Ketchum Urban Renewal Agency

P.O. Box 2315 | 191 5th Street | Ketchum, ID 83340

February 20, 2024

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO REVIEW AND APPROVE DEVELOPMENT AND DIPOSITION AGREEMENT (DDA) 50089, GROUND LEASE 50090, RESOLUTION 24-URA02 APPROVING THE PREFERENCE POLICY, RESOLUTION 24-URA03 APPROVING KURA FUNDING PARTICIPATION FOR THE DEVELOPMENT OF FIRST STREET AND WASHINGTON AVENUE

Introduction/History
The Board received and reviewed the Draft DDA and Ground Lease on November 6, 2023 and held subsequent meetings with the development team on November 13, 2023, December 18, 2023, and January 16, 2024 to discuss the project finances and projected funding gap and elements of the proposed agreements. The terms of the DDA and Ground Lease have been finalized and are ready for Board review and approval. In addition, the Preference Policy and KURA funding commitment are presented for Board approval. Wood River Community Housing Trust requested the Preference Policy and funding commitment be approved before they sign the DDA.

At the January 16, 2024 meeting the Board approved an extension to the Agreement to Negotiate Exclusively (ANE) to March 22, 2024.

It is important to note, the Ground Lease will not be executed at the same time as the DDA. Per the terms of the Ground Lease, certain conditions must be met before the lease is executed, such as verification of project financing. However, the Ground Lease is an attachment to the DDA and is presented to the Board for approval at this time.

Staff and the development team have been finalizing all the documents based on input from the Board. Attached are the final versions that have been accepted by the development team and staff. Staff will review the documents with the Board at the meeting.

Attachment A: Development and Disposition Agreement (DDA)
As an overview, the purpose of the DDA is to outline the terms and conditions under which the developer, Wood River Community Housing Trust, Inc. ("Trust") and deChase Development Services, LLC ("deChase") acting as the "Development Manager" will develop the property located at 211 E 1st Avenue. The DDA also describes the conditions and requirements related to the KURA's conveyance of the Site to the Developer. The DDA will govern construction and development.

Attachment B: Ground Lease

The Ground Lease provides for the terms and conditions that will govern the Developer's lease of the Site from the KURA for the purpose of developing and operating the Affordable Workforce Housing Project. The Ground Lease will function as the controlling document after construction is complete but will be executed at the time of Agency's conveyance of the leasehold interest and prior to construction commencing.

Staff supports the proposed Lease, however, Board review and concurrence is requested on the following provisions:

> Section 5.5: Rent Limit for Affordable Workforce Housing Units. This section sets forth the methodology for establishing rent and other associated costs to tenants.
> Section 5.11: Future Use of Excess Revenue. This section has been modified to reflect Board discussion and direction.
> Section 6.8 (a): Other Miscellaneous Provisions Concerning Leasehold Mortgages. New language has been added to the end of the paragraph at the request of a potential lender and development team. In summary the added language would prevent the KURA from terminating the lease while a Leasehold Mortgage remains in effect for the project.
> Section 11.2: Fire and Extended Coverage Property Insurance. Flood and earthquake insurance will not be required and will be optional at the tenant's discretion.

Attachment C: Preference Policy

To meet the goal of the KURA and the requirements of the project RFP to provide workforce housing for employees working in Ketchum, a preference policy will be in place for the project. The proposed preference policy details the Average Median Income (AMI) ranges and the local preference policy. The format of the preference policy presented to the Board has been changed in order to better facilitate implementation. The substance of the policy is the same based on Board feedback.

The Preference Policy will be a stand-alone document which will be signed by both parties, though attached as an Exhibit to the ground lease. This should provide the parties some flexibility over time to consider revisions to the policy and not require formal amendment to the ground lease. The preference policy is proposed to be formally approved by the Board through the attached resolution.

Key provision for Board consideration:

> Section 5: Resident Nomination Agreements. This section has been revised to reflect the Board's discussion on the number of units that will be available for resident nomination agreements. Residents in this category will be exempt from the AMI targets and local preference policy. However, residents will be included when calculating the project's overall AMI target of 110%-127% AMI and residents must be employed by a Qualified Employer that is defined as an employer that operates a physical place of employment that is located in Blaine County Idaho.

KURA Funding

In order to proceed with preparation of the plans for planning and permitting approvals, Wood River Community Housing Trust must raise approximately $1 million dollars. Before soliciting donations for this effort, the Trust needs assurances the KURA will contribute towards the project.

Staff proposes a two-step process. The first step is a commitment for funding. The second step is an agreement for funding once the interest rate and projects costs are finalized. This is anticipated to occur Spring of 2025 when the project commences construction.

The resolution before the Board would provide a funding commitment in an amount not to exceed Eight Million Dollars ($8,000,000.00) based on the direction of the Board at the last Board meeting. This funding would be provided for eligible infrastructure and construction costs and the exact amount would be determined at the time of financing when the funding need is identified. It is contemplated that approximately Four Million Dollar ($4,000,000.00) would be provided at or near the time of closing on financing.

Process and Next Steps

Staff seeks Board review and adoption of the proposed documents. After Board approval and execution of the documents, the next step is preparation of preliminary plans for KURA review and approval. The schedule of performance and project milestones is outlined in Attachment 5 of the DDA.

Recommendation and Motion

Staff recommends the Board review and approve the documents with the following motions:

1. "I move to approve Resolution No. 24-URA02 approving the Development and Disposition Agreement 50089 with First and Washinton Properties LLC".
2. "I move to approve Ground Lease 50090 in form and substance as attached to the Development and Disposition Agreement 50089 with First and Washinton Properties LLC".
3. "I move to approve Resolution 24-URA03 approving the Preference Policy for the First Street and Washington Project".
4. "I move to approve Resolution 24-URA04 approving the KURA funding participation for the development of First Street and Washington Project".

Attachments: 2-15-24 DDA 50089 with Resolution 24-URA02
2-15-24 Ground Lease 50090
Resolution 24-URA02 Approving the Preference Policy for First Street and Washington Project
Resolution 24-URA03 Approving the KURA funding commitment for First Street and Washington Project

Attachment A

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM AND FIRST + WASHINGTON PROPERTIES LLC FOR THE DEVELOPMENT OF AN AFFORDABLE WORKFORCE HOUSING PROJECT COMMONLY REFERRED TO AS THE 1ST AND WASHINGTON AFFORDABLE WORKFORCE HOUSING PROJECT; AND AUTHORIZING THE CHAIR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID DISPOSITION AND DEVELOPMENT AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE DISPOSITION AND DEVELOPMENT AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE DISPOSITION AND DEVELOPMENT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, 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 Ketchum, Idaho (hereinafter referred to as the "Agency").

WHEREAS, the City Council of the city of Ketchum (the "City") by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the "2006 Plan") to be administered by the Agency; and

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the "2010 Plan"); and

WHEREAS, in order to achieve the objectives of the 2010 Plan, the Agency is authorized to acquire real property for the revitalization of areas within the 2010 Plan boundaries; and,

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B), and Lot 6, Block 19 (Parcel RPK0000019006B) (the "Site"); and

WHEREAS, in accordance with Idaho Code § 50-2011, Disposal of Property in Urban Renewal Area, the Agency issued a Request for Proposals ("RFP") on May 26, 2022, seeking to

initiate a redevelopment project to revitalize the 2010 Plan boundary area in compliance with the 2010 Plan through redevelopment of the Site which could also serve as a catalyst for redevelopment of other properties in the vicinity; and,

WHEREAS, following the publication of the RFP in the *Idaho Mountain Express* newspaper on May 26, 2022, the Agency received three (3) proposals for development of the Site by the August 26, 2022, deadline; and,

WHEREAS, at its regular public meeting of November 14, 2022, pursuant to Resolution No. 22-URA11, the Agency Board discussed the proposals it had received and thereafter met with consensus regarding the proposed recommendation for development of the Site and selected the proposal by Wood River Community Housing Trust Inc. ("WRCHT") and deChase Miksis Development, otherwise known as deChase Development Services, LLC, to begin negotiations with; and

WHEREAS, the Agency and WRCHT and deChase Development Services, LLC entered into the Agreement to Negotiate Exclusively ("ANE") on January 27, 2023, for the purpose of analyzing and assessing a development opportunity for the Site; and

WHEREAS, following, the Agency Board approved the First Amendment to Agreement to Negotiate Exclusively, which among other things provided for deChase Development Services, LLC's assignment of its rights under the ANE to deChase 1st + Washington Development Services LLC; and

WHEREAS, the ANE was subsequently amended on September 21, 2023, November 13, 2023, and January 16, 2024, in order to facilitate continued discussions and negotiations of the terms of the Disposition and Development Agreement ("DDA") and long-term ground lease ("Ground Lease") which would govern the development and operation of the Site; and

WHEREAS, WRCHT has assigned its rights in the ANE to First + Washington Properties LLC, who in addition to deChase First + Washington Services LLC will execute the DDA as the "Developer" and "Development Manager", respectively; and

WHEREAS, the Agency, Developer, and Development Manager ("Parties") have prepared the DDA, and accompanying Ground Lease and Project Preference Policy (as defined in the DDA) to facilitate the construction, operation, and ownership of an affordable workforce housing project ("Project") on the Site; and

WHEREAS, the Ground Lease, as an attachment to the DDA has been agreed to by the Parties in form and substance and will be executed by the Parties once the applicable conditions precedent have been fulfilled in the DDA: and

WHEREAS, the Ground Lease will provide for the long-term lease of the Site by the Agency to the Developer for a term of fifty (50) years to operate and own the Project until the expiration of the Ground Lease at which time the Project will revert to the Agency or its successor in interest; and

WHEREAS, Agency staff and legal counsel have reviewed the DDA, attached hereto as Exhibit A and incorporated herein as if set out in full and its attachments including the Ground Lease and recommend approval of the DDA; and

WHEREAS, the Board of Commissioners of the Agency find it in the best public interest to approve the DDA and accompanying Ground Lease (in form and substance) and authorize the Chair and Secretary to execute and attest 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 KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

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

Section 2: That the DDA, a copy of which is attached as Exhibit A, and incorporated herein and made a part hereof by reference, is hereby approved and accepted as to form, recognizing technical changes or corrections, which may be required prior to execution of the DDA.

Section 3: That the Chair of the Agency is hereby authorized to sign and enter into the DDA and, further, is hereby authorized to execute all necessary documents required to implement the actions contemplated by the DDA, subject to representations by the Agency staff and legal counsel that all conditions precedent to, and any necessary technical changes to, the DDA are consistent with the provisions of the Agreement including the comments and discussion received, or any necessary substantive changes discussed and approved, at the February 20, 2024, Agency Board meeting.

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

PASSED by the Urban Renewal Agency of Ketchum, Idaho on February 20, 2024. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners on February 20, 2024.

URBAN RENEWAL AGENCY OF KETCHUM

By________________________________
Susan Scovell, Chair

ATTEST:

By ______________________________________
Secretary

EXHIBIT A

DISPOSITION AND DEVELOPMENT AGREEMENT

4855-4074-6661, v. 1

DISPOSITION AND DEVELOPMENT AGREEMENT 50089

by and between the

URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO aka
THE KETCHUM URBAN RENEWAL AGENCY

and

FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

__________________, 2024

Site:
211 E. 1st Avenue, Ketchum, Idaho

Project:
1st and Washington Affordable Workforce Housing Project

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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 the City of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency (the "Agency"), and First + Washington Properties LLC, an Idaho limited liability company, or its assigns as provided for herein (the "Developer"), collectively referred to as the "Parties" and each individually as "Party," on the terms and provisions set forth below.

1. DEFINITIONS

"Affordable Workforce Housing Project" or "Units" means the rent restricted residential dwelling units and associated common areas, amenities, and related parking, prioritized for individuals and families working in the Ketchum area, to be developed by Developer on the Site pursuant to this Agreement and the associated Ground Lease, and as further described within the definitions included in the Request for Proposals and Joint Proposal found as **Attachment 3**.

"Agency" means the Urban Renewal Agency of the City of Ketchum, also known as the Ketchum Urban Renewal Agency, 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 Board" or "Board" means the Board of Commissioners of the Agency.

"Agency Transfer Conditions" has the meaning ascribed to it in Section 5.2.1.

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

"Agreement to Negotiate Exclusively" or "ANE" means the Agreement to Negotiate Exclusively executed by the Agency on January 17, 2023, and by the Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation on January 27, 2023, and by deChase Development Services, LLC on January 26, 2023, prior to identifying the Developer for the Project, and as subsequently amended on June 6, 2023 and September 21, 2023, November 13, 2023, and January 16, 2024.

"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 Ketchum, Idaho, HUD Metro Statistical Area Rent (MSA) Area (or its successor index).

"Capital Improvement Reimbursement Agreement" means the certain agreement to be entered into by and between the Agency and the Developer regarding construction and/or reimbursement of certain public infrastructure improvements related to certain Public Project Improvements and other eligible costs under the Urban Renewal Law related to the Project for

which the Agency has agreed to participate, and as further described in Section 12 and **Attachment 12.**

"Certificate of Completion" means the Certificate of Completion for the Project, as ascribed to it in Section 11.1 and form of the draft Certificate of Completion attached to this Agreement as **Attachment 11**.

"City" means the city of Ketchum, Idaho.

"Commercial Space" means the flexible commercial space component of the Affordable Workforce Housing Project including approximately 3,400 square feet. The commercial space will be designed to accommodate office, restaurant, special interest space, retail, galleries, personal service establishments or other similar users for the benefit of the general public. Commercial space will be designed to include active uses on the ground floor and will be designed for a use that promotes an active pedestrian environment, provides direct access to the general public from the sidewalk (or other public open space), provides active visual engagement between people in the street and people in the building, and conceals other non-active uses.

"Deposit" has the meaning ascribed to it in the ANE and as applicable to the Agreement as was provided by Developer.

"Design Review Drawings" has the meaning ascribed to it in Section 8.4, including any approved revisions.

"Developer" means First + Washington Properties LLC, an Idaho limited liability company, and any Developer Affiliate that takes leasehold interest 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 Transfer Conditions" has the meaning ascribed to it in Section 5.2.2.

"Development Manager" means deChase First + Washington Development Services, LLC, an Idaho limited liability company, who will be retained by Developer to manage the design and construction of the Project.

"Proposal" means the original Joint Proposal submitted on August 24, 2022, with supplemental information provided on October 17, 2022, in response to the Agency's Request for Proposal, and as attached hereto as **Attachment 3**, which rights under the Joint Proposal were assigned to the Developer through the ANE.

"Effective Date" has the meaning ascribed to it in Section 16.10.

"Environmental Reports" means 2003 Phase 1 Environmental Site Assessment of 211 1st Street East, Lots 7 & 8, Block 19 2014 Update of Phase 1 Environmental Site Assessment of 211

1st Street East 2015 Update of Phase 1 Environmental Site Assessment of 211 1st Street East March 2018 Phase 1 Environmental Site Assessment of Lots 5 & 6 Block 19 All reports prepared by ACS, Assessment and Compliance Services, Jane Rosen.

"Executive Director" means the current Executive Director of the Agency.

"Final Construction Documents" means the full stamped set of construction documents submitted for approval by the City's Planning and Building Department for issuance of a building permit for the Project, including, but not limited to, site improvements, and a landscaping and grading plan.

"Ground Lease" shall mean the mechanism by which the Agency will lease the Site to the Developer for a period of years, allowing the Developer to construct the Affordable Workforce Housing Project as contemplated and in the substance and form attached hereto as **Attachment 7**.

"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.

"Joint Proposal" means the response to the RFP submitted by Wood River Community Housing Trust, Inc. and deChase Development Services, LLC, as predecessors in interest to Developer and Development Manager.

"Memorandum" means a summary of this Agreement in the substance and form attached hereto as **Attachment 9**, to be recorded in the office of the Recorder of Blaine County, Idaho, following the effective date of this Agreement.

"Party" and "Parties" have the meaning ascribed to it in the first paragraph of this Agreement.

"Plan Area" means the area under the jurisdictional scope of the Redevelopment Plan.

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

"Project Area" means the Project Area identified in the Redevelopment Plan.

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

"Project Preference Policy" shall mean the policy for the selection of Qualified Households for occupancy of Affordable Workforce Housing Units, as contemplated and in the substance and form attached hereto as **Attachment 8**.

"Property" means the real property described on **Attachment 2** and also defined as "Site."

"Public Project Improvements" means the certain public infrastructure improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site or otherwise owned by the Agency and subject to the Capital Improvement Reimbursement Agreement to be entered into by and between the Agency and the Developer regarding reimbursement of the actual eligible costs of certain public infrastructure improvements which may include other Project costs deemed eligible for participation by the Agency.

"Redevelopment Plan" means the 2010 Ketchum Urban Renewal Plan for the Revenue Allocation Area of the Ketchum Urban Renewal Agency as recommended by the Agency and adopted by the City on November 15, 2010, and effective November 24, 2010.

"Reuse Appraisal" has the meaning ascribed to it in Section 6.1.

"Reuse Appraisal Data" has the meaning ascribed to it in Section 6.2.

"Reuse Appraiser" has the meaning ascribed to it in Section 6.1.

"Request for Proposal" or "RFP" has the meaning ascribed to it in Section 2.1.1.

"Schedule of Performance" means the schedule attached to this Agreement as **Attachment 5**.

"Scope of Development" means the project description attached to this Agreement as **Attachment 4**.

"Site" means certain real property with a property address of 211 E. 1st Avenue, Ketchum, Idaho (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B) and Lot 6, Block 19 (Parcel RPK0000019006B) as described on **Attachment 2** and depicted on **Attachment 1**.

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

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 the Agency owned Property to the Developer to facilitate the Project located on the Site for construction of an affordable workforce housing, mixed-use building within the Plan Area.

2.1.1 Project Background and Determination of Site

Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B) and Lot 6, Block 19 (Parcel RPK0000019006B) (collectively the "Property" or "Site"). In accordance with Idaho Code Section 50-2011 – Disposal of Property in Urban Renewal Area, the Agency issued a Request for Proposals ("RFP") on May 26, 2022, seeking to initiate a redevelopment project to bring affordable workforce housing to the Project Area in compliance with the Plan through redevelopment of the Agency Property, which could also serve as a catalyst for redevelopment of other properties in the vicinity.

Following the publication of the RFP in the *Idaho Mountain Express* newspaper on May 26, 2022, the Agency received three (3) proposals for development of the Site by the August 26, 2022, RFP deadline. The Agency Board appointed a review group ("Review Group"), which consisted of the Agency's staff, City staff, and third-party consultants, and analyzed the proposals, interviewed the development teams, and provided findings of fact and comments sufficient for the Review Group to prepare a ranking of the proposals for Agency Board consideration. The Agency's staff ranked the Joints Proposal first.

At a public meeting on November 14, 2022, the Agency Board discussed the proposals and thereafter met with consensus regarding the proposed rankings and selected the Joint Proposal.

The Joint Proposal contemplated development of a four-story housing project, with public parking, and retail on the first floor located all within the Site. The RFP and the Joint Proposal contemplated disposition of the Property via a long-term ground lease, which would outline the terms and conditions of the selected developer's use and development of the Site. The Joint Proposal proposed a fifty (50) year ground lease.

After selection of the Joint Proposal by the Agency Board, the Agency and the Developer entered into an Agreement to Negotiate Exclusively on January 27, 2023, which outlined the process for negotiation of this Agreement and a long-term ground lease.

Thereafter, separate entities were formed to commence development activities contemplated in the Joint Proposal. These entities are Developer and Development Manager. The rights granted to the proposers of the Joint Proposal were assigned under the ANE and its subsequent amendment.

This Agreement is premised upon the disposition of the Property to the Developer via a fifty (50) year ground-lease ("Ground Lease") and, thus, complies with the required notice provisions concerning the disposition of property by the Agency as set forth in Idaho Code Section 50-2011.

