



BLAINE COUNTY HOUSING AUTHORITY

BOARD MEETING AGENDA MEMO

Meeting Date: Staff Member:

Agenda Item:

Recommended Motion:

"I move to approve executing the Master Lease for High Country Motel"

Reasons for Recommendation:

- High Country Motel is the only option we've found for adding new, temporary transitional housing units for this winter. The owner has agreed to dropping the price from the \$2,800 per month per room last year to \$1,950 this year.
- High Country Motel was used last year by Blaine County Charitable Fund and the property manager and owner are supportive of using the 12 rooms as transitional housing.
- BCHA currently has 27 households in need of emergency housing on BCHA's waitlist after opening up the pre-application in August.

Policy Analysis and Background (non-consent items only):

Goal 3 of BCHA's Strategic Plan: Expand, Coordinate + Improve Services to Create Housing Stability
Action 2. Address the immediate needs of unhoused and people at risk of displacement

We do not have any indication that homelessness has decreased since last winter, when there were over 200 people experiencing homelessness on any given night. BCHA currently has 27 households experiencing homelessness on its waitlist. Ensuring that at least some of these households have a warm, safe place to sleep could save lives, assists adult functioning and childhood development, and reduces costs to the service sector.

The City of Ketchum + BCHA housing budget has about \$200,000 available for emergency and transitional housing for the next fiscal year. Staff estimate that the cost to BCHA for master leasing High Country Motel for six months would cost about \$80,000 when charging households by income. The worst-case scenario – were no one working or if suddenly there were no need for the rooms – would cost \$140,400. However, BCHA has the option of cancelling the lease with thirty days' notice so that risk is extremely limited.

BCHA's new Program Administrator worked on placing and managing tenants at High Country Motel last winter and has a rapport with the property manager. She is ready and eager to assist in efforts this year.

Financial Impact:

None OR Adequate funds exist in account:	Estimated cost \$81,567 total. Adequate funds in budget for transitional housing + a couple of partners have offered financial assistance
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Attachments:

1. Resolution 2023-11
2. Master Lease with High Country Motel
3.

RESOLUTION No. 2023-11

BEFORE THE BOARD OF COMMISSIONERS
OF THE BLAINE COUNTY HOUSING AUTHORITY
BLAINE COUNTY, IDAHO

A RESOLUTION OF THE BLAINE COUNTY HOUSING AUTHORITY BOARD OF COMMISSIONERS TO
EXECUTE MASTER LEASE WITH HIGH COUNTRY MOTEL FOR WINTER 2023-2024

WHEREAS, High Country Motel is the only location to hold 12 rooms available through the winter; and

WHEREAS, Blaine County has over 200 people experiencing homelessness on any given night; and

WHEREAS, the owner and property manager are experienced and prepared to host 12 households coming out of homelessness; and

WHEREAS, BCHA administrative staff have determined that this is one of a few methods needed, and staff are prepared to place households and manage tenant relations.

NOW, THEREFORE, be it resolved by the Board of Commissioners of the Blaine County Housing Authority, Blaine County, Idaho, as follows:

Section 1. The Blaine County Housing Authority Board of Commissioners approves and authorizes the Master Lease with High Country Motel, set forth in Attachment 2, attached and incorporated herein, and directs the Executive Director to proceed with assisting in implementing the scope of work.

Section 2. The Blaine County Housing Authority Board of Commissioners approves and authorizes the Board Chair to execute the Master Lease with High Country Motel.

DATED this ____ day of _____, 2023

ATTEST:

BLAINE COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS

Executive Director

Chair

MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT (this “Lease”), dated as of the ___ day of _____, 2023 (“Effective Date”), is entered into by and between B.V. 766 LLC, a limited liability company of the State of Idaho, as lessor (referred to herein as “Landlord”) and the Blaine County Housing Authority (“Tenant”), which is a political subdivision of the State of Idaho, as the lessee. Landlord and Tenant are collectively referred to herein as the “Parties.”

RECITALS

Landlord owns a certain parcel of real property located at 766 S. Main St, Bellevue, Idaho, parcel number RPB04220000020, according to the Office of the Blaine County Clerk and Recorder (the “Land”), with a hotel building, parking lot and assorted improvements situated thereon (the “Improvements”). Twelve (12) of the hotel rooms, including access to the communal Land and Improvements are collectively referred to herein as the “Leased Premises.”

Tenant is engaged in various housing projects, public projects, and other activities for the purpose of providing affordable workforce housing and promoting the public health, safety and welfare of the residents of Blaine County.

Landlord has operated the Leased Premises as a hotel, High Country Motel, and desires to master lease the Leased Premises to Tenant so that Tenant may provide workforce housing opportunities on the Leased Premises. As more particularly set forth in this Lease, and on the terms and conditions set forth herein: (i) Landlord will master lease the Leased Premises to Tenant, (ii) Tenant will sublease or license the individual units in the Leased Premises to eligible individuals for long term rental, and (iii) Landlord will provide certain property management services as described herein.

