitted to the Hospital."

METRIC: Downward trend over most recent reported 14-day period, OR less than 2 patients/day on average over same 14-day period

EPIDEMIOLOGIC

Downward trend or low levels of documented COVID-19 cases reported within a 14-day period

MEASURED BY: NBS (Idaho's integrated disease reporting system). Displayed on the website as "COVID-19 by Date Reported."

METRIC: Downward trend over most recent reported 14-day period, OR less than 20 patients per day on average reported statewide over the same 14-day period

OR

Downward trend of positive COVID-19 PCR tests as a percent of total tests within a 14-day period (including flat or increasing volume of tests)

MEASURED BY: NBS (Idaho's integrated disease reporting system). Will be displayed on the website

METRIC: Downward trend over most recent reported 14-day period, OR less than 5 percent laboratory PCR positivity on average over same 14-day period

HEALTHCARE

Treat all patients without needing to use crisis standards of care

MEASURED BY: Governor's Order for Crisis Standards of Care in place; reports from hospitals

AND

Available ventilators, intensive care unit beds, and personal protective equipment (PPE) to safely care for additional COVID-19 patients in hospitals

MEASURED BY: Idaho Resource Tracking System (IRTS) (through the Division of Public Health) and displayed on the website

METRIC: At least 50 available (unused) ventilators, 50 ICU beds, and available 10-day supply of N95 masks, surgical masks, face shields, gowns, and gloves

AND

Robust COVID-19 testing program in place for at-risk healthcare workers

MEASURED BY: NBS (Idaho's integrated disease reporting system). Numbers of reported cases among healthcare workers; will be displayed on the website

METRIC: Downward trend over most recent reported 14-day period, OR less than 2 healthcare workers reported/day on average over same 14-day period



STRATEGIES, RESPONSIBILITIES, AND CAPABILITIES NEEDED

The State of Idaho must remain focused on achieving the following core preparedness responsibilities.

TESTING AND CONTACT TRACING:

- Ability to quickly set up safe and efficient screening and testing sites for symptomatic individuals, including those with mild symptoms
- Contact tracing in place for all COVID-19 positive results
- Screening and testing locations in all regions of the state in place that serve older individuals, rural and lower income populations, and racial and ethnic minorities, such as Native Americans and Hispanics

PLANS AND STRATEGIES:

- State and local preparedness plans are in place including surge plans
- Crisis Standards of Care Plan established
- Long-Term Care Task Force operational to support long-term care facilities
- Testing strategy developed
- Contact tracing strategy developed

HEALTHCARE SYSTEM CAPACITY:

- Ability to quickly supply sufficient PPE, medications, and critical medical equipment to handle dramatic surge if needed
- Ability to quickly test symptomatic healthcare workers
- Ability to surge intensive care unit capacity



STAGED OPENING (AFTER IDAHO CRITERIA IS MET)

Until we have targeted, case-based interventions for each infectious person, an effective vaccine, or effective treatment, we must maintain some level of community interventions to slow the spread of COVID-19. This includes heightened protections for the health and safety of workers in critical industries, people living and working in high-risk facilities (e.g. senior care facilities), and all other employees.

All Idahoans have a responsibility to protect themselves and others. Each stage, while allowing for additional businesses and practices to open and loosen, is grounded in the following basic practices for individuals and businesses:

PROTOCOLS

ALL STAGES – INDIVIDUALS SHOULD CONTINUE TO:

- Engage in physical distancing of at least six feet
- Wear face coverings in public places
- Stay home if sick
- Practice good hand hygiene
- Cover coughs and sneezes
- Disinfect surfaces and objects regularly

ADDITIONAL PROTOCOLS WILL BE PROVIDED FOR EACH STAGE.

ALL STAGES – EMPLOYERS SHOULD CONTINUE TO:

- Maintain the six-foot physical distancing requirements for employees and patrons
- Provide adequate sanitation and personal hygiene for employees, vendors, and patrons
- Ensure frequent disinfection of the business as well as regular cleaning, especially of high-touch surfaces
- Identify how personal use items such as masks, face coverings, and gloves may be required by employees, vendors, and/or patrons
- Provide services while limiting close interactions with patrons
- Identify strategies for addressing ill employees, which should include requiring COVID-19 positive employees to stay at home while infectious, and may include keeping employees who were directly exposed to the COVID-19 positive employee away from the workplace, and the closure of the business until the location can be properly disinfected
- On a case-by-case basis, include other practices appropriate for specific types of businesses such as screening of employees for illness and exposures upon work entry, requiring non-cash transactions, etc.

GUIDELINES FOR OPENING UP **IDAHO**

 APRIL 23, 2020 | **5**


CURRENT STAGE

existing Order through April 30

INDIVIDUAL

- **All Idahoans, including vulnerable Idahoans,** continue to self-quarantine, except for certain essential activities and work to provide essential business and government services or perform essential public infrastructure
- **Gatherings** of individuals outside the home are prohibited
- Prohibit non-essential **travel** and adhere to [CDC guidelines](#) regarding isolation following essential travel
- Unless on essential business, people entering Idaho are required to **self-quarantine for 14 days**. If a person is in Idaho for less than 14 days, they must self-quarantine for the duration of their visit

EMPLOYER

See **"Specific Types of Employers" in the right column for places of worship, restaurants, bars, gyms, daycares, senior living facilities, and salons**

- Continue to encourage **telework**, whenever possible and feasible with business operations
- **Employees** who are considered vulnerable individuals should continue to self-quarantine. Special accommodations for these employees should be made in the workplace if they are unable to work from home
- **Non-essential businesses**, other than those excluded in the amended order, develop plans for reopening and ability to meet business protocols
- Non-essential **travel** prohibited

SPECIFIC TYPES OF EMPLOYERS

- Visits to **senior living facilities and congregate facilities (e.g. jails and corrections)** are prohibited and those employees and providers who do interact with residents and patients must adhere to strict protocols regarding hygiene and infection prevention
- **Bars and nightclubs** are closed
- **Restaurants** continue with takeout and delivery.
- **Places of worship** develop plans for reopening and ability to meet protocols
- **Indoor gyms** and recreation facilities are closed
- **Hair salons** are closed
- **Large venues** (e.g. movie theaters and sporting venues) are closed
- **Daycare**, if closed, develop plans for reopening to meet business protocols and work with local public health districts and DHW

Every two weeks; re-evaluation against criteria to determine feasibility to advance from one stage to the next.
 ***ALL CRITERIA MUST BE MET TO MOVE TO THE NEXT STAGE AND DATES ARE ESTIMATED TARGETS

GUIDELINES FOR OPENING UP IDAHO

APRIL 23, 2020 | 6

**IDAHO
REBOUNDS**

STAGE 1

 After all criteria are met
May 1 – May 15***

INDIVIDUAL

- **All vulnerable Idahoans** should continue to self-quarantine. Members of households with vulnerable residents should be aware that by returning to work or other environments where distancing is not always possible, they could carry the virus back home. Precautions should be taken to isolate from vulnerable residents
- **Gatherings**, both public and private, should be avoided
- Minimize non-essential **travel** and adhere to [CDC guidelines](#) regarding isolation following travel
- Continue the **14-day self-quarantine** for people entering Idaho to prevent influx of out-of-state visitors

EMPLOYER

See “**Specific Types of Employers**” in the right column for **places of worship, restaurants, bars, gyms, daycares, senior living facilities, and salons**