In order to encumber the Property by the Ground Lease, pursuant to Idaho Code Section 50-2011, the Property will be appraised by a fair use appraiser.

This Agreement contemplates certain disposition and recording activities to occur in the following order: (i) the Agency will convey the Property to the Developer pursuant to the terms and conditions of this Agreement and the Ground Lease for the development of the Affordable Workforce Housing Project and (ii) recordation of the Ground Lease and Agreement

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

The 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 191 5th Street, Ketchum, Idaho.

2.4.2. Developer

Developer is First + Washington Properties LLC, an Idaho limited liability company that is an entity qualified to do business in Idaho. The principal office of Developer is located at 675 Sun Valley Road, PO Box 7840, Ketchum, Idaho 83340-7126. Developer reserves the right, pursuant to Section 2.7, to transfer the rights under this Agreement as authorized herein, including the right to have the Property to which it has an interest in hereunder, conveyed to and developed by an affiliated entity that the Developer controls ("Developer Affiliate"), as approved by the Agency.

2.4.3. Developer's General Contractor

The Developer has selected a joint venture between Conrad Brothers of Idaho, Incorporated, an Idaho corporation, and McAlvain Construction, Inc., an Idaho corporation, to serve as the construction manager-general contractor for this Project. The qualifications and identity of the Developer's general contractor are of particular importance to the Agency. In the event the Developer desires to select another general contractor for the Project other than the contractor identified in materials supplied to the Agency by the Developer, the Developer agrees to notify the Agency of such desire and provide the identity of the substitute general contractor for the Agency's written approval, provided the Agency's consent shall not be unreasonably withheld, conditioned, or delayed for any transfer to a substitute general contractor who is the same or similarly financially situated as the original general contractor, and has experience with construction of projects similar to the Project.

2.5. The Project

The Project that is the subject of this Agreement includes the proposed development on the Site of an approximately 4-story high building that will include active ground floor space, rent restricted affordable workforce residential units, amenities, flexible commercial space, and vehicular parking. Collectively, the development is also referred to as the "Affordable Workforce Housing Project."

The flexible commercial space component of the Affordable Workforce Housing Project includes approximately 3,400 square feet. The flexible commercial space could accommodate office, special interest space, or retail. Active use of the ground floor space on 1st and Washington is critical for the overall success of the Project and was contemplated by the RFP and the Joint Proposal. For purposes of this Project, an active use on the ground floor means a use that promotes an active pedestrian environment, provides direct access to the general public from the sidewalk (or other public open space), provides active visual engagement between people in the street and people in the building, and conceals other non-active uses. Active uses supporting the Agency's goals include retail, offices, galleries, and personal service establishments.

The Affordable Workforce Housing Project includes sixty-six (66) residential units with a unit mix consisting of forty-four (44) studio apartments, fifteen (15) one-bedroom apartments, and seven (7) two-bedroom apartments. Unit sizes range from approximately four hundred fifty (450) – nine hundred (900) square feet.

The Affordable Workforce Housing Units will be income restricted as set forth in the Ground Lease.

The Affordable Workforce Housing Units will provide preferences to individuals and families working in the Ketchum area as set forth in the Project Preference Policy.

Tenant will endeavor to have the average AMI at first occupancy of all Qualified Households in the Project ("Average AMI") to be not less than one hundred ten percent (110%) of

AMI and not more than one hundred twenty-seven percent (127%) of AMI (the "Average AMI Range").

The Project is anticipated to be LEED Certified.

In addition to the Affordable Workforce Housing Project, the Project may also include public infrastructure improvements related to that portion of the Idaho Power utility relocation and any other improvements installed for the benefit of the public as part of the Project along with other costs deemed eligible for Agency participation ("Public Project Improvements").

Collectively, the Affordable Workforce Housing Project and the portion of the Public Project Improvements to be undertaken by the Developer are referred to as the "Project."

The Affordable Workforce Housing Project shall substantially conform to the Scope of Development as set forth in **Attachment 4** and as further outlined and described here.

2.6. Disposition Does Not Contemplate Land Speculation

Developer represents and warrants that its undertakings pursuant to this Agreement are and will be used for the purpose of the development of the Project and not for speculation in landholding except as to the extent authorized in this Agreement.

2.7. Selection of Developer

Developer further recognizes that in view of:

(a) the importance of the Project as part of the development of the Property to the general welfare of the community;

(b) the reliance by the Agency on the real estate expertise of the Developer and the continuing interest which the Developer will have in the Project to assure the quality of the use, operation, and maintenance of the development thereof; and

(c) the fact that a change in control of the 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 the Developer, may be for practical purposes result in a substantial change in development of the Project.

The qualifications and identity of the Developer are of particular importance to the Agency, and it is because of such qualifications and identity that the Agency has entered into this Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Except as provided herein, the Developer shall not assign all or any part of this Agreement without the prior written approval of the Agency, which approval shall not be unreasonably withheld.

The Developer warrants and represents to the Agency that the Developer is a wholly owned subsidiary of First + Washington Holdings LLC, an Idaho limited liability company ("Holdings"), who is a wholly owned subsidiary of Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation that is recognized by the Internal Revenue Service as a 501(c)(3) public charity ("Sponsor"). The Board of Directors of the Sponsor (the "Board") has full and exclusive authority, power, and discretion to manage and control the business and affairs of the Sponsor, Holdings and Developer relating to the acquisition and development of the Project. The following shall not be changed without the prior written approval of Agency, which approval shall not be unreasonably withheld: (a) the structure of the Sponsor as an Idaho nonprofit corporation; (b) the status of Sponsor as the sole member and owner of Holdings; (c) the status of Holdings as the sole member and owner of Developer; (d) the status of Developer as 501(c)(3) public charity; and (e) the authority of the Board over the Sponsor, Holdings and Developer relating to the acquisition and development of the Project.

It shall not be unreasonable for the Agency to withhold its approval when using criteria such as those used by this and other redevelopment agencies in selecting redevelopers for similar developments or because the proposed transferee does not have the current financial strength, experience, or reputation for integrity equal to or better than the Developer as of the date this Agreement has been executed by the Agency. The Developer shall promptly notify the Agency of any and all changes whatsoever in the identity of the parties having control of the Developer. This Agreement may be terminated by the Agency if there is any significant change (voluntary or involuntary) in the management or control of the 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 the 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 11.1.

Notwithstanding any other provisions hereof, the Developer reserves the right, at its discretion and without the prior written consent of the 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 developing the Property, or portions thereof, provided that the Developer maintains operating control of such entities and remains fully responsible to the 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. Agency approves of Development Manager to serve as the developer of the Project.

Provided further, however, the Developer is required to make full disclosure to the Agency of its principals, officers, managers, joint venturers, and key managerial employees involved in the Project, and all similar material information concerning the Developer, in each case to the extent relevant to the Developer's performance hereunder. Notice shall be given to Agency of any significant change during the period of this Agreement in the control of the Developer or the control by the Developer of the Project covered by this Agreement. If Agency has reasonable objections to any change in control of Developer, then Developer will cooperatively work with Agency in good faith to resolve Agency's reasonable objections.

Development Manager warrants and represents to the Agency that the Development Manager is a wholly owned subsidiary of deChase Development Services, LLC, an Oregon limited liability company ("deChase"). J. Dean Papé has full authority, power, and discretion to manage and control the business and affairs of the deChase relating to the development of the Project. The following shall not be changed without the prior written approval of Agency, which approval shall not be unreasonably withheld: (a) the status of deChase as the sole member and owner of Development Manager; and (b) the status of J. Dean Papé as a person with full authority, power, and discretion to manage and control the business and affairs of the deChase and Development Manager relating to the development of the Project.

3. RIGHT OF ENTRY

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 10, the Developer and its agents, contractors, consultants, and employees are hereby given permission to access the Property at all reasonable times 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 the Agency's prior written consent, which consent shall not be unreasonably withheld.

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

As a condition to any such entry, inspection or testing, the Developer shall (a) notify the Agency in advance of the date and purpose of the intended entry and provide to the 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 the 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 the Developer, its agents, employees, contractors, or consultants and return the Property to its original condition following the Developer's entry.

The Developer shall indemnify, defend, and hold harmless the 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

the Developer, its agents, contractors, consultants, and employees upon the Property or from the Developer's failure to comply with the conditions to the Developer's entry onto the Property provided for herein; provided, however, the indemnity shall not extend to protect the Agency from any pre-existing liabilities for matters merely discovered by the Developer (e.g., latent environmental contamination). Such indemnity shall survive the termination of this Agreement for any reason.

3.2. Compliance With Laws

The Developer shall comply with applicable laws and building codes with respect to any work or investigations on the Property, including the City's construction requirements.

3.3. Demolition and Clearance Work

The Parties acknowledge that there may be some pre-construction demolition or Site preparation work that is necessary to facilitate the development of the Project. The Developer anticipates completing demolition and clearance of the Site following issuance of a building permit by the City. Cost estimates for demolition, clearance, soil remediation, including soil compaction, and Site preparation may be eligible reimbursable costs by the Agency under the Capital Improvement Reimbursement Agreement and the Developer may seek reimbursement for such costs from the Agency after completion.

4. EVIDENCE OF PROJECT FINANCING

4.1. Submission of Preliminary Evidence of Financing

No later than ninety (90) days prior to the execution of the Ground Lease, or such later time as may be approved by Agency, the Developer shall submit to the Agency evidence satisfactory to the Board that the Developer will have the financial capability necessary for the lease 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 the Developer's total cost of developing the Project (including both "hard" and "soft costs) ("Project Budget" or "Cost of Construction")**.**

(b) A copy of the term sheets or loan commitment or commitments obtained by the Developer, or a Letter of Intent and proof of funds from an equity partner, bond issuance commitment, or investor, for all of the sources of funds to finance the construction of the Project. All copies of term sheets and loan commitments submitted by the Developer to the Agency shall be certified by the Developer to be true and correct copies thereof. Each commitment for financing shall be in such form and content reasonably acceptable to the Board and shall reasonably evidence a firm and enforceable commitment, with only those contingencies and conditions that are standard or typical for similar projects prior to land closing.

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

The Agency's obligations to convey the Property by the Ground Lease are specifically conditioned upon satisfaction of the terms of this Section and the provisions of Sections 5.2.2 and 5.3. The Developer acknowledges that the Agency reserves the right in its discretion to have the Developer's evidence of financing be subject to a third-party review.

Agency hereby recognizes that Developer intends to finance the acquisition, construction and holding of the Project through one or more of the following strategies: (a) issuance of unsecured notes by Holdings to generate proceeds to contribute to Developer as equity (e.g., C-Notes, E-Notes and similar); (b) double tax-exempt bonds; (c) traditional financing; and/or (d) mission driven equity contributions.

Agency hereby recognizes that (a) Developer's feasibility projections for the Project assume that interest rate for the Project's financing will not exceed the four percent (4%) per annum (the "Target Rate"); and (b) if the interest rate for the Project's financing exceeds the Target Rate, then the Project may not be economically feasible without sufficient financing support from the Agency or community to bring the effective interest rate for the Project's financing to the Target Rate.

4.2. Completion Guaranty

Developer will cause Development Manager to deliver, to Agency prior to closing a completion guaranty (the "Completion Guaranty") from a guarantor or guarantors with sufficient financial resources, as determined by the lender providing first-position financing for the Project (the "Completion Guarantor"), to ensure the Project will be completed in the event of a Developer default. The form of such Completion Guaranty will be substantially similar to the form that such lender requires the Completion Guarantor to provide to lender.

Development Manager cannot be the Completion Guarantor.

4.3. Time to Approve Evidence of Financing

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

4.4. Public Records Law

All information submitted to the Agency may be subject to the Idaho Public Records Law. As an alternative to formal submittal of this required information, the Developer may allow an inspection and review of such information by the Agency. In such case, the Agency shall provide a notice of approval of evidence of financing in writing within the time allotted in Section 4.3.

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 of this Agreement, the Agency agrees to convey a leasehold interest in the Property to Developer, retaining fee title to the Property.

The Developer agrees to develop the Property within the time, for the consideration, and subject to the terms, conditions, and provisions as herein provided, including, without limitation, as provided in the Scope of Development (**Attachment 4**) and the Schedule of Performance (**Attachment 5**). Agency agrees to meet its obligations herein provided with respect to the Property including, without limitation, as provided in the Scope of Development and the Schedule of Performance. The time periods set forth in the Schedule of Performance may be extended for up to 90 days in total, or such other period approved by Agency, if the delays are caused by matters beyond the Developer's reasonable control. Any extension must be agreed upon in writing by the Agency's Chair which shall not be unreasonably withheld.

The lease of the Property by the Agency to the Developer is for the purpose of development, in compliance with the Urban Renewal Law, and to achieve the objectives of the Redevelopment Plan.

5.1.1. Ground Lease

The Agency desire to convey an interest in the Site to the Developer pursuant to the long-term Ground Lease, which is in substantial form and attached hereto as **Attachment 7**. The Ground Lease will be executed by the Agency and the Developer once the pertinent terms and necessary conditions of this Agreement have been fulfilled. The Developer may proceed with construction and development of the Project once the Ground Lease has been executed and recorded.

5.1.2. Ground Lease Rent

The Ground Lease shall be provided to the Developer for One and 00/100 Dollars ($1.00) per year. The Agency recognizes that the rental rate is integral to achieving the affordable rents for residents/uses of the Project. In no event will the Ground Lease be less than the Residual Land Value established by the Reuse Appraisal as described in Section 6.

5.1.3. Ground Lease Term

The Ground Lease will be for a term of fifty years (50). During this period, the Developer will have the right to construct and operate the Project, subject to the terms of this Agreement and the Ground Lease. At the conclusion of the fifty (50) year team, the Developer's leasehold interest in the Property will expire, and the Property as well as the Project and associated infrastructure will revert and be conveyed to the Agency. Should the Agency no longer be an operational independent public body, the City shall receive title to the Property and constructed Project. These and other terms of the leasehold itself are contained within the Ground Lease, as attached hereto as **Attachment 7**.

5.1.4. Deliveries by Developer

On or before execution of the Ground Lease, the Developer shall deliver the following to the Agency:

(a) the rental amount for the full Ground Lease term, Fifty and 00/100 Dollars ($50.00);

(b) the Memorandum of this Agreement, duly executed and acknowledged by the Developer;

(c) executed construction loan or bond documents for the Project consistent with the evidence of financing as approved by the Agency pursuant to Section 4;

(d) The Reimbursement Agreement between the Agency and the Developer.

(e) all other sums and documents reasonably required by the Agency from the Developer to carry out the terms and conditions of this Agreement.

5.1.5. Conveyance of Lease Hold Interest

When all of the conditions precedent to execution of the Ground Lease as set forth in Sections 5.2 of this Agreement have been satisfied or waived by the appropriate party in writing, the Agency shall cause the Ground Lease and the Memorandum to be recorded in the office of the Recorder of Blaine County, Idaho.

5.1.6. Amendment

Any amendment of this Agreement shall be in writing and signed by both the Agency and the Developer.

5.1.7. No Real Estate Commissions or Fees

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

5.2. Conditions to Property Transfer

5.2.1. Conditions to Agency's Obligations

In addition to any other condition set forth in this Agreement in favor of the Agency, the Agency shall have the right to condition its obligation to convey the Property to the Developer via the Ground Lease upon the satisfaction, or written waiver by the Agency, of each of the following conditions precedent prior to execution of the Ground Lease or such earlier time as provided for herein (collectively the "Agency Transfer Conditions"):

(a) **Permits and Approvals**. The Developer shall have obtained all land use approvals and entitlements (other than grading permits, building permits, and condominium plat approvals) for the development of the Project from all governmental agencies with jurisdiction. With regard to such land use approvals and entitlements issued by the city or the county for the Project, the time period for appealing or challenging such approvals and entitlements shall have expired with no challenge having been timely filed, or if timely filed, either the approval or entitlement has been upheld or such action has otherwise been concluded in a manner satisfactory to the Developer and the Agency. The 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. The Developer shall provide written confirmation from the City that the permits and approvals are ready to be issued.

(b) **Developer Deliveries Made**. The Developer has deposited with the Agency all sums and documents required of the Developer by this Agreement for execution of the Ground Lease.

(c) **Insurance**. The Developer shall have timely submitted and obtained the Agency's approval of the insurance required pursuant to Section 10.1 of this Agreement.

(d) **Evidence of Financing**. The Agency shall have approved the Developer's evidence of financing in accordance with Section 4 of this Agreement, and the financing for the Project shall close and be available to the Developer upon the Developer's obtaining its leasehold interest in the Property.

(e) **No Default**. The 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), and all representations and warranties of the Developer contained herein shall be true and correct in all material respects.

(f) **Construction Contract.** Prior to execution of the Ground Lease, the Developer shall submit to Agency a construction contract 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).

5.2.2. Conditions to Developer's Obligations

In addition to any other condition set forth in this Agreement in favor of the Developer, the Developer shall have the right to condition its obligation to obtain the Property and complete the Project upon the satisfaction, or written waiver by the Developer, of each of the following conditions precedent on the execution of the Ground Lease or such earlier time as provided for herein (collectively the "Developer Transfer Conditions"):

(a) **Permits and Approvals.** The 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 plat approvals. The time period for appealing or challenging such approvals and entitlements shall have expired with no challenge having been timely filed, or if timely filed, either the approval or entitlement has been upheld or such action has otherwise been concluded in a manner satisfactory to the Developer and the Agency. The 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.

(b) **Agency Deliveries Made.** The Agency has deposited with the Developer all documents required of the Agency by this Agreement for the execution of the Ground Lease.

(c) **No Default.** The Agency shall not be in default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured), and the 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.

(d) **Debt and Equity Financing**. That the Developer is able to obtain and submit to the Agency evidence of financing reasonably acceptable to the Developer and the Agency, and that all conditions to any financing commitments for the Project approved by the Agency are satisfied and such commitments are fulfilled by the lenders and other third parties involved. A commitment to make a construction or other loan shall be considered fulfilled upon execution of the loan agreement by the Developer and the lender.

(e) **Construction Contract.** Prior to execution of the Ground Lease, the Developer shall submit to the Agency a construction contract 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).

5.3. Satisfaction of Conditions

Where satisfaction of any of the foregoing conditions requires action by the Developer or the 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.

5.4. Waiver

The Agency may at any time or times, at its election, waive any of the Agency Transfer Conditions set forth in Section 5.2.1, but any such waiver shall be effective only if contained in a writing signed by the Agency and delivered to the Developer. The Developer may at any time or times, at its election, waive any of the Developer Transfer Conditions set forth in Section 5.2.2, but any such waiver shall be effective only if contained in a writing signed by the Developer and delivered to the Agency.

5.5. Termination

In the event each of the Agency Transfer Conditions is not fulfilled by the timeframe established for execution of the Ground Lease, or such earlier time period as provided for herein, or waived by the Agency pursuant to Section 5.4, and provided the Agency is not in default of this Agreement, the Agency may at its option terminate this Agreement. In the event that each of the Developer Transfer Conditions is not fulfilled by the timeframe established for execution of the Ground Lease, or such earlier time period as provided for herein, or waived by the Developer pursuant to Section 5.4, and provided the Developer is not in default of this Agreement, the Developer may at its option terminate this Agreement.

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 documents and funds delivered by the Agency to the Developer shall be returned immediately to the Agency and all documents and

funds delivered by the Developer to the Agency shall be returned immediately to the Developer; provided, however, in the event of a termination by Agency for default by Developer, the Agency shall retain the Deposit and be entitled to reimbursement of any third-party costs, such as the re-use appraisal, and other third-party consultants, so long as the Agency has fully performed the obligations required to be performed by the Agency prior to that time.

Should either Agency or Developer find, prior to execution of the Ground Lease, that the Project is not financially feasible, or the Project has varied so substantially as to have lost its intended purpose as originally contemplated by the Agency in the RFP or Developer in its response to the RFP, then either Party may terminate this Agreement by notice to the other party without such termination being considered a default or breach of this Agreement. In the event this Agreement is terminated, the Agency shall have no obligation to enter into the Ground Lease with the Developer, and the Parties' obligations under this DDA shall terminate.