NOW, THEREFORE, for and in consideration of the recitals, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows.

ARTICLE I – LEASE, QUIET ENJOYMENT

1.1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises including all furniture, fixtures, and equipment, for the Term (as defined in Section 2.1 below) and on the terms and conditions set forth in this Lease.

1.2. Condition of Title. Landlord leases the Leased Premises to Tenant for Tenant’s exclusive use subject to all easements, covenants, conditions, restrictions, and other title matters of record existing as of the Effective Date. Landlord warrants and represents that the party named herein as Landlord is the owner of the Leased Premises in fee simple absolute; that the Leased Premises are, at the time of entering this Lease, free and clear of any and all liens and encumbrances except those items of record; and that it has full right, authority and power to lease the Leased Premises unto Tenant for the Term hereof. Landlord shall not further encumber the Leased Premises at any time throughout this Lease in a manner that impedes or hinders the purpose of this Lease.

1.3. Condition of Leased Premises. Subject to the provisions of Article X regarding repairs and improvements, Landlord leases the Leased Premises to Tenant in its “AS-IS” condition existing on the Effective Date, except as otherwise expressly set forth in this Lease.

1.4. Quiet Enjoyment. Subject to the terms and conditions of this Lease, Landlord covenants that Tenant will peaceably and quietly hold and enjoy the Leased Premises and Landlord will not unreasonably interfere with Tenant’s use and occupancy of the Leased Premises for the entire Term.

ARTICLE II – TERM OF LEASE

2.1. Term. The term of this Lease (the “Term”) shall commence on November 1, 2023 (the “Commencement Date”), and unless extended or sooner terminated pursuant to the provisions hereof, shall expire on April 31, 2025. Landlord shall (a) obtain all zoning or other land use and building permit approvals necessary to authorize Tenant’s intended use of the Leased Premises, and (b) complete all improvements to the Leased Premises as described in Article X below prior to the Commencement Date. In the event such land use, building code and all other necessary permits are not obtained on or before November 1, 2023, the Commencement Date shall be extended until all such authorizations are obtained by Landlord.

2.2. Option to Extend Term. Tenant shall have an option to extend the Term for a period of twelve (12) additional months. Tenant may exercise such option by delivering written notice to Landlord not later than sixty (60) days prior to the expiration of the Term. Rent during the option term will be increased by 2.5 (5%) percent.

2.3. Holding Over. If, without objection by Landlord, Tenant holds possession of the Leased Premises after expiration of the Term of this Lease Tenant shall become a tenant on a month-to-month basis on the terms specified in this Lease, except those pertaining to the Term and monthly rent will be increased by three (3%) percent. In such event, each party shall give the other written notice of intention to terminate the tenancy at least thirty (30) days prior to the date of termination.

2.4. Termination of Lease. Tenant may terminate this Lease upon giving Landlord thirty (30) days written notice 2.

ARTICLE III – RENT

3.1. Rent. The first month’s rent, in the amount of \$23,400 shall be paid concurrently with the Commencement Date of this Lease. For each subsequent month during the Term, Tenant shall pay to Landlord on the first day of each month, monthly rent in the amount of \$23,400 for the Leased Premises.

ARTICLE IV – TAXES, CHARGES

4.1. Impositions. Because Tenant consists of a tax-exempt entity under Idaho law engaged in the promotion of the public welfare, the Parties anticipate that Tenant’s use of the Leased Premises will be tax-exempt throughout the Term. Provided; however, Tenant agrees to pay prior to delinquency, any possessory interest taxes, license and permit fees pertaining to Tenant’s use of the Leased Premises or part thereof, hereinafter referred to as “Impositions.” Upon request by Landlord, Tenant shall furnish, in form satisfactory to Landlord, evidence of payment prior to

delinquency of all Impositions payable by Tenant. Landlord shall remain responsible for the payment of any applicable property taxes associated with ownership.

4.2. Tenant Right to Contest. Notwithstanding the above, Tenant shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but such right shall not be deemed or construed in any way as relieving, modifying or extending Tenant's covenant to pay any such Imposition at the time and in the manner required by law. Any such contest shall be conducted in accordance with and subject to the requirements of all applicable local, state and federal statutes, codes, ordinances, laws and regulations (collectively, "Applicable Laws") and otherwise in a manner that does not subject Landlord's title to the Leased Premises to foreclosure or forfeiture. During any contest of an Imposition, Tenant shall (by payment of disputed sums, if necessary) prevent any foreclosure of, or any divesting of, Landlord's title, reversion or other interest in the Leased Premises or the Improvements.

4.3. Tax-Exemption. Tenant shall have responsibility for filing any exemption application, declaration, statement or report which may be necessary or advisable in connection with Leased Premises tax exemption or with the determination, equalization, reduction or payment of any Imposition which is or which may become payable by Tenant under the provisions of this Article, and Tenant agrees to use commercially reasonable efforts to obtain such tax exemptions or reductions. Landlord shall cooperate with Tenant in connection with the foregoing, including joinder in any application pertaining thereto to the extent required under Applicable Law.