- Continue to encourage **telework**, whenever possible and feasible with business operations
- Return employees to work in phases, if physical distancing, personal protections and sanitation are feasible
- **Employees** who are considered vulnerable individuals should continue to self-quarantine. Special accommodations for these employees should be made in the workplace if they are unable to work from home
 - **Non-essential businesses**, other than those excluded in the amended order implement plans for reopening demonstrating ability to meet business protocols
 - Minimize non-essential **travel** and adhere to [CDC guidelines](#) regarding isolation following travel

SPECIFIC TYPES OF EMPLOYERS

- Visits to **senior living facilities and congregate facilities (e.g. jails and corrections)** are prohibited and those employees and providers who do interact with residents and patients must adhere to strict protocols regarding hygiene and infection prevention
- **Bars and nightclubs** remain closed
- **Restaurants** dining rooms remain closed, develop plans for reopening and ability to meet business protocols in order to open in stage 2
- **Places of worship** can open if they adhere to strict physical distancing, sanitation protocol, and any CDC guidance
- **Indoor gyms** and recreation facilities remain closed, develop plans for reopening and ability to meet business protocols in order to open in stage 2
- **Hair salons** remain closed, develop plans for reopening and ability to meet business protocols in order to open in stage 2
- **Large venues** (e.g. movie theaters and sporting venues) are closed
- **Daycares** and organized youth activities and camps can reopen

Every two weeks: re-evaluation against criteria to determine feasibility to advance from one stage to the next.
***ALL CRITERIA MUST BE MET TO MOVE TO THE NEXT STAGE AND DATES ARE ESTIMATED TARGETS



GUIDELINES FOR OPENING UP IDAHO

APRIL 23, 2020 | 7



STAGE 2

If no significant increase in cases and criteria remain met
May 16 – May 29***

INDIVIDUAL

- **All vulnerable Idahoans** should continue to self-quarantine. Members of households with vulnerable residents should be aware that by returning to work or other environments where distancing is not always possible, they could carry the virus back home. Precautions should be taken to isolate from vulnerable residents
- **Gatherings**, both public and private, of less than 10 people, where appropriate physical distancing and precautionary measures are observed can occur.
- Minimize non-essential **travel** and adhere to [CDC guidelines](#) regarding isolation following travel
- Continue the **14-day self-quarantine** for people entering Idaho to prevent influx of out-of-state visitors

EMPLOYER

See "Specific Types of Employers" in the right column for places of worship, restaurants, bars, gyms, daycares, senior living facilities, and salons

- Continue to encourage **telework**, whenever possible and feasible with business operations

Return employees to work in phases, if physical distancing, personal protections and sanitation are feasible

- **Employees** who are considered vulnerable individuals should continue to self-quarantine. Special accommodations for these employees should be made in the workplace if they are unable to work from home
- All open **businesses** continue to follow plans.
- Minimize non-essential **travel** and adhere to [CDC guidelines](#) regarding isolation following travel

SPECIFIC TYPES OF EMPLOYERS

- Visits to **senior living facilities and congregate facilities (e.g. jails and corrections)** are prohibited and those employees and providers who do interact with residents and patients must adhere to strict protocols regarding hygiene and infection prevention
- **Bars and nightclubs** remain closed
- **Restaurant dining rooms** can open once their plans have been submitted for approval by local public health districts
- **Indoor gyms** and recreation facilities can open if ability to meet business protocols
- **Hair salons** can open if ability to meet business protocols
- **Large venues** (e.g. movie theaters and sporting venues) are closed

Every two weeks: re-evaluation against criteria to determine feasibility to advance from one stage to the next.
***ALL CRITERIA MUST BE MET TO MOVE TO THE NEXT STAGE AND DATES ARE ESTIMATED TARGETS

GUIDELINES FOR OPENING UP IDAHO

APRIL 23, 2020 | 8

**STAGE 3**
 If no significant increase in cases and criteria remain met
May 30 – June 12th***
INDIVIDUAL

- **Vulnerable Idahoans** can resume public interactions, but should practice physical distancing, minimizing exposure to social settings where distancing may not be practical, unless precautionary measures are observed
- **Gatherings**, both public and private, of 10-50 people, where appropriate physical distancing and precautionary measures are observed can occur
- Non-essential **travel** can resume to locations that allow it and do not have ongoing transmission (adhere to [CDC guidelines](#) regarding isolation following travel)
- Discontinue the **14-day self-quarantine** for people entering Idaho

SPECIFIC TYPES OF EMPLOYERS

- Visits to **senior living facilities and congregate facilities (e.g. jails and corrections)** are prohibited and those employees and providers who do interact with residents and patients must adhere to strict protocols regarding hygiene and infection prevention
- **Bars and nightclubs** remain closed, develop plans for operating with diminished standing room occupancy in order to open in stage 4
- **Large venues** (e.g. movie theaters and sporting venues) remain closed, develop plans for operating with limited physical distancing protocols in order to open in stage 4

EMPLOYER

See **"Specific Types of Employers"** in the right column for **places of worship, restaurants, bars, gyms, daycares, senior living facilities, and salons**

- Continue to encourage **telework**, whenever possible and feasible with business operations
- Return employees to work in phases, if physical distancing, personal protections and sanitation are feasible
- **Employees** who are considered vulnerable individuals should continue to self-quarantine. Special accommodations for these employees should be made in the workplace if they are unable to work from home
 - All open **businesses** continue to follow plans
 - Non-essential **travel** can resume to locations that allow it and do not have ongoing transmission (adhere to [CDC guidelines](#) regarding isolation following travel)

Every two weeks; re-evaluation against criteria to determine feasibility to advance from one stage to the next.
***ALL CRITERIA MUST BE MET TO MOVE TO THE NEXT STAGE AND DATES ARE ESTIMATED TARGETS



GUIDELINES FOR OPENING UP IDAHO

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STAGE 4

If no significant increase in cases and criteria remain met
June 13 – June 26***

INDIVIDUAL

- **Vulnerable Idahoans** can resume public interactions, but should practice physical distancing, minimizing exposure to social settings where distancing may not be practical, unless precautionary measures are observed
- **Gatherings**, both public and private, of more than 50 people, where appropriate physical distancing and precautionary measures are observed can occur
- Non-essential **travel** continues to locations that allow it and do not have ongoing transmission (adhere to [CDC guidelines](#) regarding isolation following travel)

SPECIFIC TYPES OF EMPLOYERS

- Visits to **senior living facilities and congregate facilities (e.g. jails and corrections)** can resume. Those who interact with residents and patients must be diligent regarding hygiene and physical distancing
- **Bars and nightclubs** may operate with diminished standing-room occupancy, where applicable and appropriate
- **Large venues** (e.g. movie theaters and sporting venues) can operate under limited physical distancing protocols

EMPLOYER

See “Specific Types of Employers” in the right column for places of worship, restaurants, bars, gyms, daycares, senior living facilities, and salons

- Resume unrestricted staffing of worksites, but continue to practice physical distancing, personal protections and sanitation for protection of workers
- Special accommodations for **employees** who are considered vulnerable should be made in the workplace
- All open **businesses** continue to follow plans
- Non-essential **travel** continues to locations that allow it and do not have ongoing transmission (adhere to [CDC guidelines](#) regarding isolation following travel)

Every two weeks: re-evaluation against criteria to determine feasibility to advance from one stage to the next.
***ALL CRITERIA MUST BE MET TO MOVE TO THE NEXT STAGE AND DATES ARE ESTIMATED TARGETS



Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th 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)

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 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

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store 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 area are floor common areas, parking space, 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 formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

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. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate 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 as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

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 of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, 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 appraisal, a loss in 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 allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- 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;
- Payment will be made in cash in U.S. dollars (or the local currency) 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 on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene 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 *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) 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 use. 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 has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated



parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying 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 that 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; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: 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. (USPAP, 2016-2017 ed.)