Upon execution of the Ground Lease, then Agency's remedies for a default of the terms of the Ground Lease, or this DDA, shall be as set forth in the Ground Lease.

6. REUSE APPRAISAL

6.1. Reuse Appraisal

By law, the Agency may dispose of real property for no less than the fair reuse value. In order to determine the fair reuse value, the Agency has or will engage Robin Brady, MAI, of Integra Realty Resources, (the "Reuse Appraiser") to determine the fair reuse value for the Property (the "Reuse Appraisal") at the Agency's expense.

The Reuse Appraisal shall establish the fair reuse value of the parcels to be conveyed by the Agency via the Ground Lease as required under the Law.

6.2. Reuse Appraisal Data

The Developer shall submit to the Agency and the Reuse Appraiser the data required by the Reuse Appraiser, which data ("Reuse Appraisal Data") is needed by the Reuse Appraiser to prepare the Reuse Appraisal for the Project. The Developer is required to supplement the Reuse Appraisal Data during the course of the Reuse Appraisal and shall submit this supplementary data in a timely manner as required by the Reuse Appraiser and the Agency. The Reuse Appraisal Data includes but may not be limited to:

- costs expected to be incurred and revenues expected to be realized in the course of developing and disposing of the Property,
- residential unit types,
- sizes and expected rents,
- construction type and materials,
- exterior and interior finish materials,
- square footages of uses other than residential,

- leasing assumptions for other uses and assets such as office space and retail space
- parking stalls and usage,
- 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, and
- estimated or actual Developer return, including assumptions regarding entrepreneurial incentive, overhead, and administration as these factors apply to the Project.

The Developer acknowledges that the Agency will be unable to commence the Reuse Appraisal process without the Developer's submittal of the Reuse Appraisal Data.

7. CONDITION OF THE PROPERTY

7.1. "As Is"

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

7.2. Agency Representations

The Agency represents and warrants to the Developer as follows: (1) the Agency has given the Developer complete copies of the Environmental Reports as identified and defined in Section 1 of this Agreement; (2) the Survey and Environmental Reports constitute all information of which the 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 the Agency have the authority to bind the 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 the Agency's activities or any other agreement to which the Agency is a party; (5) upon execution of the Ground Lease, there will be no tenants, occupants, or other parties in possession of the Property. These representations and warranties shall survive execution of the Ground Lease.

7.3. Environmental Release and Waiver

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

8. DEVELOPMENT OF THE PROPERTY

8.1. Scope of Development

If acquired through the Ground Lease by the Developer, the Property shall be developed as provided in the Scope of Development, subject to the terms and conditions of this Agreement.

8.2. Local, State, and Federal Laws

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

8.3. Antidiscrimination During Construction

The Developer, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, the Developer, or any third-party contractor directly hired by 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.

8.4. Preliminary Plans

The Developer shall submit to the Agency Preliminary Plans within one hundred twenty (120) days of the Effective Date. The Agency shall approve or disapprove the Preliminary Plans within twenty-one (21) days of receiving the completed submission. The purpose of the Agency review and approval is to ensure the Project design is progressing in alignment with the Scope of Development and continued negotiations by and between the Parties. The Agency's approval of the Preliminary Plans shall not be unreasonably withheld, conditioned, or delayed. The submission of the Design Review Drawings shall include:

(a) updated site plan and floor plans showing ground floor uses;

(b) updated floor plans for upper floors including residential units;

(c) building height;

(d) illustration of unit mix in residential unit area;

8.5. Schematic Design Documentation

Within sixty (60) days of the Agency Board approving the Preliminary Plans and prior to submitting the design review application to the City, the Developer shall submit Schematic Design Documents (defined below) to the Agency. Following receipt of a complete submission, the Agency will schedule a public workshop to review the plans and project. Following the public workshop, the Agency Board will consider the Schematic Design Documents for approval at its

next regularly scheduled meeting. The Schematic Design Drawings shall also include the site/landscaping plans, which should indicate integration with the planned Public Project Improvements (the "Schematic Design Drawings").

The Developer shall also include the following documents and information with its submission of the Schematic Design Drawings to the Executive Director:

(a) a written summary of progress on, or modifications to, mobility and sustainability initiatives identified in the Joint Proposal, including the following information:

i. short narrative on how site design prioritizes pedestrian, cyclist, and transit mobility;
ii. how goals for reducing energy and water use have been considered in the selection of mechanical, electrical, and plumbing systems (if available)
iii. feasibility/progress regarding Project-wide energy and utility systems (central plant);
iv. inclusion of recycling and composting facilities; and
v. number and location of electric vehicle charging stations.

(b) a clear chart showing itemized changes or new information from the approved Joint Proposal and the Preliminary Plans including:

i. square footage by type of uses
ii. floor plans
iii. number of parking spaces and bike racks
iv. site plan
v. number of parking spaces including number of parking spaces which are expected to be available for use by the general public and by other users in the Project
vi. perspective renderings
vii. targeted active ground floor uses
viii. floor heights
ix. development schedule and duration
x. intended active ground floor uses

(Collectively the Schematic Design Drawings together with the additional submitted information may be referred to as the "Schematic Design Documentation.")

Within ten (10) business days of a complete submission of the Schematic Design Documentation to the Agency, the Agency and the Developer will meet at least once in person to review the Agency's staff comments to the Schematic Design Drawings before the public workshop is scheduled.

Following the public workshop but not longer than 15 days, the Agency Board will evaluate the Schematic Design Documentation on whether it is consistent or how it compares with the intent

of the Joint Proposal and RFP goals and the overall success of the Project as contemplated by the RFP and the Joint Proposal. The Agency Board approval will depend on the Project:

(a) contributing to an exceptional built environment and authentic neighborhood fabric;

(b) embracing density and providing for activity conducive to a compact, mixed-use downtown;

(c) active ground-floor uses;

(d) enhancing pedestrian, bike, and transit accessibility and connections;

(e) considering and integrating existing mobility plans; and

(f) working to mitigate climate impact with innovative design and utility system infrastructure and facilities.

Agency recognizes that Developer's ability to provide affordable workforce housing depends in large part on the Project design being cost effective form both a constructability and operational perspective. Agency agrees that Agency will consider the effect that Agency's requirements for approval may have on the cost effectiveness of the Project. Agency further agrees that Developer's RFP submission drawings are consistent with Agency's objectives for the Project.

The Agency Board shall approve, conditionally approve, or disapprove of the Developer's Schematic Design Documentation, and will direct the Agency's staff to set forth the Agency Board's position in writing within fifteen (15) days of the Agency Board meeting considering the Schematic Design Documentation. The Agency's approval of the Schematic Design Documentation shall not be unreasonably withheld, conditioned, or delayed so long as it is consistent with the intent of the Joint Proposal and RFP goals and the overall success of the Project as contemplated by the RFP and the Joint Proposal, including the desired affordability of the Project. If the Agency Board conditionally approves or disapproves of any portion of the Schematic Design Documentation, such conditional approval or disapproval shall be in writing to Developer stating the specific conditions to the Agency Board's approval or reasons for such disapproval. The Developer shall promptly resubmit Schematic Design Documentation, as modified to conform to the Agency's requirements, for the Agency's approval not more than twenty (20) days after receipt of the Agency's conditional approval or disapproval, and this process shall continue until the Parties reach agreement on the Schematic Design Documentation.

The Agency acknowledges the Developer's plans and drawings may be continually modified during any Agency review period in order to avoid delay of the Developer's obligations hereunder, and any such changes shall be included in Schematic Design Drawings resubmitted to the Agency in response to Agency changes identified by the Agency Board and/or staff, as the case may be, and set forth in the conditional approval or disapproval of the Schematic Design Documentation.

8.6 Design Review Drawings

Within ninety (90) days from approval by the Agency Board of the Schematic Design Drawings, the Developer shall submit all materials required by the City as part of the City's Design Review Application, to the Agency for review and approval, which shall be completed in no more than 20 days, and prior to submittal to the City. Agency staff and the Developer will work collaboratively on design elements. Following any input from Agency staff, the Developer shall submit the Design Review Application to the City for approval.

To the extent the plans and drawings submitted by the Developer to the City are subject to revisions during the City's design review process, the Developer shall provide the Agency all updated and revised plans and drawings, including copies of any materials at the time they are submitted to the City, and a clear chart showing itemized changes from the initial submission of the Schematic Design Drawings to the Agency Board, or as may have been modified. Agency staff will review the materials as submitted; however, the Developer must immediately inform the Agency of any substantial change (as defined in Section 8.11) to the Agency Board approved Schematic Design Drawings, which may require additional Agency Board approval. Agency hereby agrees to approve any Ketchum City Code required changes whenever Agency's approval is required under this Agreement. The Agency and the Developer agree to work collaboratively through the design review process.

8.7 Final Construction Drawings

Within ninety (90) days from the City's issuance of a Design Review Permit, and no later than the time the Developer submits its application for the issuance of a building permit, the Developer shall submit the final construction documents, which for purposes of this Agreement means the design development set, which for all intents and purposes will constitute the final drawings on the Project (the "Final Construction Drawings"), to the Agency for review and approval. The Agency Board shall approve or disapprove of the Final Construction Drawings within twenty-one (21) days of receiving a complete submission. The purpose of Agency review and approval is to ensure Project design is progressing in alignment with the Design Review Drawings and the Schematic Design Drawings as approved by the Agency Board and that there has not been a substantial change. The Agency's approval of the Final Construction Drawings shall not be unreasonably withheld, conditioned, or delayed. The submission of the Final Construction Drawings shall include a clear chart showing itemized changes from the approved Design Review Drawings and the Agency Board approved Schematic Design Documentation, including, but not limited to:

(a) square footage by type of uses,

(b) unit mix,

(c) number of parking spaces, including number of parking spaces which are expected to be available for use by the general public and by other users in the Project,

(d) perspective renderings,

(e) floor plans and representative unit layouts,

(f) site plan,

(g) landscaping plan and schedule,

(h) building elevations/sections listing all exterior finishes,

(i) Public Project Improvements,

(j) development schedule, and

(k) summary of mechanical, electrical and plumbing systems, and energy/utility sustainability initiatives.

Following Agency approval of the Final Construction Drawings, Developer shall submit a complete Building Permit Application to the City within thirty (30) days of Agency approval of the Final Construction Drawings. The Developer must inform the Agency of any substantial change to the Agency approved Design Review Drawings and the Agency approved Schematic Design Drawings, which may require additional Agency Board approval. The Agency and the Developer agree to work collaboratively through the design review process.

Subject to seasonality including, but not limited to, anticipated winter weather that could cause the commencement of construction to be delayed to the following spring, and delays caused by force majeure, Developer shall commence construction within ninety (90) days of the City's issuance of a Building Permit for the Project. The Developer will substantially complete construction of the Project, and seek a Certificate of Completion/Occupancy from the City, within thirty (30) months of the City's issuance of the Building Permit for the Project.

8.8 Agency Approval of Plans, Drawings, and Related Documents

Subject to the terms of this Agreement, the 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, the Agency shall be guided by the Redevelopment Plan for the Project Area. The Developer shall make every reasonable effort to present drawings and plans in compliance with the guidelines. In the event the Developer seeks deviation or waiver from those guidelines, the Developer shall so indicate when those drawings and plans are submitted. The guidelines shall be applicable unless specifically waived by the Agency.

8.9 Communication; Revisions

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

8.10 Prompt Review

The Agency shall promptly approve the Final Construction Documents to the extent such plans, drawings, and related documents are consistent with plans (including the Design Review Drawings) previously approved by the Agency. The Agency may designate the Executive Director and staff to expedite plan approvals. Failure by the Agency either to approve or to disapprove plans that are consistent with plans previously approved by the 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 the Developer proposes or advances any change to the exterior design of the Project previously approved by the Agency, the Agency shall have the right to review, approve, disapprove, or modify such changes within the time frames and in compliance with the procedures stated herein unless said change is required by the Ketchum City Code in which case Agency will not unreasonably disapprove of said change. Any disapproval shall state in writing the reasons for disapproval and the changes which the Agency requests to be made. Such reasons and changes must be consistent with the Scope of Development and any items previously approved or deemed approved hereunder. The Developer, upon receipt of a disapproval based upon powers reserved by the Agency hereunder, shall review such plans, drawings, and related documents (or such portions thereof) and resubmit them to the 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.

8.11 Changes to Final Construction Documents

If the Developer desires to make any substantial change in the Final Construction Documents after their approval, such proposed change shall be submitted to the Agency for approval unless said change is required by the Ketchum City Code or technical requirement. 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 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 change the use of the Project by more or less than fifteen percent (15%). If Final Construction Documents, as modified by the proposed change, conform to the requirements of Section 8.5 of this Agreement and the Scope of Development, 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 construction plans 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.

8.12 Construction Phase 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.

8.12.1 Developer's Obligations

Developer, as requested by the Agency, shall:

(a) Permit the Agency's staff to attend weekly and/or monthly construction progress and design meetings for the Project to permit the Agency to assess the progress of development and construction and assess compliance with the Scope of Development, the Schedule of Performance, and the adherence of the development and construction to the plans approved by the Agency.

(b) Provide the Agency with a monthly written status report on the Project (consisting of a simple narrative of the status, an update as to the progress on the schedule of performance and a summary of the percentage of completion) in sufficient time to allow for their distribution to the Agency's board of directors prior to their regular monthly meetings; such monthly report shall include any photos taken by the Developer in the normal course of project supervision that would be helpful to supplement the simple written narrative in the monthly status reports.

(c) Attend (which attendance may be virtual) and provide oral status reports on the Project at regular monthly meetings of the Agency's board of directors; and

(d) To the extent the meetings described in Section 8.12.1(a) above are not adequate, schedule and attend meetings at the reasonable request of the Agency with the Agency's staff, the Agency's consultants, and representatives from the City 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.

8.12.2 Agency's Obligations

In furtherance of this Section, the Agency shall:

(a) provide timely and meaningful comments to the information, reports, and other documents submitted to the Agency by the Developer such that the course of construction is not delayed; and

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

8.12.3 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.

8.12.4 Access to the Property

For the purpose of assuring compliance with this Agreement, representatives of the Agency shall have the reasonable right of access to the Property 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. The Agency shall cause anyone who comes onto the Property on the Agency's behalf to comply with applicable OSHA or other safety regulations.

8.12.5 Reasonableness

The Developer shall reasonably comply with the requirements of the Redevelopment Plan and shall prepare Final Construction Documents consistent with the Design Review Drawings. The Agency will not unreasonably impose requirements regarding materials, design elements, construction methods, or other elements that materially affect the costs of the Project, the construction schedule for the Project, or which would cause development of the Project to become economically infeasible as set forth in SubSection 14.6.1.(d). Nothing herein shall limit the reviewing authority of the Agency granted under this Agreement, provided, however, that the Agency and the Developer acknowledge that cooperation between the Parties is essential to the development of the Project.

8.12.6 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 the Developer unless agreed to otherwise in writing. The estimated cost of construction "Cost of Construction" is demonstrated in **Attachment 10**.

9 PARKING

The Developer intends to construct forty-four (44) parking stalls adjacent to, or within, the Project for the purpose of serving the residential tenants and public patrons of the Project; provided, however, the foregoing intent may change, depending on the final design of the and the impact of potential Agency and City requirements on the Project. Both Parties have agreed to work cooperatively to explore the possibility of utilizing these parking stalls ("Project Parking") in a shared use model, which could potentially allow for the paid use of the Project Parking by the general public during normal business hours and be reserved for Project tenants in the evenings as necessary. The specific terms of such parking model or program are still being developed. Both Parties agree that to the extent feasible, they will try to work cooperatively to ensure that the Project Parking is utilized to its full potential by Project residents and public patrons. Any such agreement negotiated by the Parties related to Project Parking will be formalized in a separate parking program agreement. Developer will not be obligated to incur any additional costs to accommodate public parking unless the Agency commits to fund such additional costs. Both Parties acknowledge that the Project Parking is first intended to serve the Project tenants, with all other uses being secondary.

10 INSURANCE AND INDEMNIFICATION

10.7 Bodily Injury, Property Damage, and Workers' Compensation Insurance

The Developer shall, or through its contractor shall, at its sole cost, obtain and maintain in force, from execution of the Ground Lease, 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 $4,000,000 and a general aggregate limit of not less than $4,000,000. The products/completed operations liability coverage shall be maintained in full force and effect following completion of the Project. The policy shall be endorsed to name the 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) Builder's Risk Insurance upon the Project covering one hundred percent (100%) of the replacement cost of the Project. This policy shall be written on a builder's risk "all risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the construction, temporary buildings, falsework, and construction in transit and shall insure against at least the following perils: (i) fire; (ii) lighting; (iii) explosion; (iv) windstorm or hail; (v) smoke; (vi) aircraft or vehicles; (vii) riot or civil commotion; (viii) theft; (ix) vandalism and

malicious mischief; (x) leakage from fire extinguishing equipment; (xi) sinkhole collapse; (xii) collapse; (xiii) breakage of building glass; (xiv) falling objects; (xv) debris removal; (xvi) demolition occasioned by enforcement of laws and regulations; (xvii) weight of snow, ice, or sleet; (xviii) weight of people or personal property;

(c) Workers' Compensation Insurance, including occupational illness or disease coverage, in accordance with the laws of the nation, state, territory, or province having jurisdiction over the Developer's employees, and Employer's Liability Insurance with minimum limits as required by law. The 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) Umbrella liability insurance in an aggregate limit of $15,000,000 shall be attached and in excess of the coverage to be maintained as set forth in paragraphs (a) and (c) above with drop down coverage where underlying primary coverage limits are insufficient or exhausted.

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

(g) The Developer (or the Developer's contractor(s), as applicable) shall provide certificates of insurance satisfactory in form to the Agency (ACORD form or equivalent) evidencing that the insurance required above is in force. To the extent commercially reasonable, Developer will provide with endorsements stating (i) that not less than thirty (30) days' written notice will be given to the Agency prior to any cancellation or restrictive modification of the policies, and (b) that the waivers of subrogation are in force. The Developer (or the 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 the Agency's request, the Developer shall provide a certified copy of each insurance policy required under this Agreement.

(h) 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.

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

10.8 Indemnification

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

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

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

(c) any negligence on the part of the Developer or any of its agents, contractors, 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 the Developer; or

(e) any failure on the part of the 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; or

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

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

11 POST PROJECT COMPLETION

11.1 Certificate of Completion

Promptly after completion of all construction and development to be completed by the Developer for the Project, Developer shall submit to the Agency a request for a certificate of completion for the Project ("Certificate of Completion"), in the form similar to that included as **Attachment 11**. The Agency shall promptly issue the Certificate of Completion if (a) the City has issued a certificate of occupancy for the Project and (b) if the Developer is not in default under this Agreement and the Agency has not sent notice to the Developer of any uncured 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 the Agency provided the Developer with written notice of default and an opportunity to cure any such default as set forth in Sections 14.1 and 14.2, be considered by the Agency as a default by the Developer under this Agreement. The Agency shall not unreasonably withhold the Certificate of Completion. Subject to events of force majeure, the Developer shall complete construction of the Project as evidenced by the receipt of a Certificate of Completion and/or Occupancy from the City within thirty (30) months after receiving its building permit from the City.

The Certificate of Completion shall be executed by the Agency and the Developer and be in such form as to permit it to be recorded by the Office of the County Recorder of Blaine County, Idaho.

The Certificate of Completion shall be, and shall so state, a conclusive determination of satisfactory completion of the construction of the Project and conclusive determination of satisfactory completion of the obligations of the Developer and the Agency required by this Agreement with respect to completion of the construction of the Project.

The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the 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.