4.4. Utilities. Landlord shall pay for water, electricity, gas, sewage, and trash disposal, telephone services, snow removal, and other necessary services in connection with the Leased Premises. Tenant shall enter into such contracts as may be necessary to maintain or secure such utilities and services for the Leased Premises.

4.5. Utility Charges. Landlord agrees to pay, or cause to be paid, all charges that are incurred by Tenant or that are otherwise a charge or lien against the Leased Premises or part thereof during the Term, for gas, water, electricity, light, heat or power, telephone or other communication service use, or other utility use, rendered or supplied upon or in connection with Tenant's use of the Leased Premises as provided hereunder.

ARTICLE V – USE OF LEASED PREMISES FOR WORKFORCE HOUSING OCCUPANCY AND SUBLEASING

5.1. Use of Leased Premises. Tenant hereby agrees that the Leased Premises shall be used for workforce residential occupancy for households living and working within Blaine County, Idaho, along with their family members as described below; such housing use may include any accessory or ancillary uses as may be necessary or convenient, in compliance with the requirements set forth in this Lease.

5.2. Unit Configuration. The Leased Premises currently consists of the following unit configurations as noted in Exhibit B.

- a. Twenty-one (21) Parking spaces

5.3. Occupancy. Occupancy of the rental units shall be limited to the following capacities:

- a. Rooms with a single queen bed shall not be occupied by more than three persons
- b. Rooms with two queen beds shall not be occupied by more than five persons

5.4. Sublease Agreement. In subleasing the units, Tenant shall require all occupants to sign a sublease or license agreement (“Sublease”), copies of each Sublease will be provided to Landlord upon request. The Tenant’s covenants in this Article V and Article VI below will be incorporated in the Sublease.

5.5 [intentionally omitted]

5.6. Compliance with Laws. Tenant shall comply with all Applicable Laws pertaining to the use, operation, occupancy and management of the Leased Premises. Tenant shall not itself, and shall not permit any subtenant to use the Leased Premises for any unlawful purpose and shall not itself, and shall not permit any subtenant to, perform, permit or suffer any act of omission or commission upon or about the Leased Premises, which would result in a nuisance or violation of Applicable Law.

5.7. Smoking/Pets/Cooking in Rooms. Smoking and vaping shall not be permitted within the Improvements nor shall any animals be allowed within the Improvements except as may be required by law. Cooking will only be permitted in designated cooking areas in the Leased Premises outside common area that includes four charcoal cooking units and one propane gas grill. Any cooking within rooms is restricted to those microwaves installed in rooms. Cooking equipment of any type, including hot plates and grills, is prohibited. Service animals are allowed.

5.8. Hazardous Materials/Obligations of Tenant. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Leased Premises other than materials commonly used in the repair, operation and maintenance of residential properties, provided such materials are used, stored and disposed of in compliance with all Applicable Laws.

5.9. Definition of Hazardous Material. As used in this Lease, the term “Hazardous Material” means any hazardous, explosive or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Idaho or the United States Government. The term “Hazardous Material” includes, without limitation, any material or substance which is (a) defined as a “hazardous waste,” (b) defined as a “hazardous substance,” (c) defined as “hazardous material pursuant to the laws of the State of Idaho or United States, including but not limited to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), (i) defined as a “hazardous waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 41 U.S.C. § 6901 et seq. (42 U.S.C. § 6903), or (j) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 41 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).

ARTICLE VI – SURRENDER OF LEASED PREMISES

6.1. Surrender of Leased Premises. Upon the expiration or earlier termination of this Lease, Tenant will surrender the Leased Premises to Landlord broom clean and in good condition, ordinary wear and tear excepted. Not later than the last day of the Term, Tenant will remove its personal property and fixtures from the Leased Premises. The cost of such removal will be borne

by Tenant and Tenant will repair all injury or damage done to the Leased Premises in connection with the installation or removal of Tenant's personal property and fixtures.

6.2. Condition of Improvements. The Parties have entered this Lease in reliance on the fact that the Improvements will be maintained in good condition and repair, reasonable wear and tear excepted. At any time during the Term, upon reasonable advance notice and during normal business hours, either Party may inspect the Land and all Improvements to confirm that it is being properly maintained as required herein. Following its inspection, either Party may deliver to the other Party written notification of any portion of the Land or Improvements thereon which is not being properly maintained. Each Party shall promptly comply with the provisions of this Lease regarding such maintenance items.