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

In an office building, the 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)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for 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* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

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 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 expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (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 (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are 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. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

A type of modified gross lease of an 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 property 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. (Typically this includes replacement cost less basement excavation,

foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property 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 pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the 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 property should bring under the following conditions:

- Consummation of a sale within a short time 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 the local currency) 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 ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (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 the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price that 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States 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)

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 an appraisal. Marketing time differs

from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal 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)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (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 estate 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, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)



Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, 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, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* 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 sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (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)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. 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

An alternative term for a type of net lease. In some markets, a net net net lease is defined as 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 lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease 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 for a floor shall equal floor usable area of that same floor. (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)



Qualifications

Qualifications of Jeff R. Vance, MAI
Senior Appraiser
Valbridge Property Advisors | Mountain States

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
1459 Tyrell Lane, Suite B
Boise, Idaho 83706

www.valbridge.com
jvance@valbridge.com

Division of Occupational and Professional Licenses
Department of Self Governing Agencies
The person named has met the requirements for licensure and is entitled
under the laws and rules of the State of Idaho to operate as a(n)

CERTIFIED GENERAL APPRAISER

JEFFREY ROBERT VANCE
1459 TYRELL LANE SUITE B
BOISE ID 83706


Russell S. Barron
Division Admin.

CGA-2828
Number

04/18/2022
Expires

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
- 2016- Introduction to Legal Descriptions
- 2017- Disclosures and Disclaimers

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 G. Joseph Corlett, MAI, SRA
Senior Managing Director
Valbridge Property Advisors | Mountain States



Independent Valuations for a Variable World

State Certifications

State of Idaho CGA-7
State of Oregon C-000294

Education

Bachelor of Science
In Business with a Degree
In Finance
University of Idaho

Contact Details

208-336-1097 (p)
208-345-1175 (f)
Valbridge Property Advisors |
Mountain States.
www.valbridge.com
jcorlett@valbridge.com

Membership/Affiliations:

Member: Appraisal Institute – MAI & SRA Designations
Past President: Appraisal Institute – Southern Idaho Chapter
Past Director/ Regional Vice Chair: - Appraisal Institute
Past Chair Ethics Administration Division: Appraisal Institute
Past Member National Government Relations Committee- AI
Past President: Idaho Aviation Hall of Fame
Vice President Idaho Aviation Association
Realtor: National Association of Realtors
Idaho Real Estate Broker DB 1660
Commercial Pilot/ ASEMEL/Instruments
Board Member: Idaho Aviation Foundation
BOMA

Appraisal Institute & Related Courses:

Basic Income Capitalization
General Applications
General Market Analysis & Highest and Best Use
Business Practices & Ethics
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
The Appraiser as an Expert Witness: Preparation and Testimony
Fundamentals of Separating Real Property, Personal Property, and
Intangible Business Assets and 2021 USPAP

Experience:

Senior Managing Director
Valbridge Property Advisors | Mountain States Appraisal (1974-Present)

Appraiser

Corlett Associates, Pifari & Associates, Western National Corporation
(1974-1976)

Appraisal/valuation and consulting including: apartments; retail, shopping centers, office; industrial, religious. Special purpose properties including schools, churches, cemeteries, hotels/motels, residential subdivisions, vacant industrial, commercial and residential land. Special use properties including conservation easements, car washes, factories, wilderness properties, golf courses, eminent domain acquisitions, litigation support, ranches, transmitter sites, and other unique property types.

Division of Occupational and Professional Licenses
Department of Self Governing Agencies
The person named has met the requirements for licensure and is entitled
under the laws and rules of the State of Idaho to operate as a(n)

CERTIFIED GENERAL APPRAISER

G JOSEPH CORLETT
1459 TYRELL LN STE B
BOISE ID 83706

Russell S. Barron
Russell S. Barron
Division Admin

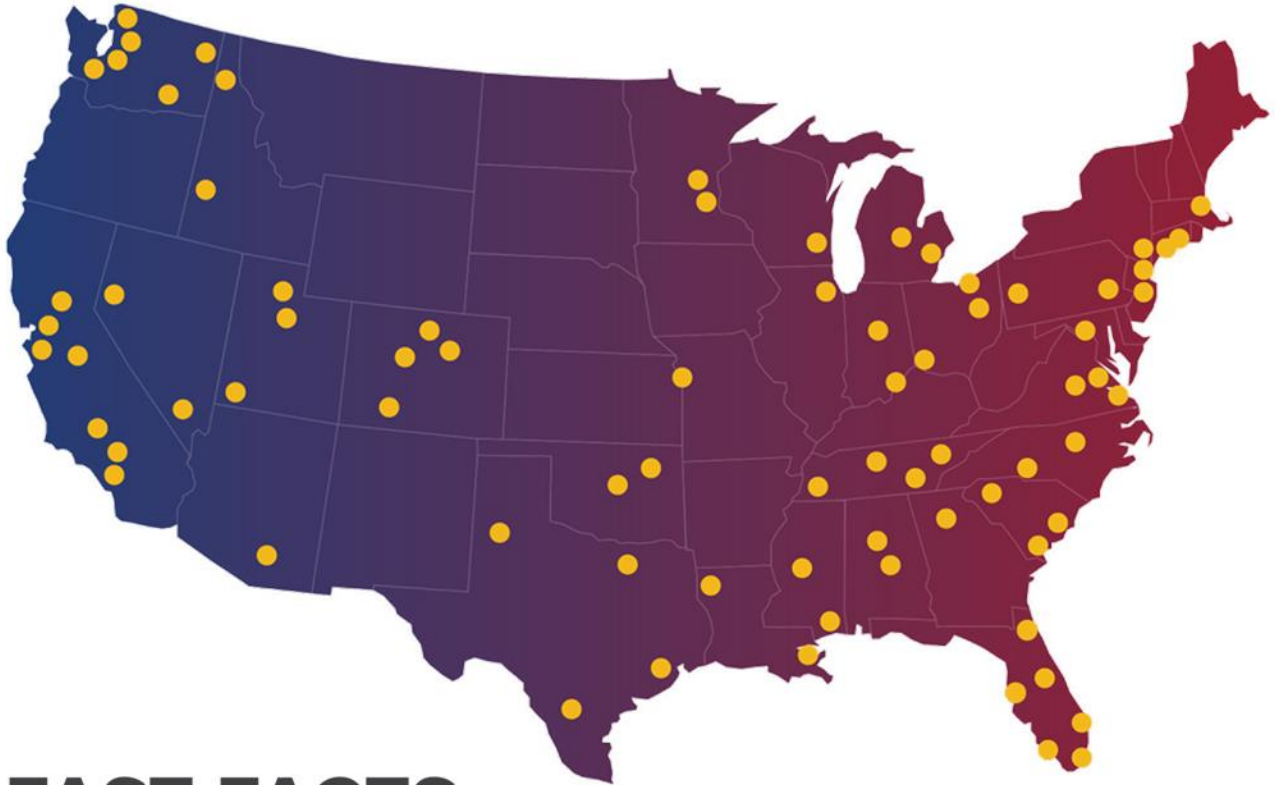
CGA-7
Number

03/11/2022
Expires





Valbridge
PROPERTY ADVISORS



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America.
 - Total number of MAI-designated appraisers: 200+ on staff
 - Total number of office locations: 70+ across U.S.
 - Total number of staff: 675+ strong
- Valbridge covers the entire 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