12 CAPITAL IMPROVEMENTS AND GENERAL ASSISTANCE 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 intends to negotiate with the Developer

the terms of a Capital Improvement and General Assistance Reimbursement Agreement related to the Developer's construction of certain public infrastructure and other improvements eligible for reimbursement. The form of the Capital Improvement and General Assistance Reimbursement Agreement is as set forth in **Attachment 12**. This Capital Improvement and General Assistance Reimbursement Agreement may be amended and revised to reflect the then current funding or reimbursement structure between Agency and Developer.

The Agency and the Developer shall enter into the Capital Improvement and General Assistance Reimbursement Agreement in order to facilitate coordination with the Agency regarding the undergrounding or improvement of the Project's site utilities and other public improvements.

The Capital Improvement and General Assistance Reimbursement Agreement will address the Public Project Improvements, including those public infrastructure improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site, including streetscape enhancements and multi-modal amenities and other improvements having a public benefit related to the project. The Capital Improvement and General Assistance Reimbursement Agreement will further address the construction of any streetscape improvements, fiber optic conduit installation, pavement maintenance, and other eligible public improvements, which all or a portion of such improvements may be eligible for reimbursement.

The Capital Improvement and General Assistance Reimbursement Agreement will also address Project coordination to increase efficiency and to reduce area disruptions during construction with other Agency projects in the Project Area. The coordination scope includes, but is not limited to, location and use of construction staging areas, construction fence location, traffic control plans and permits, public detour routes, and other construction logistics related to the public improvements under the Capital Improvement and General Assistance Reimbursement Agreement.

13 DEVELOPER'S POST-DEVELOPMENT AND CONSTRUCTION OBLIGATIONS

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

13.1 Ground Lease

The Developer hereby agrees to abide by all terms and conditions of the accompanying Ground Lease provided for in **Attachment 7**. The Developer acknowledges that the execution of this Agreement is expressly premised on the Developer's acceptance of the terms and conditions of the Ground Lease and the use of the property for the Affordable Workforce Housing Project.

13.2 Taxes, Assessments, Encumbrances, and Liens

The Developer shall pay when due all personal property taxes and assessments assessed and levied on the Property for any period subsequent to the Developer obtaining its interest in the Property from the Agency. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amounts of any tax, assessment, encumbrance, or lien or to limit the remedies available to the Developer with respect thereto. Agency acknowledges that in order to meet the affordability objectives of the Project, Developer will seek to exempt the Project from taxation to the fullest extent available, and nothing in this Agreement will be deemed to limit Developer efforts. Agency does not control aspects of tax exemptions.

13.3 Use of the Property During Term of the Redevelopment Plan

The Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest that during construction and thereafter, the Developer, its successors, and assignees shall devote the Property to the uses specified in the Redevelopment Plan, the Ground Lease, and this Agreement for the periods of time specified therein. The Property shall only be used for the uses specified in the Scope of Development.

13.4 Obligation to Refrain From Discrimination

The Developer covenants by and for the Developer and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of physical disability, race, color, creed, religion, sex, sexual orientation, gender identity/expression, marital status, ancestry, or national origin in the sublease, transfer, use, occupancy, tenure, or enjoyment of Property, nor shall the Developer or any person claiming under or through the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of subtenants, sublessees, or vendees of the Property. The foregoing covenants shall run with the land.

13.5 Effect and Duration of Covenants

The covenants against discrimination shall remain in effect in perpetuity. The covenants established in this Agreement that expressly run with the land and the Deeds shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, the Agency's successors and assigns, the City, and any successors in interest to the Property or any part thereof.

13.6 Provisions That Run With the Land

The Agency is deemed the beneficiary of the terms and provisions of this Agreement that expressly run with the land for, and in its own rights, 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 the Agency without regard to whether the 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. The 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. 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.

14 DEFAULTS, REMEDIES, AND TERMINATION

14.1. Defaults—General

Failure or delay by either Party to perform any term or provision of this Agreement after receiving notice and a reasonable opportunity to cure taking into consideration the nature of the default 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.

14.2. 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 the later of sixty (60) days after giving such notice or such other a reasonable timeframe agreed to by both Parties taking into consideration the nature of the default, said sixty (60) days or longer period as the case may be constituting the period to cure any default.

14.3. 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.

14.4. 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 Section 14.1 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.

14.5. Legal Actions

14.5.1. 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.

14.5.2. Applicable Law

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

14.5.3. Acceptance of Service of Process

In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Chair of the Agency or in such other manner as may be provided by law. In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made by personal service upon the 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.

14.5.4. 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.

14.5.5. Specific Performance

If the Developer or the Agency has provided notice and an opportunity to cure pursuant to Section 14.1 and the default is not cured, the non-defaulting Party, at the non-defaulting 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 14.5.6 below) are otherwise available.

14.5.6. Limitation on Agency's Remedies Prior to Developer Obtaining Interest in the Property

If the Developer defaults in its obligation to obtain an interest in the Property or to satisfy any conditions relating to its obtaining a leasehold interest in the Property, the Agency's sole and exclusive remedy shall be to terminate this Agreement and retain the Developer's Deposit relating to the Property as liquidated damages. Such amount to be retained by the 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.

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

14.6.1. Termination by Developer

In the event that prior to execution of the Ground Lease for the Property, as applicable:

(a) the Agency does not execute the Ground Lease, as applicable, or does not convey possession thereof in the manner and condition and by the dates provided in this Agreement, and any such failure is not cured within sixty (60) days after written demand by the Developer; or

(b) the Agency is unable to perform its obligations as set forth in the Scope of Development; or

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

(d) the 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 the Agency or on or before the Agency's approval of the Developer's evidence of financing, the Developer notifies the Agency in writing that, in the Developer's judgment, it is not economically or financially feasible for the Developer to perform or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance; or

(e) the Developer notifies the Agency in writing that, in the Developer's judgment, that the Project is not economically or financially feasible for the Developer to develop in accordance with this Agreement; or

(f) the Agency is in breach or default with respect to any other obligation of the Agency under this Agreement, subject to the cure provisions set forth in Section 14 of this Agreement;

then this Agreement may, at the option of the Developer, be terminated by written notice thereof to the Agency. Upon such termination, neither the Agency nor the Developer shall have any further rights against or liability to the other under this Agreement. In the event this Agreement is so terminated, the Agency shall retain any Deposit so long as the Agency has fully performed the obligations required to be performed by the Agency prior to that time. In the event this Agreement is so terminated because of any breach or default of Agency, as defined herein, then Agency shall reimburse Developer for third-party expenses only, incurred by Developer pursuant to this Agreement, including, but not limited to, all third-party expenses related to design, entailment, financing and planning of the Project.

14.6.2. Termination by Agency

In the event that prior to execution of the Ground Lease for the Property, as applicable:

(a) the 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

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

(c) after and despite diligent effort and prior to the dates established, therefore, in the Schedule of Performance, subject to the cure provisions set forth in Section 14 of this Agreement, the Developer is unable to obtain and submit the evidence of financing reasonably acceptable to the Agency or before the Agency's approval of the Developer's evidence of financing the Developer notifies the Agency in writing that, in the Developer's judgment, it is not economically or financially feasible for it to perform or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance; or

(d) the Developer fails to submit to Agency Final Construction Documents subject to the cure provisions set forth in Section 14 of this Agreement; or

(e) subject to the cure provisions set forth in of Section 14 of this Agreement, the Developer does not execute the Ground Lease and take occupancy of the Property under tender of conveyance by the Agency pursuant to this Agreement; or

(f) the Developer is in breach or default with respect to any other obligation of the Developer under this Agreement, subject to the cure provisions set forth in of Section 14 of this Agreement; or

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

(h) the Agency is unable to perform its obligations as set forth in the Scope of Development;

then this Agreement may, at the option of the Agency, be terminated by the Agency by written notice thereof to the Developer. Upon such termination, neither the Agency nor the Developer shall have any further rights against or liability to the other under this Agreement. In the event this Agreement is so terminated, (a) so long as the Agency has fully performed the obligations required to be performed by the Agency prior to that time, the Agency shall retain any Deposit and (b) if the termination is pursuant to subsections (a) through (f), then Agency shall also be entitled to reimbursement of any third-party costs incurred, such as the re-use appraisal or third-party consultants.

15. GENERAL PROVISIONS

15.1. No Assignment of Rights

Prior to the issuance by Agency of a Certificate of Completion pursuant to 11 with respect to the Property, the Developer shall not, except as expressly permitted by this Agreement, sublease the whole or any part of such Property or the buildings or improvements thereon without the prior written approval of the Agency, which approval shall not be unreasonably withheld. Conveyance to a Developer affiliate shall be permitted and shall not be subject to further review or approval by the Agency. This prohibition shall not apply subsequent to the issuance of the Certificate of Completion, which shall signify the Agency's acknowledgment that the work required on the Property has been completed. This prohibition shall not be deemed to prevent the granting of licenses or permits to facilitate the Project or to prohibit or restrict the subleasing of any part or parts of a building or structure when said improvements are completed or to prohibit or restrict the preleasing 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 structure prior to the Developer completing all the necessary improvements shall be terminable by the Agency in the event the Developer fails to complete all the necessary improvements. In the absence of specific written agreement by the Agency, no such transfer, assignment, or approval by the Agency shall be deemed to relieve the Developer from any obligations under this Agreement until completion of the Project as evidenced by the issuance of a Certificate of Completion.

15.2. Notices, Demands, and Communications Between the Parties

Formal notices, demands, and communications between the Agency and the Developer shall be sufficiently given upon dispatch, if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and the Developer as set forth in Section 15.2 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.

15.3. Conflicts of Interest

No member, official, or employee of the 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.

15.4. Warranty Against Payment of Consideration for Agreement

The 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.

15.5. Nonliability of Agency Officials and Employees

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

15.6. Forced Delay/Force Majeure; 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 the public enemy; epidemics; pandemics; quarantine restrictions; unusual delays in the supply of materials; unusual delays in reviews or approvals of governmental authorities; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, material, or tools; delay of any contractor, subcontractor, or suppliers; 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 the Agency shall not excuse performance by the 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. If, however, notice by the Party claiming such extension is sent to the other Parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by the Parties.

15.7. Inspection of Books and Records

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

15.8. Reports, Studies, and Test

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

15.9. Approvals by the Parties

Wherever this Agreement requires the Agency and/or the Developer to approve, or permits a Party to submit to the other Party for approval, any contract, document, plan specification, drawing, or other matter, such approval shall not be unreasonably withheld, conditioned, or delayed.

15.10. Attorney Fees

In the event of any action or proceeding at law or in equity between the Developer and the Agency to enforce any provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the unsuccessful Party to such litigation shall pay to the prevailing Party all reasonable attorney fees and litigation expenses 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 reasonable costs, expenses, and attorney fees shall be included in and as a part of such judgment.

16. SPECIAL PROVISIONS

16.1. Amendment of Redevelopment Plan

Pursuant to the provisions of the Redevelopment Plan or modification or amendment therefore, the 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 the Developer. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the Developer.

16.2. Submission of Documents for Approval

Whenever this Agreement requires either Party to submit plans, drawings, or other documents to the other Party for approval, which shall be deemed approved if not acted on by the 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 other Party within the stated time. If there is no time specified herein for such Party's action, the other Party may submit a letter requiring approval or rejection of documents within thirty (30) days after submission or such documents shall be deemed approved.

16.3. 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 the Agency on which the offices of the Agency are closed for regular business.

16.4. No Third-Party Beneficiary

The provisions of this Agreement are for the exclusive benefit of the Agency and the 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 the Developer or its successors and assigns.

16.5. 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 the Agency and the managing member of the 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 to settle the dispute in an amicable manner by mediation or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the Northwestern United States or otherwise, as the Parties may mutually agree before resorting to litigation or to arbitration. The costs of such mediation or other process of structured negotiation 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 other process of structured negotiation, or if the Parties cannot mutually agree to attempt to settle any dispute by mediation or other process of structured negotiation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity.

16.6. Good Faith and Cooperation

It is agreed by the Agency and the Developer 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.

16.7. Anti-Boycott Against Israel Certification

The 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.

16.8. Government of China Owned Companies Prohibited

The Developer is not currently owned or operated by the government of China and will not for the duration of this Agreement be owned or operated by the government of China.

16.9. 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 the Agency and the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Developer.

16.10. Effective Date of Agreement

This Agreement, when executed by the Developer and delivered to the Agency, must be authorized, executed, and delivered by the Agency within forty-five (45) days after the date of signature by the Developer, or this Agreement shall be void except to the extent that the Developer shall consent in writing to further extensions of time for the authorization, execution, and delivery of this Agreement. The Developer recognizes that the Agency must comply with certain notice,

solicitation, and comment periods and a disclosure process as required by law. Because of that process the Agency may be unable to execute this Agreement as proposed, and in such event, this Agreement shall be void. The effective date of this Agreement (the "Effective Date") shall be the date when this Agreement has been signed by Agency.

[signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

___________________, 2024

AGENCY

KETCHUM URBAN RENEWAL AGENCY

____

Susan Scovell, Chair

___________________, 2024

DEVELOPER

FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

By: First + Washington Holdings LLC, an Idaho limited liability company, its sole member

By: Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, its sole member

By: ________________________________

Steven M. Shafran
President

With respect to the representation and warranty provided in Section 2.7 only.

___________________, 2024

DEVELOPMENT MANAGER

deChase First + Washington Development Services, LLC, an Idaho limited liability company

By: deChase Development Services, LLC, an Oregon limited liability company, its sole member

By: ______________________________________

Dean Papé
Manager

STATE OF IDAHO)
) ss.
County of _________)

On this _____ day of _________, 2024, before me, _______________________, the undersigned notary public in and for said county and state, personally appeared Susan Scovell, known or identified to me to be the Chair of the Ketchum Urban Renewal Agency, the public body, corporate and politic, that executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

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

____
Notary Public for Idaho
Commission Expires __________________

STATE OF IDAHO)
) ss.
County of _________)

This record was acknowledged before me on ________________________ by Steven M. Shafran as President of Wood River Community Housing Trust, Inc., who is acting as the sole member of First + Washington Holdings LLC, who is acting as the sole member of First + Washington Properties LLC.

____
Notary Signature
Commission Expires __________________

STATE OF IDAHO)
) ss.
County of _________)

This record was acknowledged before me on ________________________ by J. Dean Papé as Manager of deChase Development Services, LLC, who is acting as the sole member of deChase First + Washington Development Services, LLC.

____
Notary Signature
Commission Expires __________________

Attachment 1

Site Plan

[to be incorporated prior to execution]

Attachment 2

Legal Description of the Property

Lots 5, 6, 7 and 8 in Block 19, of the VILLAGE OF KETCHUM, as shown on the certified copy of the official map thereof, recorded as Instrument No. 302967, records of Blaine County, Idaho.

Lot 5 Block 19: RPK0000019005B
Lot 6 Block 19: RPK0000019006B
Lots 7 & 8 Block 19: RPK00000190070

Attachment 3

Proposal

[to be incorporated prior to execution]

<u>**Attachment 4**</u>

Scope of Development

The Project consists of an approximately 4-story high building that will include active ground floor space, rent restricted affordable workforce residential units and amenities, flexible commercial space, and vehicular parking. Collectively, the development is also referred to as the "Affordable Workforce Housing Project."

The flexible commercial space component of the Affordable Workforce Housing Project includes approximately 3,400 square feet. The flexible commercial space could accommodate office, special interest space, or retail. Active use of the ground floor space on 1st and Washington is critical for the overall success of the Project. An active use on the ground floor means a use that promotes an active pedestrian environment, provides direct access to the general public from the sidewalk (or other public open space), provides active visual engagement between people in the street and people in the building, and conceals other non-active uses. Active uses supporting the Agency's goals include retail, offices, galleries, and personal service establishments.

The Affordable Workforce Housing Project includes sixty-six (66) residential units with a unit mix consisting of forty-four (44) studio apartments, fifteen (15) one-bedroom apartments, and seven (7) two-bedroom apartments. Unit sizes range from approximately four hundred fifty (450) – nine hundred (900) square feet. \

The Affordable Workforce Housing Units will be income restricted as set forth in the Ground Lease.

The Affordable Workforce Housing Units will provide preferences to individuals and families working in the Ketchum area as set forth in the Project Preference Policy.

Tenant will endeavor to have the average AMI of all Qualified Households in the Project ("**Average AMI**") to be not less than one hundred ten percent (110%) of AMI and not more than one hundred twenty-seven percent (127%) of AMI (the "**Average AMI Range**").

<u>**Attachment 5**</u>

Schedule of Performance

	Action	Due Date	Section
1	**Execution & Delivery of Agreement by Developer**. Developer shall execute and deliver this Agreement to Agency.	As soon as practical	16.10
2	**Execution of Ground Lease**		5.1.1
3	**Execution and Delivery of Agreement by Agency**. Agency shall consider approval of this Agreement, and if approved, shall deliver one executed original to Developer.	Within forty-five (45) days of execution by Developer	16.10
4	**Payment of Deposit**. Developer previously deposited with Agency the sum of $10,000.00	Completed.	5.2.4(b)
5	**Submission of Preliminary Evidence of Financing**. Developer shall submit to Agency evidence satisfactory to the Agency that Developer will have at or before execution of the Ground Lease the financial capability necessary for the development of the Project thereon pursuant to this Agreement.	No later than ninety (90) prior to execution of Ground Lease	4.1
6	**Time to Approve Evidence of Financing**. Agency shall approve or disapprove of Developer's evidence of financing	Within twenty (20) days of Developer's submission of evidence of financing.	4.3
7	**Submission of Preliminary Plans**	Within one hundred twenty (120) days after Effective Date	8.4
8	**Approval of Preliminary Plans**	Within twenty-one (21) after receiving submission.	8.4
9	**Submission to Agency of Schematic Design Documentation**	Within sixty (60) days after Agency approval of the Preliminary Plans	8.5
10	**Approval of Schematic Design Documentation**.	Within fifteen (15) days following the public workshop	8.5
11	**Submission of Design Review Drawings**.	Within ninety (90) days after Agency approval of Schematic Design Documentation.	8.6
12	**Approval of Design Review Drawings**	Within twenty (20) days after receiving submission.	8.6

13	**Submission of Final Construction Drawings**	Within ninety (90) days after the City's issuance of a Design Review Permit.	8.7
14	**Approval by Agency of Final Construction Drawings**	Within twenty-one (21) days of receipt by Agency.	8.7
15	**Submission of Building Permit Application to the City by the Developer.**	Within 30 days of Agency approval of Final Construction Documents	8.7
16	**Commencement of Construction**	Within ninety (90) days of Developer receiving Building Permit from City.	8.7
17	**Completion of the Project and Issuance of a Certificate of Occupancy**	Within 30 months of issuance of the Building Permit by the City.	8.7
18	**Insurance**. Developer shall furnish evidence of the insurance required under the Agreement to Agency.	Prior to Execution of Ground Lease.	10
19	**Construction Loan Closings**.	Concurrently with execution of Ground Lease	4
20	**Conditions Precedent to Ground Lease**. All Conditions Precedent to Closing shall be satisfied or waived as appropriate.	Prior to Execution of Ground Lease	5
21	**Construction Contract**. Requires Project to be constructed for under the Project Budget.	Prior to Execution of Ground Lease	5.2.4(f)
22	**Certificate of Completion**. Agency shall provide Certification of Completion to Developer.	Promptly following City's issuance of a certificate of occupancy for 100% of the residential units and a certificate of occupancy/completion of at least the shell/core of the retail and/or office and/or commercial use and Developer is not in default.	11.1

<u>Attachment 6</u>

Preliminary Plans

[to be incorporated prior to execution]

Attachment 7

Ground Lease

[to be incorporated prior to execution]

Attachment 8

Project Preference Policy

[to be incorporated prior to execution]

ATTACHMENT 9

FORM OF MEMORANDUM

Recording Requested By:

URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO and
First + Washington Properties LLC

When Recorded Return to:

Ketchum Urban Renewal Agency
c/o Susanne Frick, Executive Director
P.O. Box 2315
191 5th Street
Ketchum, ID 83340

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 ____________________, 2024, by and between the URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO (the "Agency") and First + Washington Properties LLC, an Idaho limited liability company (the "Developer"), collectively the "Parties."