ARTICLE VII – DAMAGE AND DESTRUCTION

7.1. Insurance Proceeds. All proceeds of the insurance provided hereunder and payable by reason of any loss or damage to the Leased Property, or any portion thereof, and insured under any policy of insurance required by this Lease shall be paid to Landlord and held in trust in an interest bearing account and made available, if applicable, for reconstruction or repair, as the case may be, of any damage to or destruction of the Leased Property or any portion thereof and, if applicable, shall be paid out by Landlord, from time to time, for the reasonable costs of such reconstruction or repair, upon satisfaction of reasonable terms and conditions specified by Landlord. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property shall be paid to Landlord. If Landlord does not elect to repair and restore, and the Lease is terminated, all such insurance proceeds shall be retained by Landlord except for any amount thereof paid with respect to Tenant's leasehold Improvements and personal property. All salvage resulting from any risk covered by insurance shall belong to Landlord, except to the extent of salvage relating to Tenant's leasehold Improvements and personal property.

7.2. Reconstruction in the Event of Damage or Destruction.

(a) If during the Term the Leased Property is totally or partially destroyed and the Leased Premises is thereby rendered unsuitable for its intended use, the Lease shall terminate as of the date of the casualty, and neither Landlord nor Tenant shall have any further liability hereunder, except for any liabilities which have arisen prior to or which survive such termination.

(b) If during the Term the Leased Property is partially destroyed by a risk covered by the insurance described in this Lease but the Leased Premises is not thereby rendered substantially unsuitable for its intended use, Landlord shall restore the Leased Premise to substantially the same condition as existed immediately before the damage or destruction and otherwise in accordance with the terms of the Lease. Such damage or destruction shall not terminate this Lease. Provided; however, in such event the rent payable under this Lease shall be reduced in a pro rata amount equal to the number of units damaged divided by the total number of units in the Leased Premises.

ARTICLE XIII – MAINTENANCE, REPAIRS

8.1. Landlord Repairs and Maintenance. Landlord agrees to keep the Leased Premises in a neat, clean and sanitary condition. Landlord shall manage and perform, at Landlord's cost, the cleaning and routine maintenance and repair of the Improvements, including general interior maintenance

of the building systems (electrical, plumbing, life safety and HVAC), light bulb replacement, appliances, glass, and carpet cleaning. Landlord shall also manage and perform janitorial maintenance on the exterior grounds and snow plowing/shoveling.

8.2 Landlord Repairs and Maintenance. Landlord shall manage and perform, at Landlord's cost, all repairs and maintenance of the roof, foundation, walls, flooring, windows, and concrete walkways or structures, and parking areas (excluding cleaning and snow and ice removal) whether of a routine or an emergent nature. In addition, Landlord will at its cost replace the components of the heating and cooling systems, plumbing and electrical systems which fail, excluding the blower replacement in HVAC units. However, Tenant will reimburse Landlord for the reasonable cost of repairs, replacement or maintenance required by this Section to the extent such claim results from the negligence or willful misconduct of Tenant, licensees, officers, employees, agents, representatives, or contractors.

8.3. Preventative Maintenance. The Landlord shall pay particular attention to the upkeep and preventative maintenance of the Leased Premises. Emergency requests for repairs shall be serviced on a 24-hour basis by the Landlord. Landlord shall take such action as may be necessary to comply with any and all orders and requirements of applicable law and of any board of fire underwriters, insurance companies, and other similar bodies pertaining to the Leased Premises.

8.4. Emergencies. In the event of material emergency repairs when Landlord is not available or responsive, Tenant shall notify Landlord promptly, and in no event later than twenty-four (24) hours from the occurrence of the event. Landlord shall promptly reimburse Tenant for the reasonable cost of any emergency repairs that are the responsibility of Landlord if Landlord authorizes in writing such repair by Tenant or does not respond to an emergency which prevents occupancy of any room within twenty-four (24) hours after receipt of Tenant's notice.

8.5. Improvements. Landlord shall be responsible for all permits and approvals necessary to complete the following improvements to the Leased Premises on or before November 1, 2023 (prior to Commencement Date and Tenant taking leasehold occupancy). Landlord shall:

- a. Replace all non-operational lights, fans and fixtures;
- b. Provide all appliance and operations manuals; and
- c. Perform a move in ready final clean of the leased premises including the Building and Land.

Landlord may acquire all permits after Commencement Date. Except as provided for herein, Tenant shall not be permitted to make any changes or alterations in, to, or of the Improvements without the prior consent of Landlord.

ARTICLE IX – EMINENT DOMAIN

9.1. Termination of Lease. Landlord and Tenant agree that, in the event of a taking of the property by the power of eminent domain ("Taking") such that Landlord or Tenant reasonably determines that the Leased Premises cannot continue to be operated in a reasonable manner or at reasonable cost for the uses contemplated by this Lease, then at the option of either Landlord or Tenant, upon delivery of written notice to the other party, this Lease shall terminate as of the date of the Taking or order of possession regarding such Taking.

9.2. Continuation of Lease. Landlord and Tenant agree that, in the event of Taking that does not result in the termination of this Lease, this Lease shall continue in effect as to the remainder of the Leased Premises, and the condemnation award will be disbursed in accordance with this Article to Landlord and Tenant, and shall be used so as to make the same as complete, unified and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking.