ALABAMA

4732 Woodmere Boulevard
Montgomery, AL 36106
334.277.5077

200 Cahaba Park Circle
Suite 213
Birmingham, AL 35242
205.440.2998

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

3090 Fite Circle
Suite 202
Sacramento, CA 95827
916.361.2509

55 South Market Street
Suite 1210
San Jose, CA 95113
408.279.1520

1306 Higuera Street
San Luis Obispo, CA 93401
805.544.2472

3160 Crow Canyon Place
Suite 245
San Ramon, CA 94583
925.327.1660

COLORADO

7445 E. Peakview Avenue
Centennial, CO 80111
303.443.9600

5345 Arapahoe Avenue
Suite 7
Boulder, CO 80303
303.443.9600

23272 Two Rivers Road
Unit 101
Basalt, CO 81621
970.340.1016

1099 Main Avenue
Suite 311
Durango, CO 81301
970.340.1016

CONNECTICUT

15 Concord Street
Glastonbury, CT 06033
860.246.4606

17 Covewood Drive
Norwalk, CT 06853
203.286.6520

FLORIDA

2240 Venetian Court
Naples, FL 34109
239.514.4646

301 Almeria Avenue,
Suite 350
Coral Gables, FL 33134
305.639.8029

10950 San Jose Boulevard
Jacksonville, FL 32223
844.822.7825

734 Rugby Street
Orlando, FL 32804
844.822.7825

2601 W Horatio Street
Unit 6
Tampa, FL 33609
844.822.7825

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

ILLINOIS

566 W. Lake Street
Suite 240
Chicago, IL 60661
312.288.8687

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

9000 Wessex Place
Suite 306
Louisville, KY 40222
502.585.3651

LOUISIANA

2030 Dickory Avenue
Suite 200
New Orleans, LA 70123
504.541.5100

MARYLAND

11100 Dovedale Court
Marriottsville, MD 21104
443.333.5522

MASSACHUSETTS

260 Bear Hill Road
Suite 106
Waltham MA 02451
781.790.5645

MICHIGAN

1420 Washington Blvd.
Suite 301
Detroit, MI 48226
313.986.3313.

MICHIGAN (cont'd)

2127 University Park Drive
Suite 390
Okemos, MI 48864
517.336.0001

MINNESOTA

255 East Kellogg Boulevard
Suite 102A
St. Paul, MN 55101
651.370.1475

MISSISSIPPI

1010 Ford Street
Gulfport, MS 39507
228.604.1900

MISSOURI

737 Highway 51
Suite 1C
Madison, MS 39110
601.853.0736

501 Highway 12 West
Suite 150-M
Starkville, MS 39759
662.617.2350

MISSOURI

1118 Hampton Avenue
Suite 208
St Louis, MO 63139
314.255-1323

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

NEVADA

6490 S McCarran Blvd
#51
Reno, NV 89509
775.204.4100

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

5950 Fairview Road, Suite 405
Charlotte, NC 28210
704.376.5400

OHIO

1655 W. Market Street
Suite 130
Akron, OH 44313
330.899.9900

OHIO (cont'd)

8291 Beechmont Ave.,
Suite B
Cincinnati, OH 45255
513.785.0820

1422 Euclid Avenue
Suite 616
Cleveland, OH 44115
216.367.9690

OKLAHOMA

5909 NW Expressway
Suite 104
Oklahoma City, OK 73132
405.603.1553

6666 South Sheridan Road
Suite 104
Tulsa, OK 74133
918.712.9992

PENNSYLVANIA

150 S. Warner Road
Suite 440
King of Prussia, PA 19406
215.545.1900

4701 Baptist Road
Suite 304
Pittsburgh, PA 15227
412.881.6080

SOUTH CAROLINA

11 Cleveland Court
Greenville, SC 29607
864.233.6277

920 Bay Street
Suite 26
Beaufort, SC 29902
843.342.2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843.881.1266

TENNESSEE

5205 Maryland Way
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

756 Ridge Lake Blvd
Suite 225
Memphis, TN 38120
901.753.6977

TEXAS

901 Mopac Expressway South
Building 1, Suite 300
Austin, TX 78746
737.242.8585

10210 North Central Expressway
Suite 115
Dallas, TX 75231
214.446.1611

974 Campbell Road
Suite 204
Houston, TX 77024
713.467.5858

2731 81st Street
Lubbock, TX 79423
806.744.1188

TEXAS (cont'd)

9901 IH-10 West
Suite 1035
San Antonio, TX 78230
210.227.6229

UTAH

321 North County Boulevard
Unit D
American Fork, UT 84003
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

4914 Fitzhugh Avenue
Suite 102
Richmond, VA 23230
757-345-0010

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

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 City, Idaho, also known as Capital City Development Corporation, an independent public body corporate and politic, organized under the laws of the state of Idaho ("**Grantor**"), for valuable consideration paid by 17th and Idaho Investment, LLC, an Idaho limited liability company ("**Grantee**"), which has a current address of 731 W. Wyndemere, 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 _____, 2021, 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 Affordable Housing Covenant, 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 multi-family Workforce Housing (as defined in the DDA) development project constructed in accordance with the DDA for eight (8) full calendar years after the Agency issues its Certificate of Completion (as defined in the DDA), ending on December 31st of the eighth year. 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.
4. 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.
5. 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 physical disability, race, color, creed, religion, sex, sexual orientation, gender identity/expression, marital status, age, 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.

6. 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.
7. Except as otherwise provided, the covenants contained in paragraph 2 of this Deed shall remain in effect for eight (8) full calendar years after the Agency issues its Certificate of Completion (as defined in the DDA), ending on December 31st of the eighth year. The covenants contained in paragraphs 2, 3, 4, 5 and 6 of this Deed, and the provisions set forth in Section 11 of the DDA, 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 and as set forth in Section 11 of the DDA 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 and Section 11 of the DDA with respect to such portion of the Property after the conveyance.
8. In the event of any express conflict between this Deed and the DDA, the provisions of this Deed shall control.
9. 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:

THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, also known as CAPITAL CITY DEVELOPMENT CORPORATION, an independent public body, corporate and politic, organized under the laws of the state of Idaho

By _____
John Brunelle, Executive Director
Date: _____

The provisions of this Deed are hereby approved and accepted:

GRANTEE:

17TH AND IDAHO INVESTMENT LLC, an Idaho limited liability company

By: 17TH AND IDAHO DEVELOPMENT 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 _____, 2021, 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 Boise City, Idaho, also known as the Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho, 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 _____, 2021, 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 17TH AND IDAHO DEVELOPMENT LLC, an Idaho limited liability company, the manager of 17TH AND IDAHO 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: Mary Watson
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 _____, 2021, by and between The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho, ("Agency") and 17th and Idaho Investment LLC, an Idaho limited liability company, whose mailing address is P.O. Box 733, Boise, ID 83701-0733 ("Developer"), collectively the "Parties."

1. Agency and Developer have previously entered into a Disposition and Development Agreement dated _____, 2021, regarding the development of the real property, currently addressed as 1715 W. Idaho Street, Boise, Idaho 83702, and described in Exhibit A (the "Property"), 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 Property shall extend to and be binding upon the heirs, executors, administrators, grantees, successors, and assigns of the Parties hereto.

4. This Memorandum and the terms, conditions and provisions of the Disposition and Development Agreement relating to the development of the Property shall have no further force or effect after Agency has issued a Certificate of Completion with respect to the development of the Property, except as set forth in the Affordability Covenant, the Deed and Section 11 of the DDA (the "Surviving Provisions"), and the Parties shall execute and record in the real property records a Termination of Memorandum at Developer's expense recognizing completion of the development obligation of the Property pursuant to the DDA and noting the Surviving Provisions.

5. Filing and recording of any Termination of Memorandum does not constitute a termination of the Surviving Provisions.

6. In the event of any conflict between the Disposition and Development Agreement and this Memorandum, the Disposition and Development Agreement shall control.