1. The Agency and the Developer have previously entered into a Disposition and Development Agreement dated [enter] regarding the development of the real property (the "Site") described in Exhibit A, attached hereto and incorporated herein.

2. This Memorandum summarizes the Disposition and Development Agreement pursuant to Idaho Code Section 55-818 and incorporates by reference all of the terms and provisions of the Disposition and Development Agreement.

3. The terms, conditions, and provisions of the Disposition and Development Agreement relating to the development of the Site shall extend to and be binding upon the heirs, executors, administrators, grantees, successors, and assigns of the Parties hereto. The terms, conditions, and provisions of the Disposition and Development Agreement relating to the development of the Site shall have no further application to such parcel after the Agency has issued a Certificate of Completion for such parcel. After the Agency has issued

a Certificate of Completion for such parcel, Agency will promptly execute and record a release of this Memorandum.

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

5. 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.

SIGNATURES ON FOLLOWING PAGES

AGENCY:

URBAN RENEWAL AGENCY
OF THE CITY OF KETCHUM

By______________________________
Susan Scovell, Chair

STATE OF IDAHO)
) ss.
County of _____________)

On this _____ day of _____________, 2024, before me, ______________________, a Notary Public in and for said State, personally appeared Susan Scovell, known or identified to me to be the Chair of the Urban Renewal Agency of the City of Ketchum the public body, corporate and politic, that executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

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

____
Notary Public for Idaho
My commission expires _________________

DEVELOPER

FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

By: First + Washington Holdings LLC, an Idaho limited liability company, its sole member

By: Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, its sole member

By: ______________________________
Steven M. Shafran
President

STATE OF IDAHO)
) ss.
County of Blaine)

This record was acknowledged before me on ________________________ by Steven M. Shafran as President of Wood River Community Housing Trust, Inc., who is acting as the sole member of First + Washington Holdings LLC, who is acting as the sole member of First + Washington Properties LLC.

____
Notary Public for Idaho
My commission expires _________________

EXHIBIT A

PROPERTY DESCRIPTION

Lots 5, 6, 7 and 8 in Block 19, of the VILLAGE OF KETCHUM, as shown on the certified copy of the official map thereof, recorded as Instrument No. 302967, records of Blaine County, Idaho.

Attachment 10

Cost of Construction

Attachment 11

Certificate of Completion

CERTIFICATE OF COMPLETION FOR CONSTRUCTION OF IMPROVEMENTS

(1st and Washington Disposition and Development Agreement)

The Urban Renewal Agency of the City of Ketchum, Idaho, 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 191 5th Street, Ketchum, Idaho 83340, hereby certifies that all the required improvements, construction, and redevelopment regarding the 1st and Washington development project (collectively the "Project") have been completed.

First + Washington Properties LLC, an Idaho limited liability company (the "Developer"), having its principal office at 675 Sun Valley Road, PO Box 7840, Ketchum, Idaho 83340-7126, is the developer of Project located on that certain real property described in Exhibit A 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 Ketchum Urban Renewal Plan 2010, also known as the Ketchum Urban Renewal Project Area, as recommended by the Agency and approved by the City of Ketchum on November 15, 2010 (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 [enter] (the "DDA"), between the Agency and the Developer, which DDA is incorporated herein by reference.

This Certificate of Completion is issued in accordance with Section 11.1. of the DDA and only for said purposes of Section 11.1. 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 set forth in the Ground Lease, dated [______, ________], recorded on [______________, _______], bearing Instrument No. ____________ (the "Ground Lease") conveying a leasehold interest in the Property to the Developer from the Agency.

[end of text]

DATED this _____ day of ________________.

The Urban Renewal Agency of the City of Ketchum,
an independent public body,
corporate and politic, organized under the
laws of the state of Idaho

By____
Susan Scovell, Chair

ATTEST:

____
Secretary/Treasurer

STATE OF IDAHO)
) ss:
County of _________)

On this _______ day of ________________, ____, before me, _____________________, a notary public in and for said state, personally appeared Susan Scovell known to me to be the Chair of the Urban Renewal Agency of the City of Ketchum Idaho, 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 Urban Renewal Agency of the City of Ketchum 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
My Commission Expires:______________________

EXHIBIT A

Description of the Property

Lots 5, 6, 7 and 8 in Block 19, of the VILLAGE OF KETCHUM, as shown on the certified copy of the official map thereof, recorded as Instrument No. 302967, records of Blaine County, Idaho.

ATTACHMENT 12

Form of Capital Improvement and General Assistance Reimbursement Agreement

FORM CAPITAL IMPROVEMENT AND GENERAL ASSISTANCE REIMBURSEMENT AGREEMENT

THIS CAPITAL IMPROVEMENT AND GENERAL ASSISTANCE REIMBURSEMENT AGREEMENT ("Agreement") is entered into by and between the Urban Renewal Agency of the city of Ketchum, Idaho, a public body, corporate and politic, of the State of Idaho ("Agency") and First + Washington Properties LLC, an Idaho limited liability company qualified to do business in Idaho ("Developer"). Agency and Developer may be collectively referred to as the "Parties" and individually referred to as a "Party."

RECITALS

Developer anticipates developing certain real property located at 211 E. 1st Avenue, Ketchum, Idaho (the "Site"). Developer anticipates redeveloping the Site which will result in residential and commercial facilities (the "Project"). A map of the Site is attached as **Exhibit A**.

As part of the Project, Developer intends to redevelop the Site, including the installation of certain public infrastructure and general public improvements.

The Project is located within the 2010 Ketchum Urban Renewal Plan for the Revenue Allocation Area of the Ketchum Urban Renewal Agency ("Plan"). The Plan was approved by the Ketchum City Council on November 15, 2010. The Plan includes various measures to mitigate and remediate the Amended Plan area.

The Project that is the subject of this Agreement includes the proposed development on the Site of an approximately 4-story high building that will include active ground floor space, rent restricted affordable workforce residential units, amenities, flexible commercial space, and vehicular parking. Collectively, the development is also referred to as the "Affordable Workforce Housing Project."

The flexible commercial space component of the Affordable Workforce Housing Project includes approximately 3,400 square feet. The flexible commercial space could accommodate office, special interest space, or retail. Active use of the ground floor space on 1st and Washington is critical for the overall success of the Project and was contemplated by the RFP and the Joint Proposal. For purposes of this Project, an active use on the ground floor means a use that promotes an active pedestrian environment, provides direct access to the general public from the sidewalk (or other public open space), provides active visual engagement between people in the street and people in the building, and conceals other non-active uses. Active uses supporting the Agency's goals include retail, offices, galleries, and personal service establishments.

The Affordable Workforce Housing Project includes sixty-six (66) residential units with a unit mix consisting of forty-four (44) studio apartments, fifteen (15) one-bedroom apartments, and seven (7) two-bedroom apartments. Unit sizes range from approximately four hundred fifty (450) – nine hundred (900) square feet.

The Affordable Workforce Housing Units will be income restricted as set forth in the Ground Lease.

The Affordable Workforce Housing Units will provide preferences to individuals and families working in the Ketchum area as set forth in the Project Preference Policy.

Tenant will endeavor to have the average AMI at of all Qualified Households in the Project ("Average AMI") to be not less than one hundred ten percent (110%) of AMI and not more than one hundred twenty-seven percent (127%) of AMI (the "Average AMI Range").

The Project is anticipated to be LEED Certified.

In addition to the Affordable Workforce Housing Project, the Project may also include public infrastructure improvements related to that portion of the Idaho Power utility relocation and any other improvements installed for the benefit of the public as part of the Project along with other costs deemed eligible for Agency participation ("Public Project Improvements").

Collectively, the Affordable Workforce Housing Project and the portion of the Public Project Improvements to be undertaken by the Developer are referred to as the "Project."

The Parties entered into that certain Disposition and Development Agreement ("DDA") dated ______________, 2024, which governs the rights and obligations of the Parties concerning the Project.

Agency and Developer have negotiated the terms and conditions of Agency's participation in the Project.

As a result of the proposed participation by Agency, the Project will be enhanced and economically viable.

Agency deems it appropriate to reimburse Developer for certain eligible public improvements as detailed in this Agreement to achieve the objectives set forth in the Amended Plan and in accordance with Agency's participation objectives.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **EFFECTIVE DATE**. The effective date ("Effective Date") of this Agreement shall be the date when this Agreement has been signed by the Developer and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) the termination of the Amended Plan, whichever comes first.

2. **CAPITAL IMPROVEMENT REIMBURSEMENT**

The Developer and City of Ketchum ("City") intend to engage in certain Site (as described above) construction of utility and public improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site.

The Developer shall be responsible for various public improvements, [insert public improvements and general public benefitted assistance "Other Public Improvements" "Public Infrastructure Improvements" Exhibit B] Agency's commitment in this Agreement is designed to comply with Agency's authority under the Idaho Urban Renewal Law of 1965 (the "Act") and the Amended 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.

2.1. Construction of the Other Public Improvements.

The Other Public Improvements shall be designed and constructed by the Developer 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, provided to the City, for the Other Public Improvements (collectively the "Project Construction Documents"). It is understood the Developer will utilize commercially reasonable contracting, budgeting, and bidding practices to ensure that the Other Public Improvements are constructed consistent with the Project Construction Documents and are undertaken in a commercially reasonable manner.

A Schedule of Estimated Eligible Costs for the ["Improvements"] and the ["Other Public Improvements"] is described and set forth on **Exhibit C**. Any other public improvements constructed by the City or Developer as part of either the ["Improvements/Other Public Improvements"], the estimated costs of which are not set forth on Exhibit C, will be subject to reimbursement only upon a showing by Developer that these costs were related to public infrastructure or a public purposes and are eligible for reimbursement by the Agency. Additionally, Agency's reimbursement obligation is limited to the Estimated Costs (defined below) of the ["Improvements/Other Public Improvements"] set forth in this Agreement. Developer may seek additional funding from the Agency upon a showing that Developer has constructed or installed public infrastructure or infrastructure of a public purpose, the cost of which exceeds the Estimated Eligible Costs in Exhibit C. In order to seek reimbursement of any amount over the amount specified in the Estimated Eligible Costs, Developer must provide [enter]

2.2. Commencement of the ["Improvements/Other Public Improvements"]

The City and Developer have coordinated to commence construction of the ["Improvements/Other Public Improvements"] consistent with the timelines set forth in the

Schedule of Performance as defined in the DDA. In the event there is a failure to construct the [“Improvements/Other Public Improvements”] within the time period set forth in the DDA, as the same may be extended pursuant to the terms of the DDA, Agency will not reimburse Developer for the costs of the [“Improvements/Other Public Improvements”].

2.3. Initial Construction Funding.

Subject to Agency’s reimbursement obligation, Developer shall contribute to the upfront cost of the [“Improvements/Other Public Improvements”] in accordance with the DDA. The reimbursement payment to Developer by Agency shall be made pursuant to subsections 2.8 through 2.11 below. Agency and Developer acknowledge the Schedule of Estimated Eligible Costs (**Exhibit C)** is an estimate by Developer and that this Schedule of Estimated Eligible Costs shall act as a not to exceed amount regardless of whether actual total costs, as well as each line item of cost, may be more or less than is shown on **Exhibit C.**

2.4. Approvals of Project and Other Public Improvements.

Developer shall be responsible for obtaining necessary approvals for design, construction, installation and operation of the [“Improvements/Other Public Improvements”] from the governmental and other entities, including to the extent necessary, but not limited to, City and other governmental entities having approval authority for the [“Improvements/Other Public 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.

2.5. Warranty on Other Public Improvements.

Developer warrants that the materials and workmanship employed in the construction of the Project and the [“Improvements/Other Public 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 by Agency, provided nothing herein shall limit the time within which Agency may bring an action against Developer on account of Developer’s failure to otherwise construct the Project in accordance with this Agreement or the Project Construction Documents (i.e., matters other than defects in materials or workmanship). The one-year warranty period does not constitute a limitation period with respect to the enforcement of Developer’s other obligations under the Agreement.

2.6. Maintenance.

Developer recognizes Agency has no authority to accept maintenance responsibility of the [“Improvements/Other Public Improvements”] and therefore does not accept any maintenance obligations for the [“Improvements/Other Public Improvements”].

2.7. Estimated Costs for [“Improvements/Other Public Improvements”] and Not to Exceed Amount.

Developer has estimated the cost of the [“Improvements/Other Public Improvements”] to be [enter amount]. Upon review of the design drawings and plans, Agency is willing to contribute up to [enter amount] towards eligible public improvements (“Actual Eligible Costs”) as demonstrated in Exhibit C attached hereto. This amount shall serve as a not to exceed amount for the cost of the [“Improvements/Other Public Improvements”]. Should Developer construct or install public improvements outside of those included within the [“Improvements/Other Public Improvements”], Developer may seek additional funding from Agency for those additional public improvements.

2.8. Determining Actual Eligible Costs.

Developer is responsible for submitting invoices or receipts for work performed as part of the [“Improvements/Other Public Improvements”] (the “Cost Documentation”) at the time Developer submits to Agency a request for a Certificate of Completion as set forth in the DDA. Cost Documentation shall include the following:

(a) Schedule of values that includes line items for the [“Improvements/Other Public Improvements”] approved by Agency for reimbursement so they are identifiable separate from other line items (“Schedule of Values”).

(b) Invoices from City’s general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. concrete, pavers, benches, historic streetlights, overhead). Invoices shall specify quantities and unit costs of installed materials, and a percentage estimate of how much installed material was used for the [“Improvements/Other Public Improvements”] in comparison to the amount used for the remainder of the Project.

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. In the event Developer defaults in its obligation 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 Agreement 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 reasonable discretion, determine the Actual Eligible Costs following its review of the Cost Documentation and verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation.

If Developer disagrees with Agency's calculation of the Actual Eligible Costs, Developer must respond to Agency in writing within ten (10) days explaining why Developer believes Agency's calculation was in error and providing any evidence to support any such contentions Developer wants Agency to consider. Agency shall respond to Developer within three (3) days with a revised amount for the Actual Eligible Costs or notifying Developer that Agency will not revise the initial amount calculated. Agency shall be reasonable in making its determination of the Actual Eligible Costs.

2.9. Conditions Precedent to Agency's Payment Obligation.

The Agency must have conveyed a leasehold interest in the Site to the Developer, pursuant to the DDA and Ground Lease, before Agency has any obligation to reimburse Developer for the Actual Eligible Costs for the ["Improvements/Other Public Improvements"].

Material failure to comply with all Agreement provisions, following notice and opportunity to cure as provided for herein, shall be a basis for termination of Agency's reimbursement obligation.

2.10. Deadline to Complete Other Public Improvements.

In order to be eligible for any reimbursement for the ["Improvements/Other Public Improvements"] under this Agreement, Developer must complete the Project within the timeframe set forth in the Schedule of Performance of the DDA, as the same may be extended pursuant to the terms of the DDA. Upon written request, Agency may grant extensions in its discretion. If Developer does not complete the Project within the time period set forth in the Schedule of Performance, set forth in the DDA, as the same may be extended pursuant to the terms of the DDA, and this Agreement, Agency shall have no obligation to reimburse Developer for the costs of the ["Improvements/Other Public Improvements"].

2.11. Payment Terms.

Upon completion of the construction of the ["Improvements/Other Public Improvements"] and Agency's issuance of the Certificate of Completion for the Project, Agency shall reimburse Developer for the amount of the Actual Eligible Costs up to, but not exceeding, [enter amount].

In the event Developer is reimbursed for any portion of the Estimated Costs by an entity not party to this Agreement, including any City contribution to the ["Improvements/Other Public Improvements"] the amount of [enter amount] shall be reduced by the exact dollar amount reimbursed to the Developer by that party. Developer shall provide Agency a written report each year beginning on January 1, 2025 and every January 1, thereafter, notifying Agency of any such payment for the previous calendar year. Should Developer fail to provide such report by that date, or should the Agency discover such payment has been made and not reported, Agency shall contact the Developer for such information and report. Should Developer fail to respond to the request, Agency may suspend payments to the Developer until such information is provided. Under no

circumstances shall Developer receive double payment for the costs set forth herein by both Agency and an entity not a party to this Agreement.

The Actual Eligible Costs shall not include any interest component. Agency's payment obligation shall in no event extend beyond the termination of the Amended Plan, which termination may be prior to the Amended Plan termination date of December 31, 2030. Provided, however, should the Agency pursue termination prior to December 31, 2028, the Agency shall make the requisite findings as set forth in Idaho Code §§ 50-2903(5) and 50-2909(4), which includes a determination by the Agency that its obligation in this Agreement can be satisfied upon such termination. Should the Developer construction additional public improvements which are not contemplated in the["Improvements/Other Public Improvements"], the Developer may seek additional reimbursement from the Agency. It shall be the Developer's responsibility to establish that the reimbursement it is seeking is for eligible public infrastructure or for an eligible public benefit. Agency's ability to agree to such reimbursement will be contingent on its determination that such costs are eligible reimbursable costs for public infrastructure or a public purpose. Agency shall be permitted to have all invoices reviewed by a third party to determine reasonableness.

2.12. Indemnification Regarding the Project and Other Public Improvements.

Developer shall indemnify, defend, and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees, which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to Developer's material breach of this Agreement. Notwithstanding the foregoing, Developer shall have no obligation to indemnify and hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the negligence or willful act of Agency or its respective officers, agents, or employees or from conduct resulting in any award of punitive damages against the Agency. In the event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any claims that are covered by Developer's indemnity obligation, Developer, upon written notice from Agency, shall, at Developer's expense, resist or defend such action or proceeding. Developer's obligation to indemnify, defend, and hold harmless includes against any third party who may make a claim for reimbursement by or through Developer pursuant to this Agreement. Agency's reimbursement obligation only extends to Developer and no other party.

2.13. Default.

Section 2.13 shall be limited solely to defaults under this Agreement. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days (ten 10) days in the event of failure to pay money) from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this this Agreement unless such Party, prior to expiration of said 45-day period (ten (10) days in the event of failure to pay money), has rectified the particulars specified in said notice of default. In the event of a default, the non-defaulting Party may do the following:

(a) The non-defaulting Party may terminate the agreement to reimburse Developer for the costs of the set forth in this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the non-defaulting Party.

(b) The non-defaulting Party may seek specific performance of those elements of the reimbursement agreement set forth in this Agreement which can be specifically performed, in addition, recover all damages incurred by the non-defaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.

(c) The non-defaulting 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 non-defaulting Party may pursue all other remedies available at law regarding a default of this Agreement, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the non-defaulting Party.

(e) In the event Developer defaults under the requirements set forth in this Agreement, Agency (the non-defaulting Party) shall have the right to suspend or terminate its payment as set forth in this Agreement, for so long as the default continues and if not cured, Agency's obligation for payment as set forth in this Agreement may be deemed extinguished by Agency in its discretion.

2.14. Miscellaneous.

(a) Capitalized terms used but not defined in this Agreement shall have the meanings assigned to them in the DDA.

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

2.15 Taxes.

Developer shall pay when due all personal property taxes and assessments assessed and levied on Developer's ownership interest of the Project. This provision or covenant shall run with the land and be binding upon Developer's successors. Developer recognizes Agency has no authority or involvement in the assessment, tax, or collection process for ad valorem taxes, including personal property taxes.

2.16 Captions and Headings.

The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

2.17 No Joint Venture or Partnership.

Agency and Developer agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Developer a joint venture or partners.

2.18 Successors and Assignment.

This Agreement is not assignable except that the Developer may assign Developer's rights or obligations under this Agreement to a third party only with the written approval of Agency, at Agency's sole discretion and cannot be unreasonably denied.