9.3. Apportionment of Award. If there is a Taking, whether whole or partial, Landlord and Tenant shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration Landlord's fee interest in the Land and Improvements (as encumbered by this Lease). If the Leased Premises are restored, Tenant shall be entitled to recover the costs and expenses reasonably incurred in such restoration out of any condemnation award.

9.4. Award on Total or Substantial Taking. In the event of a total or substantial taking, the award shall be apportioned as follows:

(a) To Landlord that portion of the award equal to the fair market value of the Leased Premises.

(b) To Tenant, that portion of the award equal to the fair market value of Tenant's leasehold interest under this Lease (subject to Landlord's reversionary interest).

9.5. Award on Partial Taking. In the event of a partial taking, after application of the Award for restoration, any remaining portion of such award shall be apportioned in the same manner as described above. Any severance damages awarded or payable because only a portion of the Land and Improvements are taken by eminent domain shall be paid to Landlord.

9.6. Rent Abatement for Partial Taking. In the event of any partial taking of the Improvements, commencing upon the date of the order of possession or condemnation, Rent payable under this Lease shall be reduced by the percentage equal to the square footage of the condemned portion of the Improvements divided by the total square footage of the Improvements prior to the taking.

ARTICLE X – ASSIGNMENT, TRANSFER, SUBLETTING

10.1. No Leasehold Encumbrances. Tenant shall not have the right to encumber its leasehold interest hereunder without the prior written consent of Landlord.

10.2. Transfer or Assignment by Tenant. Except as expressly provided in this Lease, Tenant shall not have the right to assign the entirety of Tenant's interest in this Lease, the Leased Premises, and/or the Improvements without Landlord's prior written approval, which shall not be unreasonably withheld. Tenant shall have the right to sub-let individual units of the Leased Premises and the Improvements thereon to eligible residents of Blaine County for the purpose of local workforce and family residential housing, in accordance with the terms and conditions of this Lease.

10.3. Sale by Landlord. Nothing contained in this Lease shall be deemed in any way to limit, restrict or otherwise affect the right of Landlord to sell, transfer, assign or convey all or any portion of the right, title and estate of Landlord in the Leased Premises and in this Lease; provided,

however, that in each such instance any such sale, transfer, assignment or conveyance shall be subject to this Lease, and Tenant's rights arising out of this Lease shall not be affected or disturbed in any way by any such sale, transfer, assignment or conveyance. At such time as Landlord shall sell, transfer, assign or convey the entire right, title and estate of Landlord in the Leased Premises and in this Lease, all obligations and liability on the part of Landlord arising under this Lease after the effective date of such sale, transfer, assignment or conveyance shall terminate as to Landlord, and thereupon all such liabilities and obligations shall be binding upon the transferee.

ARTICLE XI – BREACHES, REMEDIES AND TERMINATION

11.1. Default by Tenant. Tenant shall be in default under this Lease upon the occurrence of any of the following (“Events of Default”):

(a) Rent and Other Monetary Obligations. Tenant at any time is in default hereunder as to rent or any other monetary obligation, and such default continues for more than ten (10) days after such rent or other monetary obligation was due under the Lease.

(b) Insurance. Tenant fails to obtain and maintain any policy of insurance required pursuant to this Lease, and Tenant fails to cure such default within ten (10) days;

(c) Bankruptcy. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“Bankruptcy Law”), Tenant (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Tenant in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Tenant; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(d) Involuntary Proceedings. A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging Tenant to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Tenant or seeking any arrangement for Tenant under Bankruptcy Law, (3) appointing a receiver, trustee, liquidator, or assignee of Tenant in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Tenant in each case if such decree, order, petition, or appointment is not removed or rescinded within ninety (90) days;

(e) Abandonment. Tenant shall have voluntarily abandoned the Leased Premises.

(f) Breach of Other Obligations. Tenant's default in the performance of any term, provision or covenant under this Lease (other than an obligation enumerated below in Sections 11.2-11.7), and unless such provision specifies a shorter cure period for such default, the continuation of such default for thirty (30) days following the date upon which Landlord has given written notice of the default to Tenant, or if the nature of any such default is such that it cannot be cured within thirty (30) days, Tenant's failure to commence to cure the default within thirty (30) days and thereafter prosecute the curing of such default with due diligence and in good faith to completion.

11.2. Default by Landlord. Landlord will be in default under this Lease if Landlord fails to comply with any of the terms, provisions, or covenants of this Lease within thirty (30) days following service of written notice thereof by Tenant. In the event of a non-monetary default that

is not capable of being corrected within thirty (30) days, Landlord will not be default if it commences correcting the default within thirty (30) days of receipt of notification thereof and thereafter corrects the default with due diligence.

11.3. Remedies Upon Default. Upon the occurrence of any Event of Default, the non-Defaulting party shall have any and all rights or remedies hereunder and/or provided by law; provided, however, the Parties will comply with the cure provisions and dispute resolution provisions except in the case of an emergency or situation where immediate remedial action is required.