7. 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 Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho

By _____
John Brunelle
Executive Director

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 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 Boise City, Idaho also known as Capital City Development
Corporation, an independent public body corporate and politic, organized under the laws of the
state of Idaho, that executed the within instrument, and known to me to be the person 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 _____

DEVELOPER:

17th and Idaho Investment LLC,
an Idaho limited liability company

By: 17th and Idaho Development LLC,
an Idaho limited liability company, Manager

By _____
J. Dean Papé
Its: Manager

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 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 a manager of 17th
and Idaho Development LLC, an Idaho limited liability company, the manager of 17th and Idaho
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 _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Attachment 9

Certificate of Completion

**CERTIFICATE OF COMPLETION OF
CONSTRUCTION OF IMPROVEMENTS
(The 1715 W. Idaho Disposition and Development Agreement)**

The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho (the "Agency"), exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of 1965, as amended (Chapter 20, Title 50, Idaho Code), which has a street address of 121 North 9th Street, Suite 501, Boise, Idaho 83702, hereby certifies that all the required improvements, construction, and redevelopment regarding the 1715 W. Idaho Development Project (collectively the "Project") have been completed.

17th and Idaho Investment LLC, an Idaho limited liability company (the "Developer"), having its principal office at 731 W. Wyndemere, Boise, Idaho 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 "Property"). The construction and completion of the Project on the Property have been completed in accordance with the provisions and conform with the uses specified in the Urban Renewal Plan, Westside Downtown Urban Renewal Project as recommended by Agency and approved by the Boise City Council on December 4, 2001, by City Council Ordinance No. 6108 (the "Plan"), and as subsequently amended to add area pursuant to the First Amendment to the Urban Renewal Plan, Westside Downtown Urban Renewal Project, as recommended by Agency and approved by the Boise City Council on December 1, 2020, by City Council Ordinance No. ORD-45-20 (collectively the Plan and the First Amendment may be referred to as 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 _____, 2021 (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 DDA 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 [_____, _____], recorded on [_____, _____], bearing Instrument No. _____ (the "Deed") conveying the Property to the Developer from the Agency, the Affordability Covenant, dated [_____, _____], recorded on [_____, _____], bearing Instrument No. [_____] (the "Affordability Covenant") setting forth the Workforce Housing (as defined in the DDA) rental rate for a specified period of time or Section 11 of the DDA.

[end of text]

DATED this _____ day of _____.

The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho

By _____
John Brunelle, Executive Director

ATTEST:

Secretary/Treasurer

STATE OF IDAHO)
) ss:
County of Ada)

On this _____ day of _____, 2021, before me, _____, a notary public in and for said state, personally appeared John Brunelle known to me to be the Executive Director and _____ Secretary/Treasurer of The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho, 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 Property

Attachment 10

Green Building Certification

8 GREEN BUILDING CERTIFICATION


COMMITMENT TO SUSTAINABILITY

The development team is committed to meeting the goals of The City of Boise's Green Construction Code or its equivalent. The team typically commits to certifying all of our residential buildings using the US Green Building Council's LEED Program and we are comfortable working within those strict sustainability standards.

The Completed Green Building Certification Form is below.

To: Capital City Development Corporation
(CCDC) RFQ/P for a Housing Development,
Re: 1715 W. Idaho Street, Boise, Idaho

My signature below legally binds this development known as 1715 W. Idaho Street 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: Shellan M. Rodriguez

Title: Owner/ CEO

Developer / Company: SMR Development LLC

Date: 12/17/2020

Attachment 11 Form of Affordable Housing Covenant

Recording Requested By and
When Recorded Return to:

Capital City Development Corporation
Attn: Mary Watson
121 N 9TH ST, Suite 501
Boise, Idaho 83702

SPACE ABOVE THIS LINE FOR RECORDER’S USE ONLY

AFFORDABILITY COVENANT

This AFFORDABILITY COVENANT (this “Affordability Covenant”) is entered into as of _____, 2021 by and between The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho (“CCDC” or their successor) with a mailing address of 121 N. 9th Street, Ste. 501, Boise, Idaho 83702 and 17th and Idaho Investment LLC, an Idaho limited liability company, with a mailing address of 731 W. Wyndemere, Boise, Idaho, 83702 (“Developer”), as such Affordability Covenant may be amended from time to time. CCDC and Developer may be referred to as a “Party” or, collectively, the “Parties.

For good and valuable consideration, and for the covenants, duties and obligations herein set forth, the sufficiency of which consideration is hereby acknowledged, CCDC and Developer agree as follows:

1. Definitions

- 1.1 **“AMI”** The then current “Area Median Income” adjusted by family size annually published by the U.S. Department of Housing & Urban Development (HUD) for the geographic area referred to as Boise City, ID HUD Metro Statistical Area Rent (**MSA**) Area (or its successor index).
- 1.2 **“Commencement Date”** The issuance date of the Certificate of Completion (temporary or permanent) for the Project pursuant to Disposition and Development Agreement dated _____.
- 1.3 **“Expiration Date”** Eight (8) years after the Commencement Date, or as may be extended pursuant to Section 15.

- 1.4 **“Income Qualification”** For any Income Qualified Unit, Tenants with a household income, adjusted by household size, of not more than 60% AMI. For any Voucher Unit, Tenants with a household income, adjusted by household size, of not more than 80% AMI.
- 1.5 **“Income Qualified Unit”** One (1) or two (2) units of any size rented to a household whose income, adjusted by household size, is at or below the then current 60% AMI.
- 1.6 **“Project”** 48 dwelling units of multifamily housing located primarily at 1715 W. Idaho Street, and further described on Exhibit A.
- 1.7 **“Rent Limit”** The Project shall include a mix of units that range in rental price from 60% of AMI or less, to 120% of AMI or less, and when all AMI percentages are averaged equals 100% of AMI or less. Unit rents shall be set at no more than 30% of 60% to 120% AMI. Monthly rent for an Income Qualified Unit must not exceed 30% of 60% AMI for the then current year for the unit. The Project shall include two (2) Units total that are either Voucher Units or Income Qualified Units, or a mix of a Voucher Unit and an Income Qualified Unit. Rental limits may be determined using the Novogradac Rent & Income Calculator, published by Novogradac & Company LLC: www.novoco.com/products/rentincome.php, or if not available, a similar calculator as may be agreed to by the Parties. Rent increases on an existing tenant may occur no more frequently than annually and are capped at the greater of the AMI rent limitation for the unit or 5% per year. Rent does not include deposits, utilities (gas, telephone, internet, water, electricity), late fees, pet fees, parking fees, sewer and trash collection services. The AMI calculation is to be based on an assumed family size of 1.5 persons per bedroom or in the case of a studio unit 1 person.
- 1.8 **“Tenants”** As used herein, the **“Tenant(s)”** means all persons that leases a Unit, whether or not the persons are related.
- 1.9 **“Units”** The dwelling units in the Project.
- 1.10 **“Voucher Unit”** One (1) or two (2) units of any size subject to the Rent Limit and rented to a household with a Section 8 Housing Choice Voucher or a rental subsidy issued

through the Charitable Assistance to Community's Homeless, incorporated d/b/a CATCH.