2.19 Applicable Law/Attorney Fees.

This Agreement shall be construed and enforced in accordance with the laws of the state of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

2.20 Entire Agreement.

This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A Project Site
Exhibit B Project
Exhibit C Schedule of Eligible Costs

2.21 Antidiscrimination During Construction.

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

2.22 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.

2.23 Government of China Owned Companies Prohibited

The Developer is not currently owned or operated by the government of China and will not for the duration of this Agreement be owned or operated by the government of China.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency:

Urban Renewal Agency of the city of Ketchum,
a public body, corporate and politic

____
By: Susan Scovell
Its: Chair

Date ________________________________

DEVELOPER:

FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

By: First + Washington Holdings LLC, an Idaho limited liability company, its sole member

By: Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, its sole member

By: ________________________________
Steven M. Shafran
President

Attachment B

50090

GROUND LEASE

by and between

The Urban Renewal Agency of the City of Ketchum
also known as the
KETCHUM URBAN RENEWAL AGENCY
("Owner")

and

FIRST + WASHINGTON PROPERTIES LLC
an Idaho limited liability company
("Tenant")

for

FIRST + WASHINGTON

211 East First Avenue
Ketchum, Idaho 83340

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Exhibit B Conceptual Plans for the Project
Exhibit C Project Preference Policy

GROUND LEASE
FOR
FIRST + WASHINGTON

211 EAST FIRST AVENUE
KETCHUM, IDAHO 83340

This Ground Lease for First + Washington (this "**Lease**") is made effective as of the date this Lease is recorded in the real property records of Blaine County, Idaho ("**Effective Date**") by and between the Urban Renewal Agency of the City of Ketchum, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended ("**Law**") ("**Owner**") and First + Washington Properties LLC, an Idaho limited liability company ("**Tenant**").

RECITALS

A. Owner owns the parcel of land that is legally described on Exhibit A (the "**Land**").

B. Tenant desires to lease the Land for redevelopment into a mixed-use project with street-level commercial, parking, and workforce, affordable, rental housing units in a building designed to be energy-efficient and designed to blend into Ketchum's downtown core, as graphically depicted on Exhibit B, and as specifically required by the DDA (as defined below) (the "**Project**" or "**First + Washington**").

C. Owner has authority, pursuant to Idaho Code § 50-2011, to sell, lease or otherwise transfer real property or any interest therein acquired by it for an urban renewal project.

D. Owner pursuant to the provision of the Law, established the 2010 Ketchum Urban Renewal Plan ("**Plan**") for the Revenue Allocation Area of the Ketchum Urban Renewal Agency as recommended by the Agency and adopted by the City of Ketchum ("**City**") on November 15, 2010, and effective November 24, 2010 ("**Project Area**").

E. In accordance with Law, Section 50-2011 – Disposal of Property in Urban Renewal Area, the Owner issued a Request for Proposals ("**RFP**") on May 26, 2022, seeking to initiate a redevelopment project to bring affordable workforce housing to the Project Area in compliance with the Plan through redevelopment of the Land, which could also serve as a catalyst for redevelopment of other properties in the vicinity.

F. The Owner received several proposals, and at a public meeting on November 14, 2022, the Owner discussed the proposals and thereafter met with consensus regarding the proposed rankings and selected the Tenant's proposal to develop an affordable workforce housing project.

G. After selection of the Tenant's proposal the Owner and the Tenant entered into an Agreement to Negotiate Exclusively on January 27, 2023, establishing the process for negotiation of the Development and Disposition Agreement ("**DDA**") which outlines the Tenant's required development of the Project, in exchange for a leasehold interest in the Land. The DDA incorporates this Lease and the terms herein contained. This Lease is also expressly contingent upon the successful implementation of the DDA and the terms and conditions contained therein.

GROUND LEASE

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, the receipt and sufficiency of which are hereby acknowledged, Owner and Tenant agree that the foregoing recitals are true and correct and incorporated herein by this reference, and further agree as follows:

ARTICLE 1 LEASE OF LAND

1.1 **Land Restoration**. Owner agrees to restore the Land to a vacant "bare ground" state that is ready for development of the Project thereon, including (a) abatement and removal of any Hazardous Materials (as defined in Section 15.1) thereon, if any; (b) removal of any existing structures and other improvements on the Land, including any below-grade elements thereof (such as foundations, footings and utilities; (c) restoration of the surface of the Land to a clear, level and rough graded condition (collectively, the "**Land Restoration**"). Owner agrees to use commercially reasonable efforts to complete the Land Restoration on or before [Land Restoration Deadline]. Owner will provide Tenant with a completion notice once the Land Restoration is fully complete and the Land is ready for development of the Project (the "**Completion Notice**").

[Drafting Note: The nature of the Land Restoration obligations remain under discussion.]

1.2 **Lease**. This Lease will be fully effective as of the Effective Date. From the Commencement Date (defined in Article 2), Owner hereby leases the Land to Tenant on the terms hereof. Tenant hereby accepts the lease of the Land from Owner on the terms hereof, and in conjunction with the terms and conditions of the DDA, for as long as the DDA remains in effect. Tenant warrants to Owner that Tenant accepts the Land in its as-is condition without representation or warranty from Owner, except as expressly provided in this Lease. The term "**Leasehold Interest**" refers to Tenant's interest in this Lease and the leasehold estate and all attendant and appurtenant rights, including without limitation, Tenant's rights to all improvements to the Land.

1.3 **Title to the Project**. This Lease is a lease of the Land only, and not the Project. Title to the Project will be and remain in Tenant, the applicable Subtenant(s) or other party that own the Project until the expiration of the Term, unless this Lease shall be terminated sooner as herein provided. During the Term, the owner(s) of the Project alone shall be entitled to all of the tax attributes of ownership with respect to the portion of the Project owned.

1.4 **Owner's Right to Assign**. It is the parties understanding that the Owner anticipates that it will convey its ownership interest in the Land to the City or another public entity prior to the expiration of the Term (as defined below) of this Lease. Concurrent with Owner's transfer of its interest in the Land, Owner shall also assign all interest and rights under this Lease to the transferee. Tenant agrees that it shall continue to be bound by all terms of this Lease subsequent to any assignment of the Land or this Lease by the Owner to the transferee, and that the transferee will act as the Owner's successor and assign.

1.5 **Ground Lease Controls A**. Owner and Tenant acknowledge that the DDA will remain in effect until Owner issues a Certificate of Completion for Construction of Improvements in accordance with Section 11.1 of the DDA (the "**Certificate of Completion**"). While the DDA remains in effect, a material default under the terms of the DDA, after the expiration of any applicable notice and cure period, will constitute a default under the Ground Lease. Upon issuance of the Certificate of Completion, the DDA will no longer have any effect on the Land, the Project or this Lease.

ARTICLE 2 LEASE TERM

The "**Term**" of the Lease will commence on the date that Owner provides the Completion Notice to Tenant (the "**Commencement Date**") and will expire fifty (50) years after the Commencement Date (the "**Expiration Date**").

ARTICLE 3 RENT

For the entire Term, the rent due under this Lease is Fifty Dollars ($50), which Owner acknowledges to have been paid by Tenant in full as of the Effective Date. Owner and Tenant acknowledge that rent is not less (and will not be less) than the determined reuse value of the Land with the Project in accordance with the DDA.

ARTICLE 4 THE PROJECT

Tenant will cause the Project to be constructed on the Land in accordance with this Lease, the DDA, and applicable law. Once the Project is constructed on the Land, Tenant will (or will require Subtenants to) keep the Project in a state of good condition, maintenance and repair, with ordinary wear and tear excepted. Tenant agrees to operate the Project as contemplated in this Lease. Owner agrees that it will not unreasonably restrict, hinder, delay or otherwise prevent the Project from being constructed, absent a material breach of this Lease, by Tenant, or an Event of Default (defined in Section 13.1), that continues beyond any applicable notice and cure period.

Tenant agrees that Tenant will not substantially modify the Project without Owner's prior written approval, which approval will not be unreasonably withheld. Owner further agrees that Owner will only withhold approval if the proposed modification to the Project would constitute a material variance from the following statement of intent: "The Project will be an approximately 4-story high building that will include active ground floor space, rent restricted affordable workforce residential units, amenities, flexible commercial space, and vehicular parking. The flexible commercial space component of the Project includes +/- 3,400 square feet. The flexible commercial space could accommodate office, special interest space, or retail. Active use of the ground floor space is critical. An active use on the ground floor means a use that promotes an active pedestrian environment, provides direct access to the general public from the sidewalk (or other public open space), provides active visual engagement between people in the street and people in the building, and conceals other non-active uses. Active uses include retail, offices, galleries, and personal service establishments."

A material modification to any of the following features of the Project will be considered to be a substantial modification that requires Owner's prior written approval: (a) a change in the mix of unit types (i.e., efficiency, 1-bedroom, 2-bedroom) or unit sizes for each unit type; or (b) a change in the target AMI income ranges identified in in the Project Preference Policy (defined in Section 5.3).

Owner agrees that any of the following modifications will not be deemed to be substantial modifications to the Project governed by this Article (a) any modifications required by applicable law; (b) any modifications reasonably required to maintain the condition of the Project; (c) any repair, replacement or upgrading of building systems, fixtures, equipment or finishes; (d) replacement of movable fixtures, furniture or equipment; (e) any repair or replacement of any elements inside any dwelling unit (e.g., fixtures, equipment, casework, furnishings, finishes or any other elements); and (f) any restoration or rehabilitation of any loss or damage to the Project.

ARTICLE 5 USE OF PREMISES

5.1 **Permitted Uses**. Owner and Tenant agree that the principal purpose of this Lease is (a) to provide Affordable Workforce Housing Units (as defined below) for lease to Qualified Households (as defined below) for a rent that does not exceed the rent limit set forth in Section 5.5 below (collectively, the "Affordable **Workforce Housing Requirement**"); and (c) provide ground floor commercial space for retail, restaurant, office, service and similar users for the benefit of the general public. Accordingly, the Land and the Project will be used primarily for the foregoing principal purpose and other uses that may be incidental thereto or in support thereof, and for no other purposes, except as otherwise approved by Owner.

5.2 **Affordable Workforce Housing Units**. An "**Affordable Workforce Housing Unit**" is each residential dwelling unit in the Project that is designated as being subject to the Affordable Workforce Housing Requirement, which will be all residential dwelling units in the Project. Tenant agrees to market, lease and operate the Affordable Workforce Housing Units on the terms set forth in this Lease.

5.3 **Project Preference Policy**. Tenant will operate the Project and grant preferences in accordance with the Project Preference Policy attached hereto as Exhibit C, as it may be amended from time-to-time (the "**Project Preference Policy**"). The Project Preference Policy is incorporated into this Lease as if fully set forth herein. Any capitalized term not defined in this Lease, and defined in the Project Preference Policy, will have the meaning set forth in the Project Preference Policy.

5.4 **Income Qualification**. Each Affordable Workforce Housing Unit must be occupied (or, if unoccupied, made available for occupancy) by Qualified Households. Tenant will reasonably verify and periodically re-verify that each Qualified Household meets the Gross Income qualification to be a Qualified Household as outlined in the Project Preference Policy, which verification may be by any reasonable method, including the household's production of reasonable evidence of the household's income, and self-certification that income statements provided by the household are true and correct in all material respects. Except as provided in the Project Preference Policy, no change in the Qualified Household's Gross Income will change its status as a Qualified Household or the Qualified Household's AMI Range classification at first occupancy.

5.5 **Rent Limit for Affordable Workforce Housing Units**. In order to maintain Affordable Workforce Housing Units as affordable to workforce tenants, Tenant will charge a fixed monthly Base Rent for each Affordable Workforce Housing Unit that does not exceed thirty percent (30%) of the total Gross Income of the Qualified Household (as reviewed by Tenant) who leases the Affordable Workforce Housing Unit (the "**Base Rent Limit**"). The fixed monthly Base Rent will be set for each Qualified Household (a) at the Qualified Household's application for first occupancy of the Affordable Workforce Housing Unit; (b) upon the renewal of any lease of the Affordable Workforce Housing Unit, if the renewal term is one (1) year; and (c) at least once per calendar year for any lease renewed for a term of less than one (1) year. "**Base Rent**" is the agreed-upon cost that a Qualified Household will pay to the Tenant for the right to occupy an Affordable Workforce Housing Unit. "**Additional Rent**" is any amount to be paid by the Qualified Household to Tenant in addition to the Base Rent for other charges that are not covered by the Base Rent, including but not limited to: (a) any utilities and services that are not included in the Base Rent or Common Area Expenses; (b) fees for any storage units in the Project leased by the Qualified Household, if any; (c) fees for any parking permits to use parking spaces in the Project, if any; (d) a prorated share (as determined by Tenant) of the Common Area Expenses; and (e) any other amounts that may become due from the Qualified Household to Tenant under the terms of the applicable lease (other than Base Rent). The "Common Area Expenses" include all expenses incurred by Tenant in the ordinary

operation and maintenance of the common areas of the Project, including but not limited to utilities and services provided to the Qualified Residents. If the Base Rent Limit for Qualified Household is less than Tenant's minimum rent for the Affordable Workforce Housing Unit occupied or to be occupied by the Qualified Household, then the Base Rent for such Affordable Workforce Housing Unit will be Tenant's minimum rent for such Affordable Workforce Housing Unit. If the Authority publishes any Base Rent, Base Rent Limit, Additional Rent and other calculations different than the foregoing, then Tenant may, but is not required to, use the calculations published by the Authority.

5.6 **Resident Selection and Classification**. Nothing in the Project Preference Policy will require Tenant to lease any Unit, or renew the lease for any Unit, to any Qualified Household that does not meet Tenant's then-current resident screening criteria for the Project, as long as such screening criteria is not inconsistent with the Ground Lease or the Project Preference Policy. Tenant's resident screening criteria may include any lawful screening requirements, including those related to the rental history, employment history and criminal history of any person in the Qualified Household.

5.7 **Annual Reports**. After occupancy of the Project, Tenant will provide Owner with a written report (in any form reasonably requested by Owner) by March 1 of each year that provides reasonable evidence that the Affordable Workforce Housing Units have been leased (or made available for lease) in compliance with this Lease and the Project Preference Policy during the prior calendar year.

5.8 **Commercial Tenants**. Tenant may lease commercial space in the Project (if any) to any party for the occupancy and use thereof (a "**Commercial Tenant**") provided that (a) the lease is subject to the terms of this Lease; (b) the term of the lease will expire prior to the Term; and (c) the uses allowed in the commercial space are permitted in the zoning district, and may be limited to office, retail, restaurant, service and similar uses that are open to the general public. Except as restricted by this Lease, Tenant may lease any commercial space in any lawful manner and on any financial terms as Tenant deems appropriate.

5.9 **Prohibited Uses**. Tenant agrees that it will not permit the Land or the Project for (a) any use that constitutes a public or private nuisance in or around the Land; (b) use that violates applicable law; (c) any industrial use; (d) any use related to the service of automobiles or other self-powered machines (other than electric powered devices such bicycles, skate boards and similar); (e) any dry-cleaner (or other cleaning service that uses solvents similar to dry-cleaning), but a drop-off/delivery/pick-up service is permitted if dry-cleaning is not performed onsite; (f) any 'head' shop or similar operation that sells any paraphernalia related to the use of marijuana, cannabis, tetrahydrocannabinol or other illegal substances; or (g) any use related to the use, sale, cultivation, manufacture, distribution or marketing of any substances if such activities are prohibited by applicable federal, state or local law.

5.10 **No Discrimination**. Tenant covenants to Owner that there will be no discrimination against, or segregation of, any person or group of persons on account of disability, race, color, creed, religion, sex, sexual orientation, gender identity/expression, marital status, ancestry, or national origin in the sublease, transfer, use, occupancy, tenure, or enjoyment of Land or Project, nor shall the Tenant or any person claiming under or through the Tenant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of subtenants, sublessees, or vendees of the Land or Project.

5.11 **Future Use of Excess Revenue**. Owner and Tenant acknowledge that the Project may generate revenue in excess of what may be reasonably required for Tenant: (a) to operate the Project as set

forth in this Lease and otherwise in accordance with prudent industry practices and the requirements of any financing for the Project; (b) to fund reasonable reserves for maintenance, repairs, insurance, debt service and other purposes in accordance with the requirements of any financing for the Project and prudent industry practices ; and (c) to pay all secured and unsecured debt service, including the debt service related to debt incurred by any parent entity for equity contributions to the Project (the "**Excess Revenue**"). Owner acknowledges that Excess Revenue will be distributed to Tenant's sponsoring parent entity (currently, Wood River Community Housing Trust, Inc.) ("**Sponsor**") for reallocation to other workforce housing projects or initiatives that are consistent with its charitable status and charitable purposes, and are in alignment with the then applicable AMI ranges of the Sponsor and Owner's missions. Tenant agrees to cause Sponsor to work with Owner to identify workforce housing projects and programs, and Owner's priorities with respect thereto, to be considered for use of the Excess Revenue. Sponsor will be entitled to use Excess Revenue as Sponsor elects in its discretion; provided, however, unless Owner gives its prior consent: (1) Sponsor will not use Excess Revenue for the development of a physical housing project that is located outside of the limits of the City of Ketchum or the City of Ketchum's Area of City Impact of the City of Ketchum; and (2) Sponsor will not use the Excess Revenue for a program (or a portion of a program) that is primarily intended to benefit persons who do not live or work in the City of Ketchum or the City of Ketchum's Area of City Impact. Sponsor will not be required to use any Excess Revenue for any purpose unless Sponsor reasonably confirms that such expenditure (i) is in furtherance of Sponsor's mission to acquire or develop affordable rental housing for the middle-income workforce; and (ii) is consistent with Sponsor's tax exempt status.

ARTICLE 6 SUBLEASE AND ENCUMBRANCE OF LEASEHOLD ESTATE

[Drafting Note: As Tenant intends to finance development of the Project, this Lease in general, and this Article 6 in particular, remain subject to review and comment by prospective project lenders and their legal counsel.]

6.1 **Tenant's Right to Sublease**. Tenant may, at any time, and without any notice to Owner or any approval of Owner: (a) enter into any residential lease with any resident for occupancy of any Affordable Workforce Housing Unit (a "**Residential Lease**"); (b) enter into any Sublease for any commercial space in the Project to any commercial Subtenant (a "**Commercial Lease")**. Each Residential Lease and each Commercial Lease will be subject to this Ground Lease; and (c) enter into any Sublease for any parking space(s) in the Project to any user (a "**Parking Lease")**. Each Residential Lease, each Commercial Lease and each Parking Lase will be subject to this Ground Lease.

6.2 **Limited Owner's Sublease Consent Rights**. Except for any Residential Lease, any Commercial Lease or any Parking Lease (as set forth in Section 6.1), Tenant agrees that Tenant not enter into any Sublease for space in the Project without Owner's consent, which consent Owner will not unreasonably withhold, condition or delay provided that the subtenant or assignee thereof agrees in writing to be bound by the terms of this Lease with respect to the interest subleased or assigned. Owner's consent rights under this Lease does not apply to (a) the right of any Subtenant to further sublease in accordance with the terms of the Sublease; or (b) the right of any Recognized Interest Holder to exercise any lawful rights as a Recognized Interest Holder.

6.3 **Subleases**. Subject to Owner's consent rights in Section 6.2 (if applicable), Tenant may, at any time, sublease all or any portion of the Leasehold Interest (each, a "**Sublease**"), and in that event, the subtenant of the Sublease (a "**Subtenant**") will perform all of Tenant's obligations, and have all of Tenant's rights, under this Lease with respect to the Leasehold Interest subleased under the Sublease (said Leasehold Interest subleased by the Sublease is hereafter called the "**Subleased**

Property"). For avoidance of doubt, the term Sublease does not include any Residential Lease. A Sublease must specify that the Sublease is limited to the Leasehold Interest, and must have a stated expiration date which is prior to expiration of the Term. Tenant will cause a true, complete and correct copy of the original of each Sublease, together with written notice containing the name and address of the holder Subtenant, to be delivered to Owner within ten (10) days of Tenant's execution and delivery of the Sublease or Leasehold Mortgage. Subject to the terms of this Lease, and the rights of any Recognized Interest Holder (defined in Section 6.5) under any Leasehold Mortgage (defined in Section 6.2), a Subtenant may enforce its rights under its Sublease and take possession of the Leasehold Interest subleased under the Sublease (said Leasehold Interest subleased by the Sublease is hereafter called the "**Subleased Property**"), in any lawful way.