11.4. Landlord's Remedies. Following an Event of Default by Tenant, Landlord shall have the option to pursue any one or more of the following remedies, but only after providing notice and allowing any opportunity to cure required by this Lease, if applicable, without any notice or demand whatsoever, except as provided above:

(a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord.

(b) Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof by judicial process, without having terminated this Lease. Landlord may, if it so elects, relet the Premises on Landlord's terms and receive the rent therefor, and Tenant agrees to pay to Landlord, on demand on or after the dates it becomes due and payable, any deficiency that may arise by reason of such reletting for the remainder of the Term.

11.6. Remedies Cumulative. The remedies provided in this Lease are in addition to any other remedies available at law, in equity, by statute, or otherwise, including without limitation, the right to commence an action for damages, injunction, and/or specific performance.

11.7. Right to Cure Defaults. If either Party fails to perform any obligation under this Lease, and such failure continues for thirty (30) days after notice, or such longer or shorter period as may be allowed under this Lease, the non-Defaulting Party may, without waiving or releasing any remedy, make payment or perform other acts required by this Lease on the Defaulting Party's behalf. All sums paid and all necessary incidental costs incurred due to such reasonable remedial actions shall be due and payable by the Party in Default.

11.8. No Election of Remedies. The rights given in this Article to receive, collect, or sue for any rent or rents, moneys or payments, or to enforce the terms, provisions and conditions of this Lease, or to prevent the breach or nonobservance thereof, or the exercise of any such right or of any other right or remedy hereunder or otherwise granted or arising, shall not in any way affect or impair or toll the right or power of the non-Defaulting Party upon the conditions and subject to the provisions in this Lease.

11.9. Survival of Obligations. No expiration or termination of the Term by operation of law, or otherwise, and no repossession of the Leased Premises or any part thereof shall relieve Tenant of its previously accrued liabilities and obligations hereunder, all of which shall survive such expiration, termination, or repossession.

11.10. No Waiver. Except to the extent that either Party may have agreed in writing, no waiver by any Party of any breach of any obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation, nor shall any forbearance to seek a remedy for any breach be deemed a waiver with respect to such breach.

ARTICLE XII – DISPUTE RESOLUTION

12.1. Negotiation. The Parties will attempt in good faith to resolve any dispute arising out of or relating to this Lease not resolved promptly by negotiations between persons who have authority to settle the controversy. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Within five (5) days after receipt of said notice, the Parties will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within ten (10) days of the notice of dispute, or if the Parties fail to meet within five (5) days, either Party may initiate mediation of the controversy.

12.2. Mediation. If the dispute has not been resolved by negotiation as provided above, the Parties will endeavor to settle the dispute by mediation with a neutral third party. If the Parties encounter difficulty in agreeing on a neutral third party, they may each appoint a neutral third Party, such third Parties to appoint a neutral third party to mediate. Each Party will pay a pro-rata share of the cost of mediation, plus their own attorneys' fees incurred in connection with a mediation.

12.3. Judicial Action. Any dispute arising out of or relating to this Lease or the breach, termination or validity of this Lease, which has not been resolved by the methods set forth above within thirty (30) days of the initiation of mediation, may be finally resolved by appropriate judicial action. The Parties agree to exclusive venue in the courts of Blaine County, Idaho with respect to any dispute arising out of or relating to this Agreement.

12.4. Attorneys' Fees. In the event Tenant or Landlord fails to perform any of its obligations under the Lease, or in the event a dispute arises concerning the meaning or interpretation of any provision of the Lease, the Defaulting Party, or the Party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

12.5. Equitable Relief. Nothing in this Lease prevents a Party from seeking to obtain from a court of competent jurisdiction a temporary restraining order, preliminary injunction, permanent injunction, or other appropriate form of equitable relief, to enforce the provisions of this Lease if such action is authorized by applicable law.

ARTICLE XIII – REPRESENTATIONS

13.1. Representations. The Parties hereby represent and warrant that all of the following are true and correct as of the Effective Date. Each Party covenants that until the expiration or earlier termination of this Lease, upon learning of any fact or condition that would cause any of the

warranties and representations in this Lease not to be true, such Party shall give written notice of such fact or condition to the other Party hereto upon such discovery.

13.2. Valid Execution. Both Parties have taken all requisite action in connection with the execution of this Lease and the undertaking of the obligations set forth herein. This Lease constitutes the legally valid and binding obligation of the Parties, enforceable in accordance with its terms, except as it may be affected by bankruptcy, insolvency, or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

13.3. Binding Lease, No Conflict. The execution of this Lease and the acceptance of the obligations set forth herein do not violate any agreement, court order, or ruling binding upon either Party or any provision of any indenture, agreement, or other instrument to which either Party may be bound. Neither the entry into nor the performance of this Lease will violate, be in conflict with, or constitute a default under any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, judgment, order, or other agreement.