STANDARD TERMS

2. **Term.** Developer's obligations under this Affordability Covenant will commence on the Commencement Date and, subject only to Section 15, will automatically expire on the Expiration Date without need of further action or recordings by the Parties. After the Expiration Date, CCDC (or their successor agency) agrees to execute any confirmation of the expiration of this Affordability Covenant that is reasonably requested by Developer (or their successor).
3. **Marketing of Units.** From the Commencement Date, Developer agrees to market, lease and operate the Units on the terms set forth in this Affordability Covenant, to the extent allowable by state and federal law. At any time, Developer may exchange any of the Units with an Income Qualified Unit(s) and/or a Voucher Unit, so long as the Unit mix shall include two (2) Units total that are either Voucher Units or Income Qualified Units, or a mix of a Voucher Unit and an Income Qualified Unit.
4. **Average AMI Rent Requirements.** Prior to the Expiration Date, Developer may not exceed the Rent Limit. For the purpose of averaging AMI rents, some Units may be above 100% AMI rents and some Units may be below 100% AMI rents but when the AMI percentages for all Units are averaged, the average rent charged must be at or below the then current 100% AMI rents (the "Average AMI Rent Requirements"). Notwithstanding the foregoing, Developer shall not be in default of this covenant in the event the Average AMI Rent Requirements set forth in this Section are not satisfied during any period Developer has vacant Units and is using commercially reasonable marketing efforts to lease the Units in the percentage of AMI necessary to meet the Average AMI Rent Requirements. Prior to the Expiration Date, no Unit shall rent at 120% AMI or above.
5. **Income Qualification.** Any Income Qualified Unit or Voucher Unit must be occupied (or, if unoccupied, made available for occupancy subject to Section 8) by a Tenant with gross household income, adjusted by household size, that meets the applicable Income Qualification. Developer and/or Developer's agent will verify that the Tenant meets the Income Qualification for the Income Qualified Unit(s) or Voucher Unit(s), which verification may be by any reasonable method, including Tenant's production of reasonable evidence of Tenant's income and Tenant's self-certification that Tenant's income statements to Developer and/or Developer's agent are true and correct in all material respects. Developer must re-verify each Tenant's Income Qualification upon renewal of the applicable Tenant's lease (which may be the execution of a new lease). If the Tenant no longer meets the Income Qualification, then the Tenant is no longer eligible to renew or extend any lease for the Income Qualified Unit(s) or Voucher Unit(s). Developer may renew or extend the lease of a Tenant that is no longer eligible for the Income Qualified Unit

only if Developer exchanges the Income Qualified Unit or Voucher Unit occupied by the Tenant with another Unit in the Project.

6. **Rent Limitation.** Prior to the Expiration Date, Developer may not charge monthly rent on any Unit that exceeds the Rent Limit (regardless of the actual income of the Tenant).
7. **Tenant Qualifications.** Nothing in this Affordability Covenant will require Developer to lease any Unit to a Tenant that does not meet Developer's then-current non-discriminatory tenant selection criteria for the Project (other than restrictions expressly set forth as herein), and nothing in this Affordability Covenant limits Developer's right to enforce the terms of any lease or other agreement with a Tenant.
8. **No Available Tenants.** If Developer is unable to lease the Income Qualified Unit or the Voucher Units to qualifying Tenants for a period of thirty (30) days or longer despite commercially reasonable marketing efforts, and/or despite exchanging the designation of the Income Qualified Unit(s) or the Voucher Unit with another Unit in the Project, Developer may seek consent from the Agency Board to lease the Unit to another Tenant at a Unit rental range of 30% of 60% to 120% AMI and when all AMI percentages are averaged equals 100% of AMI or less , and that Tenant will be deemed to be a qualifying Tenant for purposes of Income Qualified Unit or the Voucher Unit for the applicable period of time. The Agency Board shall consider Developer's request to lease the Unit to another Tenant within thirty (30) days of receipt of Developer's request in writing or at the first regular meeting of the Agency Board following receipt of the notice, whichever is earlier, subject to the Idaho Open Meeting Laws, Title 74, Chapter 2, Idaho Code. Agency's approval shall not be unreasonably withheld. The Agency's failure to respond shall be deemed approval of Developer's request. Even with consent, Developer shall continue commercially reasonable marketing efforts to lease the next available Unit to a qualifying Tenant for the Income Qualified Unit or the Voucher Unit.
9. **Annual Reports.** After the Commencement Date, by February 28 of each year, Developer will provide CCDC and/or its designee, as agreed to by the Parties, with the following:
 - 9.1 A certified sworn Annual Rent Report, in a format as attached hereto as Exhibit C, or in a format as agreed to by the Parties, which shall include a report of the vacancy or non-vacancy of each of the Units for the immediately preceding calendar year, the rents charged for the Units, the Unit rents as a percentage of AMI and specifying the Income Qualified Unit(s) and the Voucher Unit(s); and
 - 9.2 A certified sworn statement that Developer has, to the best of its knowledge, complied with the Rent Limit with respect to the leasing of the Units. In the event compliance with the Rent Limit has not been met, a

detailed explanation as to why the Rent Limit was not in compliance under this Covenant.

- 9.3 The Annual Rent Report may be transmitted electronically or by mail. The final annual report will be due by February 28 of the year after the Expiration Date.
10. **Right to Audit.** CCDC has the right, with reasonable notice and not more than once a calendar year except in the event of a reasonably suspected event default by Developer, to access the business and financial records of Developer and/or Developer's agent related to this Project for the purpose of conducting an audit to determine whether or not Developer is in compliance with the Affordability Covenants at CCDC's sole cost and expense. Such inspection shall not unreasonably interfere with the operations Developer or Developer's agent overseeing the business and financial records of the Project. CCDC will use best efforts to keep such information confidential except as required to enforce the Affordability Covenants as provided herein.
11. **Notices.** All notices required to be given by either Party under this Affordability Covenant must be in writing and may be sent by any reasonable method (including electronic mail, US Mail and hand delivery) to the addresses set forth herein:

To CCDC:

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

with a copy to:

Meghan S. Conrad
Elam Burke
251 E. Front St., Ste. 300
P.O. Box 1539
Boise, ID 83701
(208) 343-5454 (voice)
msc@elamburke.com

To Developer:

J. Dean Papé
17th and Idaho Investment LLC
731 W. Wyndemere
Boise, Idaho, 83702

208-830-7071
dean@dechase.com

with a copy to:

Shellan M. Rodriguez
17th and Idaho Investment LLC
529 N Hillview Drive
Boise, ID 83712
406-531-0401
shellan@smrdevelopment.com

Mark Edlen
17th and Idaho Investment LLC
PO Box 14001
Ketchum, ID 83340
208-776-0550
Mark.edlen@edlendandco.com

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

12. **Compliance with Applicable Law.** Developer covenants that the Units will be marketed, leased and operated in compliance with applicable laws.
13. **Binding Effect.** This Affordability Covenant shall run with the land and is binding upon and enforceable against Developer, Developer's successors and assigns and any party holding title to the Project until the Expiration Date. The term "Developer" means only the then-current fee simple owner of the Property. Each Developer is obligated to perform its obligations only during the time such Developer owns fee simple title to the Project. Any Developer who transfers its title to the Project is relieved of all liabilities for the obligations of Developer under this Affordability Covenant to be performed on or after the date of transfer.
14. **Modification.** This Affordability Covenant may not be modified except with the consent of CCDC or their successor agency and Developer, and then only by written instrument duly executed, acknowledged and recorded in the real property records of Ada County, Idaho.
15. **Default; Remedies.** In the event CCDC determines Developer breached the terms of this Affordability Covenant by leasing a Unit during the term of this Affordability Covenant for an amount that exceeds the Rent Limit, subject to the limited

exception set forth in Section 4, and/or failed to verify the Income Qualification for the Income Qualification Unit(s), the Expiration Date shall be extended for a period equal to the period that Developer was not in compliance of this Affordability Covenant and CCDC and Developer will execute and record a written amendment to this Affordability Covenant setting forth the extension of the Expiration Date. Further, CCDC in-lieu-of any other remedies, may bring an action against Developer for specific performance of this Affordability Covenant and may seek money damages in an amount equal to the funds received by Developer in violation of the Rent Limit, plus interest at the rate of 10% per year, compounded.