6.4 **Tenant's Right to Encumber**. Tenant may, at any time, encumber all or any portion of the Leasehold by deed of trust, mortgage or other security instrument (collectively, **"Leasehold Mortgage"**). Any Leasehold Mortgage of any part of the Leasehold Interest must be expressly subject and subordinate to the terms of this Lease. Tenant covenants to pay the indebtedness secured by any Leasehold Mortgage when the same will become due and payable, and to perform, when the performance is required, all obligations of the mortgagor thereunder. Tenant further agrees not to suffer or permit any default to occur and continue under any Leasehold Mortgage beyond any applicable cure period. The Leasehold Mortgage will specify that the indebtedness is that of Tenant only and is not the indebtedness of Owner and that the lien of the Leasehold Mortgage is limited to the Leasehold Interest and not the fee title estate. Each Leasehold Mortgage must, by its own terms, have a stated maturity date which is prior to expiration of the Term, and Tenant covenants that it will be so paid and that the Leasehold Interest will be released from the lien prior to the expiration of the Term. Tenant will cause a true, complete and correct copy of the original of each Leasehold Mortgage, together with written notice containing the name and address of the holder thereunder (the **"Mortgagee"**), to be delivered to Owner within ten (10) days of Tenant's execution and delivery of the Mortgage to the Mortgagee. Subject to the terms of this Lease and the Leasehold Mortgage, a Mortgagee may enforce its rights under its Leasehold Mortgage and succeed to the Leasehold Interest encumbered by the Leasehold Mortgage (said Leasehold Interest encumbered by the Leasehold Mortgage is hereafter called the "**Leasehold Mortgage Property**"), in any lawful way, including possession through foreclosure, assignment and/or deed or assignment in lieu of foreclosure, and upon foreclosure of the Leasehold Mortgage or acceptance of an assignment and/or deed in lieu of foreclosure to the leasehold estate, take possession of the Leasehold Mortgage Property subject to the interests of the Project tenants.

6.5 **Owner's Rights**. Owner will not (a) pledge its fee interest in the Land to secure any Sublease or Leasehold Mortgage; (b) subordinate the fee interest to the rights of any Subtenant or Mortgagee; or (c) assume in any manner any liability of Tenant under any Sublease or Leasehold Mortgage. The Sublease must specify that the Sublease is limited to the Leasehold Interest. The Sublease must, by its own terms, have a stated expiration date which is prior to expiration of the Term. Tenant will cause a true, complete and correct copy of the original of each Sublease or Leasehold Mortgagee, together with written notice containing the name and post office address of the holder thereunder, to be delivered to Owner within ten (10) days of Tenant's execution and delivery of the Sublease or Leasehold Mortgage. No foreclosure of any Leasehold Mortgage or any other encumbrance on the Project, and no deed in-lieu-of foreclosure, and no other exercise of any right or remedy that results in the Tenant no longer having title to the Project, will impair the Owner's interest in the Land, this Lease or Owner's rights under this Lease.

6.6 **Notices to Recognized Interest Holder**. Any Mortgagee may give notice to Owner of its name and address (who is sometimes referred to herein as a "**Recognized Interest Holder**") in the manner provided in this Lease, and if the notice is given, Owner will give to the Recognized Interest

Holder a copy of each notice of default given pursuant to Section 13.1 by Owner to Tenant (the "**Owner Notice**") at the same time as and whenever any Owner Notice will thereafter be given by Owner to Tenant, addressed to the Recognized Interest Holder at its address last furnished to Owner (the "**Holder Notice**"). No notice by Owner to Tenant hereunder will be deemed to have been duly given unless and until a copy thereof has been served on the Recognized Interest Holder in the manner provided in this Lease. Owner agrees that a Commercial Tenant may become a Recognized Interest Holder with Owner's approval, which approval will not be unreasonably withheld, conditioned or delayed.

6.7 **Recognized Interest Holder Provisions**. Owner agrees that it will not accept the surrender of the Land by Tenant prior to the termination of this Lease, or consent to the modification of any term of the Lease which materially alters the rights and obligations of the parties hereunder, or consent to the termination thereof by Tenant, without the prior written approval of each Recognized Interest Holder in each instance, which approval will not be unreasonably withheld, conditioned or delayed. Owner further agrees that it will not seek to terminate the Lease or Tenant's right of possession thereunder by reason of any act or omission of Tenant until:

(1) Owner has given to each Recognized Interest Holder a copy of the Owner Notice with respect to the Event of Default, as defined hereafter in Section 13.1, upon which the proposed termination is based;

(2) after the expiration of all applicable notice and grace periods set forth under the Lease or any Leasehold Mortgage with respect to the Event of Default (a **"Lease Default"**), Owner will have given written notice to each Recognized Interest Holder of the failure of Tenant to cure the Lease Default. The Holder Notice will be sent by certified mail, return receipt requested or by a nationally recognized commercial overnight delivery service to the address designated in writing to Owner by each Recognized Interest Holder (or any other address as may hereinafter be designated in writing to Owner by each Recognized Interest Holder); and

(3) a reasonable period of time will have elapsed following the receipt of the Holder Notice, during which period any Recognized Interest Holder will have the right, but will not be obligated, to remedy the Lease Default, Owner agreeing to accept any remedy by any Recognized Interest Holder as if the same had been performed by Tenant.

As used herein, a reasonable period of time will be 60 days if the Lease Default can be remedied during the 60 day period; provided, however, if the Lease Default cannot be remedied during the 60 day period, then the period of time as is necessary to remedy the Lease Default, provided any Recognized Interest Holder has commenced to cure the Lease Default within the 60 day period and continues to diligently prosecute the same. Any default that, by its nature, is not capable of being cured by Recognized Interest Holder (including, but not limited to, any default that Recognized Interest Holder does not have the clear right and power to cure under the applicable Leasehold Mortgage and applicable) will be deemed cured whether or not the default is cured, but as to Recognized Interest Holder only and not as to Tenant. Further:

(a) Owner will accept performance by any Recognized Interest Holder of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(b) If the Recognized Interest Holder is a Mortgagee, then the time for the Recognized Interest Holder to cure any Lease Default by Tenant which reasonably requires that the Recognized

Interest Holder be in possession of the Leasehold Mortgage Property to do so, will be deemed extended to include the period of time required by the Recognized Interest Holder to obtain the possession or obtain Tenant's interest in the Leasehold Mortgage Property (by foreclosure or otherwise) with due diligence; provided, however, that the Recognized Interest Holder will have delivered to Owner its written commitment to cure outstanding Lease Defaults reasonably requiring possession of the Leasehold Mortgage Property and which are capable of being cured by the Recognized Interest Holder (which commitment may be revoked by Recognized Interest Holder by written notice to Owner); and further provided, however, that during the period all other obligations of Tenant under this Lease are being duly performed to the extent that the other obligations are capable of being performed by the Recognized Interest Holder, including but not limited the payment of rent and other monetary obligations due Owner.

(c) The provisions of this Section 6.7 are for the benefit of each Recognized Interest Holder and may be relied upon and will be enforceable by each Recognized Interest Holder and their respective successors and assigns. Neither a Recognized Interest Holder nor any other holder or owner of the indebtedness secured by a Leasehold Mortgage or otherwise will be liable upon the covenants, agreements or obligations of Tenant contained in this Lease, unless and until the Recognized Interest Holder or that holder or owner acquires the interest of Tenant, and then only to the extent set forth in this Section 6.7. Owner and Tenant agree to execute the documentation reasonably requested by a Recognized Interest Holder consistent with the terms and provisions of this Article 6.

(d) Anything herein contained to the contrary notwithstanding, the provisions of this Section 6.7 will inure only to the benefit of all Recognized Interest Holders and their respective successors and assigns. If more than one the Mortgagee (one the Mortgagee being intended to include multiple mortgagees holding a single mortgage or deed of trust) will make written requests upon Owner for a new ground lease in accordance with the provisions of this Section, the new ground lease will be entered into pursuant to the request of the Recognized Interest Holder whose Leasehold Mortgage will be prior in lien thereto according to the records of Blaine County and thereupon the written requests for a new ground lease of each person junior in priority will be deemed to be void and of no force and effect.

6.8 Other Miscellaneous Provisions Concerning Leasehold Mortgages

(a) At Tenant's request, Owner will execute a written agreement with a Recognized Interest Holder in which Owner agrees that it consents to the granting of the Sublease or Leasehold Mortgage and that Owner will not disturb the tenancy or rights of the Recognized Interest Holder (its successors or assigns and any subsequent purchaser) so long as the Recognized Interest Holder (its successors or assigns and subsequent purchaser) cures any existing defaults as required herein and commits no default beyond the applicable notice and curative periods hereunder and is otherwise in full compliance with the terms of this Lease. Additionally, Owner will execute the other documentation reasonably requested to confirm the rights of a Recognized Interest Holder hereunder; provided, under no circumstances will Owner be responsible for the payment of the debt secured by the Leasehold Mortgage, and in no event will Owner's fee simple estate in the Land, including Owner's reversionary interest in the Project be subject or subordinate to any Sublease or the lien of the Leasehold Mortgage. Should the Recognized Interest Holder elect not to cure, or be unable to cure, any Lease Default by Tenant, then Owner may pursue any and all legal remedies against Tenant under this Lease and applicable law; provided, however, notwithstanding anything

to the contrary in this Lease, as long as any Leasehold Mortgage remains in effect, in no event will Owner have the right to exercise any remedy that would terminate this Lease or cause Owner to obtain its reversionary interest in the Project.

(b) Owner agrees that it will promptly make the reasonable amendments or modifications of the Lease as are requested by any Recognized Interest Holder, provided that there will be no adverse change in any of the substantive rights, duties or obligations of Owner under this Lease, including the provisions of this Lease regulating the use and occupancy of the Project, and the rents that may be charged to Qualified Households. The preceding sentence is effective regardless of the fact that the Recognized Interest Holder may make the request prior to the execution of the applicable Sublease or Leasehold Mortgage; in that event, said amendments or modifications to the Lease will become effective as of the execution of the Sublease or Leasehold Mortgage.

ARTICLE 7 TAXES

From and after the Commencement Date and continuing thereafter during the Term, Tenant will pay or cause to be paid all real and personal property taxes, general and special assessments, and all other charges, assessments and taxes of every description, levied on or assessed against the Land, the Project and other improvements located on the Land. Tenant will make all payments directly to the appropriate charging or taxing authority before delinquency. If, however, the law expressly permits the payment of any or all of the above items in installments (whether or not interest accrues on the unpaid balance), Tenant may, at Tenant's election, utilize the permitted installment method, but will pay each installment before delinquency. All payments of taxes or assessments will be prorated for the year in which this Lease commences and for the year in which the Lease terminates. Tenant will have the right to contest or review by legal proceedings, as permitted under applicable law, any assessed valuation, real estate tax, or assessment; provided that, unless Tenant has paid the tax or assessment under protest, Tenant will furnish to Owner (i) proof reasonably satisfactory to Owner that the protest or contest may be maintained without payment under protest, and (ii) a surety bond or other security reasonably satisfactory to Owner securing the payment of the contested item or items and all interest, penalty and cost in connection therewith upon the final determination of the contest or review. Any amount already paid by Tenant and subsequently recovered by Owner or Tenant as the result of the contest or review will be for the account of Tenant.

Owner understands that Tenant's ability to achieve the affordability contemplated by this Lease depends, in part, on the exemption of the Land, the Project and other improvements located on the Land from property taxes. In the event Land, the Project and other improvements located on the Land are subject to property taxation, despite Tenant's efforts to seek exemptions therefrom, and Tenant is required to pay such taxes, then Owner agrees that Tenant may increase the income limits and/or rents set forth in this Lease, to the extent allowed by applicable law, as reasonably necessary to generate additional income to pay such taxes, including reasonable reserves for such purposes required by any lender with respect to the Project and prudent industry practices.

ARTICLE 8 MAINTENANCE AND REPAIR

Tenant agrees that it will, at its own expense, maintain or cause to be maintained the entire Land, the Project and any other improvements and appurtenances thereto and every part thereof, in good order, condition and repair and in accordance with applicable law. Subject to the terms and conditions of any Leasehold Mortgage, in the event any repairs required to be made under the provisions of this Lease are not made within thirty (30) days after written notice from Owner to do so (provided, however, the 30-day period will be extended if the repairs reasonably require more than 30 days to complete, and Tenant is making completion efforts with reasonable diligence), then Owner may, at its option, enter upon the Land and repair

the same, and the cost and expense of the repairs, with interest at the applicable legal rate will be due and paid by Tenant to Owner upon demand. Nothing herein will require Tenant to make capital repairs or replacements of any systems or equipment in the Project during the last three (3) years of the Lease; provided that, without such capital replacements, the Project meets the applicable occupancy standards without such capital replacement and failure to make such capital repairs will not damage or harm the Project.

ARTICLE 9 MECHANICS' LIENS

Tenant will not suffer, create or permit any mechanic's liens or other liens to be filed against the fee interest of Owner in the Land or Project by reason of any work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding the Land or any part thereof through or under Tenant. If any mechanic's or laborer's liens or materialman's lien will be recorded against the Land or the Project, then within sixty (60) days after notice of the filing thereof, or fifteen (15) days after Tenant is served with a complaint to foreclose said lien or Owner advises Tenant in writing that Owner has been served with the complaint, whichever is earlier, Tenant will use commercially reasonable efforts to cause the lien to be removed, or will transfer the lien to bond for the benefit of Owner pursuant to applicable law. If Tenant in good faith desires to contest the lien, Tenant will be privileged to do so, but in that case Tenant agrees to, defend, indemnify and save Owner harmless from all liability for damages, including attorneys' fees and costs, occasioned thereby and will, in the event of a judgment of foreclosure upon any mechanic's, laborer's or materialman's lien, cause the same to be discharged and removed prior to the execution of the judgment.

ARTICLE 10 CONDEMNATION

[Drafting Note: Subject to review and comment by prospective project lenders and their legal counsel.]

10.1 **Interests of Parties on Condemnation**. If the Land or any part thereof will be taken for public purpose by condemnation as a result of any action or proceeding in eminent domain, or will be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, the interests of Owner, Tenant and any Recognized Interest Holder in the award or consideration for the transfer, and the allocation of the award and the other effect of the taking or transfer upon this Lease, will be as provided by this Article 10.

10.2 **Total Taking**. If the entire Land is taken, then (a) the right of Tenant and each Subtenant to possess the Land under this Lease will terminate on the date title to the Land vests in the condemning authority; and (b) this Lease will terminate after Tenant and each Recognized Interest Holder has received all amounts that it may be entitled to receive with respect to the taking.

10.3 **Partial Taking**.

(a) In the event of taking or transfer of only a part of the Land, leaving the remainder of the Land in a location, form, shape or reduced size as to be not effectively and practicably usable in the good faith opinion of Tenant (and each Subtenant, if any) for the operation thereon of the Project, taking into consideration the effect, if any, of the taking on the availability of parking proximately located to the Project, and if Owner and any Recognized Interest Holder agrees with the determination of the Tenant (and each Subtenant, if any), which consent will not be unreasonably withheld, this Lease and all right, title and interest thereunder may be terminated by Tenant (and each Subtenant, if any) giving, within sixty (60) days of the occurrence of the event, thirty (30) days' notice

to Owner and any Recognized Interest Holder of Tenant's (and each Subtenant's, if any) election to terminate.

(b) In the event of a taking of only a part of the Land leaving the remainder of the Land in a location, form, shape or reduced size as to be used effectively and practicably in the good faith opinion of Tenant (and each Subtenant, if any) for the purpose of operation of the Project therein, and if Owner and any Recognized Interest Holder agrees with the determination of Tenant (and each Subtenant, if any), which consent will not be unreasonably withheld, this Lease will terminate only as to the portion of the Land so taken or transferred as of the date title to the portion vests in the condemning authority, and will continue in full force and effect as to the portion of the Land not so taken or transferred. If title and possession of a portion of the Land is taken under the power of eminent domain, and the Lease continues as to the portion remaining, all compensation and damages ("**Compensation**") payable to Tenant (or the applicable Subtenant, if any) by reason of any improvements so taken will be available to be used, to the extent reasonably needed, by Tenant (or the applicable Subtenant, if any) in replacing any improvements so taken with improvements of the same type as the remaining portion of the Land.

10.4 **Allocation of Award**. Any Compensation awarded or payable because of the taking of all or any portion of the Land by eminent domain will be awarded in accordance with the values of the respective interests in the Land and all improvements thereon immediately prior to the taking. The value of Owner's interest in the Land immediately prior to a taking will include the then value of its interest in the Land prior to the Expiration Date of this Lease, together with the value of its reversionary interest in the Land and Project after the Expiration Date. The value of Tenant's interest in the Land immediately prior to a taking will include the then value of its interest in the Land and Project for the remainder of the Term. The values will be those determined in the proceeding relating to the taking or, if no separate determination of the values is made in the proceeding, those determined by agreement between Owner, Tenant and any affected Recognized Interest Holders. If the agreement cannot be reached, the values will be determined by an appraiser or appraisers appointed in the manner by agreement of the parties to the dispute, or if no agreement is reached within a reasonable period of time, then an appraiser or appraisers appointed by an arbitrator appointed under Idaho Uniform Arbitration Act. In the event of separate awards, then each party may retain the separate awards made to each and any of them. To the extent any outstanding amount under any Leasehold Mortgagee exists, then the outstanding balance of the Leasehold Mortgage will be satisfied first from Tenant's award or share of the award, and if the share is insufficient, then Tenant will pay the balance from its own resources.

10.5 **Voluntary Conveyance**. Any voluntary conveyance by Owner under threat of a taking under the power of eminent domain in lieu of formal proceedings will be deemed a taking within the meaning of this Article 10.

10.6 **No Interest in Land**. Tenant acknowledges that Tenant has no interest in the Land other than Tenant's interest in this Lease, and in the event of any taking of Owner's interest in the Land, Tenant agrees that Tenant will not be entitled to any part of Owner's interest in the Land, other than Tenant's interest in this Lease.

ARTICLE 11 INSURANCE AND INDEMNIFICATION

11.1 **Comprehensive Liability Insurance**. Tenant will, at its cost and expense, at all times during the Term, maintain in force, for the joint benefit of Owner, Tenant, and all Recognized Interest Holders, a commercial general liability insurance policy or its equivalent issued by a carrier licensed to do

business the State of Idaho with a Best's Insurance Guide Rating of A+, by the terms of which Owner, Tenant, and all Recognized Interest Holders, are named as insureds or additional insureds, as the case may be, and are indemnified against liability for damage or injury to the Land or person (including death) of any person entering upon or using the Land or the Project. The insurance policy or policies will be maintained on the minimum basis of $2,000,000.00 for damage to property and for bodily injury or death as to any person, and $2,000,000.00 as to any one accident. Owner reserves the right to require reasonable increases in the limits of coverage from time to time during the Term; and the requested increase will be deemed reasonable if consistent with commercially reasonable practices for similar projects in the same geographic area. The insurance policy or policies will be stated to be primary and noncontributing with any insurance which may be carried by Owner. Evidence of said insurance will be delivered to Owner on the Commencement Date, and evidence of renewal will be delivered to Owner not less than fifteen (15) days prior to the renewal date of any insurance policies during the Term. In the event Tenant fails to timely pay any premium when due, Owner will be authorized, but not obligated, to do so, and may charge all costs and expenses thereof, including the premium and interest at the maximum rate allowed by law, to Tenant, to be paid by Tenant.