13.4. Litigation. To the knowledge of each Party, there is no litigation or proceeding pending or threatened against such Party or any other person affecting the right of such Party to authorize and enter into this Lease or the ability of such Party to comply with the obligations contained herein.

ARTICLE XIV – ENVIRONMENTAL MATTERS

14.1. Landlord’s Representations and Warranties. Landlord hereby represents and warrants to Tenant as follows, which representations are made as of the date of this Lease:

14.2. No Hazardous Materials/Conditions. To the best of Landlord’s knowledge after reasonable inquiry, no Hazardous Materials or other adverse environmental conditions exist or are located on, under or about the Leased Premises.

14.3. No Violation of Hazardous Materials Laws. To Landlord’s knowledge (i) Landlord and all prior owners and occupants of the Leased Premises have not generated, manufactured, refined, transported, treated, stored, handled, disposed of, transferred, produced, or processed any Hazardous Materials on the Leased Premises, otherwise than in compliance in all material respects with all Hazardous Materials Laws, and there is no ongoing release of Hazardous Materials on, under or about the Leased Premises, (ii) Landlord has not received any notice regarding a violation of any Hazardous Materials Laws by any prior owner or occupant.

14.4. No Notices, Litigation, or Liens. To Landlord’s knowledge Landlord has not received any request for information, notice, demand letter, administrative inquiry, or formal or informal complaint or claim from or by any public or private agency or entity concerning any release or discharge of any Hazardous Materials or other adverse environmental condition on, under, about, or off of the Leased Premises or any alleged violation of any Hazardous Materials Laws involving the Leased Premises.

ARTICLE XV– RIGHT OF FIRST REFUSAL

15.1. Right of First Refusal. In consideration of, and subject to the terms of this Agreement, Landlord hereby grants to Tenant a continuing right of first refusal (“ROFR”) to purchase the Property during the term of this Lease, as such term may be extended or terminated herein (the

“Right of First Refusal Period”). During the Right of First Refusal Period Landlord will not transfer, sell, alienate, assign, give, bequeath, or otherwise dispose of the Property or any portion thereof to any third party that has made a bona fide purchase offer on terms and conditions Landlord intends to accept without first offering Tenant the option to purchase the Property on the same terms and conditions. If Landlord receives such a bona fide offer that it intends to accept (as evidenced in writing in a letter of intent, purchase agreement or other written evidence), then prior to entering into any agreement to sell the Property Landlord shall provide Tenant the terms of such bona fide offer, including without limitation, the purchase price for the property (**“ROFR Terms”**). The ROFR may be exercised by Tenant by providing written notice of same to Landlord within fourteen (14) days following the receipt of the ROFR Terms by Landlord (the **“Acceptance Period”**). In the event Tenant exercises the ROFR, Tenant and Landlord shall enter into a purchase agreement in the form and substance consistent with the ROFR terms and this Agreement. In the event Tenant fails to exercise the ROFR during the Acceptance Period, Landlord may sell the Property pursuant to the ROFR Terms at which time the ROFR shall terminate. In the event Landlord fails to enter into a purchase agreement with a third-party purchaser pursuant to the ROFR Terms within forty-five (45) days following the expiration of the Acceptance Period or Landlord desires to sell the Property for a purchase price that is lower than the purchase price contained in the ROFR terms, Landlord shall provide Tenant with the revised ROFR terms and the provisions of this Agreement shall again apply.

ARTICLE XVI – GENERAL

16.1. Severability. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

16.2. Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Lease shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (a) personal delivery, in which case notice is effective upon delivery; (b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (c) nationally recognized overnight courier, with charges prepaid or charged to the sender’s account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

EMERGENCY NOTICES: Notice of emergencies shall be accomplished in the most expedient manner possible, which shall include telephone and email contact to the Parties’ respective emergency contacts listed below, which may be amended by either party upon notice to the other:

Landlord:

LANDLORD EMERGENCY CONTACTS:

with a copy in each case (which will not constitute notice) to:

Tenant: Blaine County Housing Authority
Attn: Housing Director
P.O. Box 4045, Ketchum, Idaho 83340

TENANT EMERGENCY CONTACTS:
TBD

16.3. Captions; Construction. The captions used for the sections and articles of this Lease are inserted for convenience only and shall not be used to construe this Lease. The language in all parts of this Lease shall be construed as a whole, according to its fair meaning, and not strictly for or against Landlord or Tenant.

16.4. Successors and Assigns. Subject to the provisions hereof, this Lease shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, and wherever a reference in this Lease is made to either of the parties hereto such reference shall be deemed to include, wherever applicable, a reference to the successors and assigns of such Party, as if in every case so expressed.

16.5. Force Majeure. Neither Party is liable to the other for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Lease due to causes beyond the control of that Party including, without limitation, strikes, boycotts, labor dispute, embargoes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, pandemic, riots, rebellion, terrorism, sabotage or any other circumstance for which such Party is not responsible or that is not in its power to control. Nothing in this Section shall apply to Tenant's obligation to pay rent or other monetary obligations under this Lease.