16. **Invalid Provisions.** If any provision of this Affordability Covenant is invalid, illegal or unenforceable under the applicable law, then then provision will be deemed to be excised from this Affordability Covenant and the validity and enforceability of the remaining provisions of this Affordability Covenant will not be affected thereby.
17. **Force Majeure.** Developer will not be in default of this Affordability Covenant if any Unit is not occupied (or made available for occupancy) for any reason beyond the reasonable control of Developer, such as casualty events or other damage to a Unit; provided, however, Developer covenants to restore the Unit with reasonable diligence under the circumstances.
18. **Attorneys' Fees.** If any action is filed or instituted to interpret or enforce the terms of this Affordability Covenant, the prevailing party will be entitled to receive its reasonable attorneys' fees and litigation costs from the other party.
19. **General.** This Affordability Covenant will be governed and construed in accordance with the laws of the State of Idaho. The failure of CCDC to insist upon strict performance of any of the terms, covenants, or conditions contained herein will not be deemed a waiver of any rights or remedies that CCDC may have, and will not be deemed a waiver of any subsequent breach or default in any of the terms, covenants or conditions contained herein by the same or any other person. Whenever the context so requires, the use of a gender will include all other genders, the use of the singular will include the plural, and the use of the plural will include the singular.

[end of text – counterpart signature pages follow]

CCDC

The Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, an independent public body, corporate and politic, organized under the laws of the state of Idaho

By: _____
John Brunelle, Executive Director

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 2021, 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 Boise City, Idaho, also known as Capital City Development Corporation, a public body corporate and politic, organized under the laws of the state of Idaho, that executed the within instrument, and known to me to be the person 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 _____

EXHIBIT A
DESCRIPTION OF THE PROJECT

EXHIBIT B
SPECIAL WARRANTY DEED

EXHIBIT C
FORM OF THE ANNUAL RENT REPORT

Attachment 12 Form of Annual Rent Report

Annual Rent Report

Project Name: 17th and Idaho
 Address 1715 W. Idaho Street, Boise, ID
 County Ada County

Date: _____
 Property Manager: _____

List of Rents provided by: _____

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. Rental limits may be determined using the Novogradac Rent & Income Calculator, published by Novogradac & Company LLC: www.novoco.com/products/rentincome.php, or if not available, a similar calculator as may be agreed to by the Parties. A complete list of units and Rent limits serviced at the 17th and Idaho apartments is below.

Unit	# of Bedrooms	Rent Charged (1.5 persons per bdrm or 1 per studio)	Rent Limit	Amount Received from Tenant	Identification of Unit AMI (60% -120%)	CONFIRM UNITS AVERAGE 100% AMI OR LESS	Identify two (2) total of Income Qualified Unit(2) or Voucher Unit(2) or Mix of Income Qualified Unit or Voucher Unit
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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42							
43							
44							
45							
46							
47							
48							

The above information is certified and sworn to as accurate by _____ and further that that _____ further certifies and swears that _____ has to the best of its knowledge complied with the Rent Limit and the requirement for two (2) Income Qualified Units as further set forth in the Affordability Covenant:
 Name:
 SIGNATURE
 Title

Attachment 13

Form of Escrow Instruction Letter

_____, 2021

VIA EMAIL AND FEDERAL EXPRESS

TitleOne Corporation
1101 W. River Street, 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 17th and Idaho 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 (“you” or “TitleOne”) 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 _____, 2021.

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 B.

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 e-mail at closing. Either of Agency and Developer may request a separate Settlement Statement 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(s);

(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 of 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 title commitment dated **May 20, 2021**, delivered to Developer's counsel, and with all endorsements previously approved by Buyer and Lender, if any, and any updates as permitted pursuant to the DDA;

(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, Affordability Covenant, 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 _____, 2021, TitleOne (i) may not release any of the Acquisition Documents or the Settlement Statement(s) 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 Special Warranty Deed and Title Policy to Developer and the original Memorandum and Affordability Covenant to Agency with copies 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. E-mail signatures or electronic services, such as DocuSign, 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 e-mail or acceptable electronic service.

Sincerely,

Meghan S. Conrad
Counsel for Agency
msc@elamburke.com

Anne C. Kunkel,
Counsel for Developer
annekunkel@varinwardwell.com

ACKNOWLEDGED, ACCEPTED AND AGREED:

TitleOne Corporation

By: _____

Name: _____

Title: _____

Dated: _____, 2021

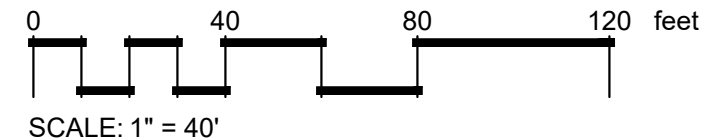
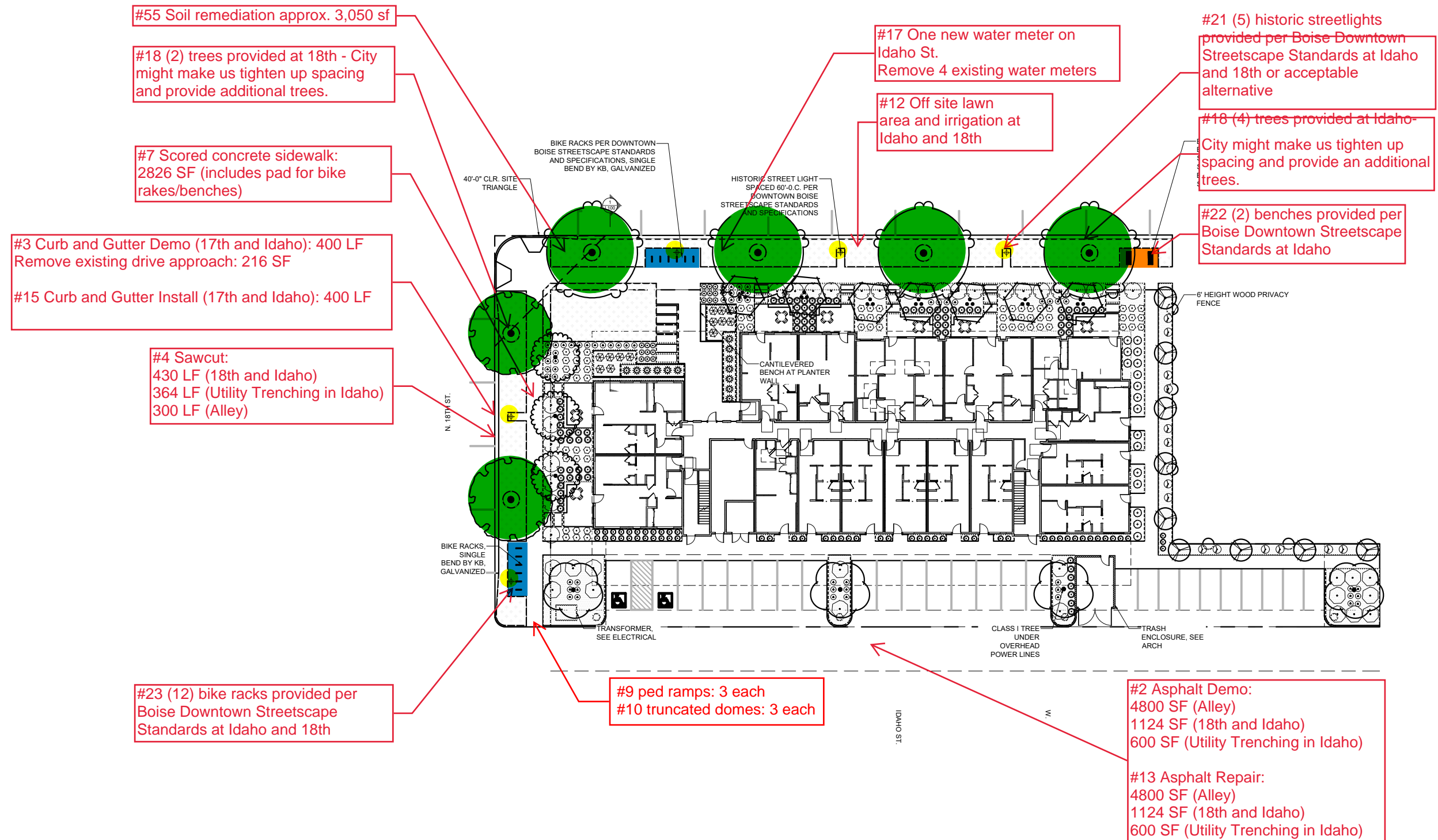
EXHIBIT A
Acquisition Documents