16.6. Governmental Immunity. Tenant is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations or any other rights, immunities, and protections provided by Idaho law, as from time to time amended, or any other limitation, right, immunity or protection otherwise available to Tenant, its elected officials, officers, agents or employees.

16.7. No Adverse Construction Based On Authorship. Each Party had the opportunity to participate in the drafting of this Lease. This Lease is not to be construed against either Party by virtue of such Party having drafted this Lease.

16.8. Annual Appropriation. Tenant's financial obligations under this Lease are subject to annual appropriation. If sufficient funds are not appropriated for such purpose, this Lease may be terminated by either Party without penalty; provided, however, all sums due to Landlord under this Lease up to the date of termination will be budgeted, appropriated, and paid by Tenant. Tenant's financial obligations hereunder do not constitute a general obligation indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Idaho.

16.9. Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Idaho and venue for all disputes arising hereunder shall be in Blaine County, Idaho.

16.10. No Brokers; No Third-Party Beneficiaries. Landlord represents that it has not engaged any broker or agent to represent Landlord in this transaction. Tenant represents that it has not engaged any broker or agent to represent Tenant in this transaction. There shall be no third-party beneficiaries to this Lease.

16.11. Disclaimer of Partnership, Lender/Borrower, or Employment Relationship. The relationship of the Parties under this Lease is solely that of landlord and tenant, and it is expressly understood and agreed that Landlord does not as a result of this Lease in any way nor for any purpose become a partner of Tenant or a joint venture with Tenant in the conduct of Tenant's business or otherwise. This Lease is not intended to, and shall not be construed to, create the relationship of principal and agent, partnership, joint venture, association, or seller and buyer as between Landlord and Tenant. Nothing in this Lease shall be construed as creating an employer-employee relationship between Landlord and Tenant. Tenant and Tenant's employees and agents shall at all times be considered to be independent contractors and not employees of Landlord.

16.12. Entire Agreement; Amendments. This Lease together with all Exhibits hereto are incorporated herein by this reference, this Lease contains the entire agreement between the Parties relative to the subject matter hereof. All previous correspondence, communications, discussions, agreements, understandings or proposals and acceptances thereof between the Parties or their representatives, whether oral or written, are deemed to have been integrated into and superseded by this Lease and are of no further force and effect except as expressly provided in this Lease. No amendment or modification hereof shall be effective for any purpose unless in writing signed by Landlord and Tenant.

16.13. Time is of the Essence. Time is of the essence of this Lease and of each provision hereof.

16.14. Memorandum of Lease. Each Party will complete and execute the Memorandum of Lease in the form attached as Exhibit A, and the executed original thereof shall be recorded with the Clerk and Recorder for Blaine County, Idaho. Each Party will promptly, upon the request of the other Party, execute and record a Termination of Lease form upon the expiration or termination of this Lease.

16.16. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Electronic signatures, including signatures by telefax and scanned signatures, shall be acceptable for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Lease as of the Effective Date.

LANDLORD:

By: _____

_____, authorized representative

TENANT:

Blaine County Housing Authority

By: _____
Carissa Connelly, Housing Director

By: _____
Keith Perry, Board Chair

Exhibit A
MEMORANDUM OF LEASE

This Memorandum of Lease is effective this ___ day of _____, 2023, by and between B.V. 766 LLC, a Idaho limited liability (“Landlord”), and the Blaine County Housing Authority (“Housing Authority”), which are political subdivisions of the State of Idaho (“Tenant) and shall be recorded to provide notice of the existence of a certain Master Lease Agreement between the Parties dated _____, 2023.

1. Leased Premises. Landlord hereby grants, demises, and leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises described as 766 S. Main St, Bellevue, Idaho, parcel no. RPB04220000020.
2. Term. The term hereof shall commence November 1, 2023 and shall end April 31, 2025; however, Tenant is hereby granted one option of one year to renew the term hereof.
3. Successors and Assigns. The conditions and provisions hereof shall inure to the benefit of and shall be binding upon Landlord, Tenant, and their respective personal representatives, successors, and assigns, and shall run with the land.
4. Lease Agreement. This Memorandum of Lease is part of and shall be construed in connection with that certain Master Lease Agreement between Landlord and Tenant, of even date herewith, to which reference should be made for additional rights and obligations of Tenant and Landlord, including Tenant’s right of first refusal.
5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

EXECUTED this ___ day of _____, 2023.

B.V. 766 LLC

By: _____
_____, authorized representative

Blaine County Housing Authority

By: _____
Carissa Connelly, Housing Director

By: _____
Keith Perry, Board Chair

Exhibit B – Master Leased Units

Room Number	# of Queen Beds	Maximum Occupancy
2	2	5
3	2	5
4	2	5
5	2	5
6	2	5
7	2	5
8	2	5
9	2	5
10	2	5
11	2	5
A	1	3
B	1	3