1. One (1) original Disposition and Development Agreement, executed by Agency and Developer
2. One (1) original Memorandum of Disposition and Development Agreement, executed and acknowledged by Agency and Developer
3. One (1) original of a Special Warranty Deed with respect to the Property, executed and acknowledged by Agency and Developer
4. One (1) original of an Affordability Covenant, executed and acknowledged by Agency and Developer
5. One (1) original set of Developer's construction loan documents, executed and acknowledged, as applicable, by Developer

Attachment 14

Public Project Improvements Map and Description

Note
 1. Manual states that number and location of furnishings will be determined by Boise City Design Review - Currently we don't include Litter receptacles or Moveable planters.



1715 W. Idaho St.

1715 W. Idaho St., Boise, ID 83702
 PNa JOB # 20-0XX

Attachment 15

Schedule of Eligible Public Improvement Costs

CCDC Participation Program
Schedule of Eligible Expenses Application Form
 Actual Eligible Costs To Be Determined by CCDC

Project Name: 17th & Idaho Workforce Housing Project

Plan Date: FINAL

By: SMR Development

ALL SCOPE MUST BE 1) LOCATED ON PUBLIC IMPROVEMENT PERMIT AND 2) IN THE PUBLIC RIGHT OF WAY

#	<u>ITEM DESCRIPTION</u>	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
SITE PREPARATION: DIVISIONS 2 and 31					
1	Surface demolition	LS	0	0	0
2	Asphalt demolition	LS	0	0	0
3	Curb and gutter demolition	LS	4,300	1	4,300
4	Saw cut	LS	10,100	1	10,100
5	Replace subbase	LS	17,900	1	17,900
6	Stand alone tree removal - demo & disposal of trees, etc.	LS	4,200	1	4,200
SIDEWALK WORK: DIVISION 32					
7	Scored concrete sidewalk	LS	10,900	1	10,900
8	Dry laid brick		0	0	0
9	Pedestrian ramp	LS	16,100	1	16,100
10	Truncated dome		0	0	0
11	Lawn parkway		0	0	0
12	Irrigation -- 10 trees		0	0	5,000
OTHER: DIVISION 32					
13	Asphalt repair	LS	0	0	0
14	Concrete curb cut	LS	3,000	1	3,000
15	Vertical curb and gutter (6")	LS	8,990	1	8,990
16	Meyers cabinet		0	0	INC
17	Water meter	LS	2,800	1	2,800
SITUATIONAL FURNISHINGS: DIVISION 32					
18	Street trees - supply & install 10 trees	LS	2,300	10	23,000
19	Tree grates & frames		0	0	0
20	Trench drain cover		0	0	0
21	Historic street light - supply & install 5 light poles	EA	11,800	5	59,000
22	Bench - supply & install 3 benches	EA	2,100	3	6,300
23	Bike rack - supply and install 3 bike racks	EA	1,200	3	3,600
24	Litter receptacle		0	0	0
25	Pre-cast planter		0	0	0
OTHER:					
26					
27	TBD		0	0	0
Total Streetscape Costs:					175,190

CCDC Participation Program Eligible Costs Application Form

Actual Eligible Costs To Be Determined by CCDC

INFRASTRUCTURE & UTILITIES: (In right-of-way)

	UNIT	UNIT PRICE	QUANTITY	TOTAL COST	
STORM WATER MITIGATION: DIVISION 33					
28		0	0	0	
29	Surface demo				
29	Surface prep - allowance for storm drainage	LS	16,500	1	16,500
30	Finish materials (permeable pavers, etc.)		0	0	0
UTILITIES: DIVISION 33					
31	Power line (new/relocation/extension)	LS	40,000	1	40,000
32	Water line (new/relocation/extension)		0	0	0
33	Sewer line (new/relocation/extension)		0	0	0
34	Geothermal Line (new/relocation/extension)		0	0	0
35	Natural gas line (new/relocation/extension)		0	0	0
36	Phone & cable line (new/relocation/extension)	LS	20,000	2	40,000
37	Fiber line (new/relocation/extension)	LS	20,000	1	20,000
38	ACHD power box relocation		0	0	0
STREET: DIVISIONS 2, 31 and 32					
39	Asphalt demolition - demolition of curb & gutter along streets	LS	9,000	1	9,000
40	Road sub-base and prep		0	0	0
41	Asphalt paving patch back along roadway	LS	3,100	1	3,100
PATH:					
42	Surface demolition		0	0	0
43	Surface prep		0	0	0
44	Paving material		0	0	0
ALLEY:					
45	Asphalt demolition	LS	13,000	1	13,000
46	Alley sub-base and prep	LS	15,850	1	15,850
47	Asphalt paving in alley	LS	52,000	1	52,000
PLAZA:					
48	Surface demolition		0	0	0
49	Surface prep		0	0	0
50	Paving material		0	0	0
OTHER:					
51	TBD		0	0	0
52	TBD		0	0	0

Total Infrastructure & Utilities Costs:

209,450

CCDC Participation Program Eligible Costs Application Form Actual Eligible Costs To Be Determined by CCDC				
OTHER:				
57	TBD	0	0	0
58	TBD	0	0	0
Total Site Costs:				0
TOTAL ELIGIBLE COSTS:				384,640
PLUS: 5% GENERAL CONDITIONS				19,232
PLUS: 5% CONTINGENCY:				19,232
TOTAL				\$ 423,104
Important Note: Each program where eligible costs are identified will only pay for those approved expenses not otherwise paid for by another public entity.				

Attachment 16

Schedule of Soil Remediation Costs

CCDC Participation Program
Schedule of Eligible Soil Remediation Costs

Actual Eligible Costs To Be Determined by CCDC

Project Name: 17th & Idaho Workforce Housing Project

Plan Date: FINAL

By: SMR Development

SITE:

#	ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
1	Excavation -- includes materials, labor, shoring, hauling, compaction EXCLUDED: 24" of soil excavation	CY	14.95	6,150	91,956
2	Structural Backfill -- includes materials, labor, shoring, hauling, compaction	CY	33	6,094	103,013
Total Site Costs:					194,968
TOTAL ELIGIBLE COSTS:					194,968
PLUS: 5% GENERAL CONDITIONS:					9,748
PLUS: 5% CONTINGENCY:					9,748
TOTAL					\$ 214,465.17

Important Note:

Each program where eligible costs are identified will only pay for those approved expenses not otherwise paid for by another public entity.