11.2 **Fire and Extended Coverage Property Insurance**. Tenant will, at its cost and expense and at all times during the Term, maintain in force, for the joint benefit of Owner, Tenant and all Recognized Interest Holders, a policy of insurance against loss or damage to the Project by fire and lightning, and the other perils as are covered under a "Cause of Loss-Special Form" policy or equivalent together with the broadest form of the "extended coverage" or "all risk" endorsements, or equivalent, available in Idaho on commercially reasonable terms, including damage by wind storm, hurricane, explosion, smoke, sprinkler leakage, vandalism, malicious mischief and any other risks as are normally covered by the endorsements. Flood and earthquake coverage will be at Tenant's option. Owner will be named as an additional insured on the policy of insurance, and any Recognized Interest Holder will be named as required by the Sublease or Leasehold Mortgage, and subject to terms of the Sublease or Leasehold Mortgage any insurance proceeds will be applied in the manner as set forth in this Lease. The insurance will be carried and maintained to the extent of full (actual) replacement cost of the Project; provided however, that during the period of construction, Tenant will provide or cause to be provided in lieu thereof builders' risk or similar type of insurance to the full replacement costs thereof. The insurance policy or policies will be stated to be primary and noncontributing with any insurance which may be carried by Owner. Evidence of said insurance will be delivered to Owner on the Commencement Date. Evidence of renewal will be delivered to Owner not less than fifteen (15) days prior to the renewal date of any insurance policies during the Term. In the event Tenant fails to timely pay any premium when due, Owner will be authorized, but not obligated, to do so, and may charge all costs and expenses thereof, including the premium and interest at Owner's Interest Rate, to Tenant, to be paid by Tenant as additional rent hereunder. Owner will have no obligation to obtain insurance for the benefit of Tenant.

11.3 **Evidence of Insurance**. Evidence of the required liability insurance will be delivered to Owner on the Commencement Date. Evidence of the required property insurance will be delivered to Owner prior to construction of the Project. Evidence of renewal will be delivered to Owner not less than fifteen (15) days prior to the renewal date of any insurance policies during the Term. In the event Tenant fails to timely pay any premium when due, Owner will be authorized, but not obligated, to do so, and may charge all costs and expenses thereof, including the premium and interest at Owner's Interest Rate, to Tenant, to be paid by Tenant as additional rent hereunder. Owner will have no obligation to obtain insurance for the benefit of Tenant.

11.4 **Waiver of Subrogation**. Owner and Tenant and all parties claiming under them mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by the casualty and liability insurance to be carried on the Project, the Land or in connection with any improvements on or activities conducted on the Land and the Project, and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof, and evidence the waiver by endorsement to the required insurance policies, provided that the release will not operate in any case where the effect is to invalidate or substantially increase the cost of the insurance coverage (provided that in the case of increased cost, the other party will have the right, within thirty (30) days following written notice, to pay the increased cost, thereby keeping the release and waiver in full force and effect).

11.5 **Indemnification**. Tenant (and each Subtenant, but only with respect to the Subleased Property) hereby agrees to indemnify, defend and save Owner harmless from and against any third-party claims, losses, damages and expense (including attorneys' fees and costs through litigation and all appeals) in connection with the loss of life, personal injury and damage to property caused by (a) any occurrence in, upon, at or about the Land or Project; (b) the occupancy, use, construction upon and maintenance of the Land and Project by Tenant (or the applicable Subtenant), and its guests and invitees, and any party acting by, through or under any of them; and (c) any wrongful or negligent act or failure to act by Tenant (or the applicable Subtenant) or its employees, agents or contractors. Nothing contained herein will be construed to make Tenant or any Subtenant liable for any injury or loss caused by the negligence, gross negligence or willful misconduct of Owner or any agent or employee of Owner.

ARTICLE 12 DAMAGE AND DESTRUCTION

[Drafting Note: Subject to review and comment by prospective project lenders and their legal counsel.]

12.1 **Tenant's Duty to Restore Property**. If any buildings or improvements now or hereafter on the Land are damaged and/or destroyed in whole or in part by fire, theft, the elements, or any other cause, this Lease will continue in full force and effect, and Tenant, at its sole cost and expense, will have the right to repair and restore the damaged or destroyed Project in any manner permitted by this Lease or any Leasehold Mortgage. The work of repair and restoration will be commenced by Tenant as soon as reasonably possible, with due consideration given to, among other things, clearing of damaged portions of the Land and site preparation, adjustment of insurance claims, redesign, rebidding and repermitting, obtaining a new loan or loans for construction or repair. Tenant will proceed diligently to commence repairs and restoration. Once construction has commenced, Tenant will proceed diligently thereafter to complete the construction or repair, subject to reasonable delays due to force majeure events or events beyond the reasonable control of Tenant. Tenant will not be responsible for delays caused by force majeure events or for reasons beyond the reasonable control of Tenant.

12.2 **Option to Terminate Lease for Destruction**. Notwithstanding Section 12.1 above, and subject to the terms and conditions of any Leasehold Mortgage, if the Project is damaged or destroyed by fire, theft or any other casualty, then Tenant will have the option of terminating this Lease by at least sixty (60) days' prior written notice of Tenant's intent to do so, If Tenant elects to terminate this Lease, then Tenant will also be required to remove, at Tenant's own expense, all debris and remains of the damaged portion of the improvements (but not any undamaged portion of the improvements) from the Land.

ARTICLE 13 DEFAULTS AND REMEDIES

13.1 **Defaults**. Each of the following events will constitute an "**Event of Default**":

13.1.1 Tenant's abandonment of the Land, or the improvements now or hereafter constructed thereon, where the abandonment continues for a period of sixty (60) days after notice thereof by Owner to Tenant;

13.1.2 Tenant's failure to proceed with construction of the improvements as required by this Lease and the DDA, or the substantial suspension of such construction, for a period of sixty (60) days after written notice from the Owner (excluding any failure to proceed or suspension that is reasonably necessary to address casualty events or force majeure events);

13.1.3 Tenant's transfer or Tenant's sufferance of any involuntary transfer of the Project or any part thereof in violation of this Lease;

13.1.4 Any violation of the Affordable Workforce Housing Requirements or use restrictions set forth in this Lease; provided, however, as to any violations of the use restrictions by any Subtenant, tenant or occupant of the Project, then Tenant's only obligation is to take reasonable action to stop the violation by the Subtenant, tenant or occupant promptly after receipt of written notice from Owner specifying the violation of the use restriction. The reasonable action may include legal or equitable actions to enforce the use restrictions against the Subtenant, tenant or occupant; provided, however, Tenant will not be obligated to pursue the termination of any Sublease or the eviction of the Qualified Household if, in Tenant's reasonable judgement, the termination or eviction is inconsistent with other applicable law.

13.1.5 Tenant's failure to pay any monetary obligations of any nature whatsoever required to be paid by Tenant under this Lease when due and payable;

13.1.6 Tenant's failure to observe or perform any other material covenants, conditions or agreements under this Lease.

13.2 **Notice and Right to Cure**. As to any Event of Default occurring under this Lease, Tenant will have thirty (30) days after written notice is given by Owner specifying the nature of the default to cure the default; provided, however, that if after exercise of due diligence and its best efforts to cure the non-monetary default Tenant is unable to do so within the thirty (30) day period, then the curing period will be extended for the reasonable time as may be reasonably approved by Owner for curing the default, so long as Tenant continues to diligently prosecute to completion the curing of the default.

13.3 **Remedies**. If any default by Tenant will continue uncured upon expiration of the applicable curing period, then subject to the rights of any Mortgagee or Subtenant under this Lease, Owner may, at Owner's election, terminate this Lease by notice to Tenant. All Tenant's rights in the Land, the Project and in all improvements will terminate upon termination of this Lease. Promptly after any termination, Tenant will surrender and vacate the Land and the Project, and Owner may re-enter and take possession of the Land and the Project, subject to (a) any Subleases where the Subtenant is not in default beyond any applicable cure period; and (b) any leases authorized pursuant to Article 5, all of which will remain in full force and effect; Termination under this paragraph will not relieve Tenant from the payment of any sum then due to Owner, or from any claim for damages

previously accrued, or then accruing, against Tenant. Owner will utilize commercially reasonable efforts to mitigate damages in case an Event of Default will occur.

ARTICLE 14 SURRENDER AND REMOVAL

Upon any termination of the Term, Tenant will surrender possession of the Land and all improvements constructed and installed thereon. Tenant may remove, or cause to be removed, all personal property, trade fixtures and equipment of Tenant, other than permanent fixtures, from the Land within thirty (30) days after the date of any termination of this Lease; thereafter all personal property, trade fixtures and equipment not removed will belong to Owner without the payment of any consideration.

ARTICLE 15 HAZARDOUS MATERIALS

15.1 **Definition**. **"Hazardous Materials"** means any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive or corrosive, including, without limitation, petroleum, PCBs, asbestos, materials known to cause cancer or reproductive problems and those materials, substances and/or wastes, including infectious waste, medical waste, and potentially infectious biomedical waste, which are or later become regulated by any local governmental authority, the State of Idaho or the United States Government, including substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; all corresponding and related State of Idaho and local statutes, ordinances and regulations, including without limitation any dealing with underground storage tanks; and in any other environmental law, regulation or ordinance now existing or hereinafter enacted (collectively, **"Hazardous Materials Laws"**).

15.2 **Use of Property by Tenant**. Tenant (and each Subtenant, but only with respect to the Subleased Property) hereby agrees that it and its employees, representatives, agents, contractors, subcontractors, tenants, subtenants and any other occupants of the Land (for purpose of this Section 15.2, referred to collectively herein as **"Occupants"**) will not use, generate, manufacture, process, store or dispose of, on, under or about the Land except in compliance with applicable Hazardous Materials Laws, e.g., Occupants of the Project will have the right to use and store reasonable quantities of Hazardous Materials at the Project used by Tenant as cleaning and office supplies.

15.3 **Indemnification by Tenant**. Tenant (and each Subtenant, but only with respect to its Subleased Property) will indemnify, defend and hold Owner harmless from any claims, damages, losses or expenses (including reasonable attorneys' fees and costs through litigation and all appeals) resulting from death of or injury to any person, or damage to any property, or government mandated remediation plans, arising from or by (a) Tenant's (or Subtenant's, as applicable) failure to comply with any Hazardous Materials Laws with respect to the Land, or (b) a breach of any covenant, warranty or representation of Tenant (or Subtenant, as applicable) under this Article 15. The foregoing indemnification by Tenant and each Subtenant will not extend to Hazardous Materials on, in or about the Land prior to prior to the Commencement Date.

ARTICLE 16 REPRESENTATIONS AND WARRANTIES

16.1 **By Owner**. Owner makes the following representations and warranties to Tenant: (a) Owner is duly organized and existing under the laws of its state of origin and has all requisite legal power

and authority to execute, deliver and perform this Lease; (b) the execution, delivery and performance by Owner of this Lease have been duly authorized by all requisite entity action of Owner and there is no provision in its charter documents requiring further consent by any other person or entity; (c) this Lease constitutes the legal, valid and binding obligation of Owner, enforceable against Owner in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization, moratorium or similar laws affecting or limiting creditors' rights generally or by equitable principles relating to enforceability; (d) Owner has fee title to the Land and there are no liens or encumbrances against the Land except as permitted under this Lease; and (e) Owner will not during the Term of the Lease cause or suffer any lien, claim or encumbrances to exist against the Land by or through Owner, except as permitted by this Lease; (f) as long as Tenant is not in material default of this Lease (beyond any applicable cure period), Tenant will quietly hold, occupy and enjoy the Land during the Term without hindrance of Owner or any person claiming by, through or under Owner; and (g) Owner will cooperate with Tenant as reasonably necessary for Tenant to enjoy the benefits of this Lease, including executing any applications, consents or other instruments that are required (by applicable law or otherwise) to be executed by the fee simple owner of the Land, including any entitlement, subdivision or development applications.

16.2 **By Tenant**. Tenant makes the following representations and warranties to Owner: (a) Tenant is duly organized and existing under the laws of its state of origin and has all requisite legal power and authority to execute, deliver and perform this Lease; (b) the execution, delivery and performance by Tenant of this Lease have been duly authorized by all requisite entity action of Tenant and there is no provision in its charter documents requiring further consent by any other person or entity; (c) this Lease constitutes the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization, moratorium or similar laws affecting or limiting creditors' rights generally or by equitable principles relating to enforceability; (d) Tenant has inspected the Land and accepts the Land in its as-is condition, except for Owner's representations, warranties and covenants under this Lease; and (e) Tenant will not during the Term of the Lease cause or suffer any lien, claim or encumbrances to exist against the Land by or through Tenant, except as permitted by this Lease.

ARTICLE 17 NOTICES

Unless otherwise specifically required by this Lease or applicable law, any notices, approvals, consents or other communications required or permitted by this Lease or by applicable law to be served on, given to, or delivered to any party to this Lease must be writing and will be deemed duly served, given, delivered and received only when actually received by the receiving party (or delivery is refused by the receiving party). Delivery may be by any reasonable method. Each party agrees to give notice to the other parties of its address and any change of its address for the purpose of this section by giving written notice of the change to the other party in the manner herein provided. If any party fails to provide a current address for notices, then the other parties may serve notices to the then current address for the other party (or its registered agent) in the records of the Idaho Secretary of State or the records of the Blaine County Assessor. If Owner is the Ketchum Urban Renewal Agency or the City of Ketchum, then such Owner may update its notice address by public notice.

ARTICLE 18 GENERAL PROVISIONS

18.1 **Survival of Indemnities**. All representations, warranties and indemnities of Owner, Tenant and each Subtenant under this Lease will survive the expiration or sooner termination of this Lease.

18.2 **Unavoidable Delay; Force Majeure**. If either party will be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, strikes, lockouts, labor troubles, pandemics, epidemics, inability to procure materials, restrictive governmental laws, or regulations or other cause, without fault and beyond the reasonable control of the party obligated, performance of the act will be excused for the period of the delay; and the period for the performance of any act will be extended for a period equivalent to the period of the delay.

18.3 **Interpretation**. Time is of the essence of any obligation where time is a factor. The use herein of any gender includes all other genders, and the use of the singular number includes the plural and vice-versa, whenever the context so requires. Captions in this Lease are inserted for convenience of reference only and do not define, describe or limit the scope or the intent of this Lease or any of the terms hereof. The word “including” will be construed without limitation, as if the words “but not limited to” appear immediately after. The words shall, will and must have the same meaning, which is mandatory. This Lease will not be construed in favor of any party hereto, but to be construed fairly and broadly toward effectuating the purposes hereof. If any term, provision, covenant or condition of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will remain in full force and effect and will in no way be affected, impaired or invalidated. For purposes of this Lease, the parties to this Lease includes Owner and Tenant, and if applicable, any Subtenant in possession of a Subleased Property, but only with respect to the Subleased Property.

18.4 **Entire Agreement**. This Lease and the DDA contain the entire agreement between the parties regarding the subject matter hereof. Any other oral or written representations, agreements, understandings and/or statements will be of no force and effect.

18.5 **Waiver; Amendment**. No modification, waiver, amendment, discharge or change of this Lease will be valid unless the same is in writing and signed by the party against which the enforcement of the modification, waiver, amendment, discharge or change is or may be sought. Owner and Tenant agree that they will not amend this Lease with respect to any Subleased Property without the prior written consent of the Subtenant thereof.

18.6 **Attorney’s Fees**. If either party retains an attorney to enforce or interpret this Lease, the prevailing party will be entitled to recover reasonable attorneys’ fees and litigation costs incurred through litigation, bankruptcy proceedings and all appeals.

18.7 **Governing Law**. This Lease will be construed and enforced in accordance with the laws of the State of Idaho.

18.8 **Binding Effect**. This Lease will bind, and inure to the benefit of, the parties and their respective successors and permitted assigns.

18.9 **Assignment**. Tenant may not sublease, assign or otherwise convey any of its interest in this Lease or the Leasehold Interest, other than as expressly permitted in this Lease, without the prior written consent of Owner, which consent Owner will not unreasonably withhold, condition or delay provided that the subtenant or assignee thereof agrees in writing to be bound by the terms of this Lease with respect to the interest subleased or assigned. Unless otherwise set forth in Owner’s consent or other instrument executed by Owner, no sublease, assignment or other conveyance or transfer of Tenant’s interest in this Lease or the Leasehold Interest will release Tenant from its obligations under this Lease, and Tenant will remain fully liable for all obligations of Tenant under this Lease.

18.10 **Estoppel Certificates**. Either party will execute, acknowledge and deliver to the other party, within twenty (20) days after the request by the other party, a statement in writing certifying, if it is the case, that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified); the date of commencement of this Lease; the dates for which the rent and other charges have been paid; any alleged defaults and claims against the other party; and providing any other information as may be reasonably requested.

18.11 **Waiver of Trial by Jury**. EXCEPT AS OTHERWISE PROVIDED BY LAW, OWNER AND TENANT MUTUALLY, EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY FOR ANY PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, OR ANY CONDUCT OR COURSE OF DEALING OF THE PARTIES, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PERSONS. THIS WAIVER IS A MATERIAL INDUCEMENT TO OWNER TO ACCEPT DELIVERY OF THIS LEASE.

18.12 **Property Managers**. All duties and obligations of Tenant under this Lease may be performed by any property manager(s) retained by Tenant.

[end of text; counterpart signature pages follows]

COUNTERPART SIGNATURE PAGE

DATED effective as of the Effective Date.

Owner: The Urban Renewal Agency of the City of Ketchum, also known as the KETCHUM URBAN RENEWAL AGENCY, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended

By: ______________________________
Susan Scovell, Chair

STATE OF IDAHO)
) ss.
County of Blaine)

This record was signed before me on ______________________ by Susan Scovell as Chair and of the Urban Renewal Agency of the City of Ketchum, also known as the KETCHUM URBAN RENEWAL AGENCY

____
Notary Signature

COUNTERPART SIGNATURE PAGE

DATED effective as of the Effective Date.

Tenant: FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

By: First + Washington Holdings LLC, an Idaho limited liability company, its sole member

By: Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, its sole member

By: ________________________________
Steven M. Shafran
President

STATE OF IDAHO)
) ss.
County of Blaine)

This record was signed before me on ________________________ by Steven M. Shafran as President of Wood River Community Housing Trust, Inc., who is acting as the sole member of First + Washington Holdings LLC, who is acting as the sole member of First + Washington Properties LLC.

____
Notary Signature

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Lots 5, 6, 7 and 8 in Block 19, of the VILLAGE OF KETCHUM, as shown on the certified copy of the official map thereof, recorded as Instrument No. 302967, records of Blaine County, Idaho.

EXHIBIT B

CONCEPT PLANS FOR PROJECT

[to be incorporated prior to execution]

EXHIBIT C

PROJECT PREFERENCE POLICY

[attached hereto; eight (8) pages]

PROJECT PREFERENCE POLICY

First + Washington

February 12, 2024

Effective as of the date first set forth above ("**Effective Date**"), this Project Preference Policy for First + Washington (this "**Policy**") is adopted by the Urban Renewal Agency of the City of Ketchum, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended ("**Owner**") and approved by First + Washington Properties LLC, an Idaho limited liability company ("**Tenant**") in accordance with Section 5.6 (Project Preference Policy) of the Ground Lease for First + Washington between Owner and Tenant dated [Lease Date] (the "**Lease**"). Any capital terms not defined in this Policy, but defined in the Lease, will have the meaning set forth in the Lease.

1. **SELECT DEFINITIONS**

1.1 "**AMI**" means the current average median income under Section 8 of the United States Housing Act of 1937, as amended, and including adjustments for family size; provided, however, if the Authority publishes AMI calculations different than the foregoing, then Tenant may use the AMI calculations published by the Authority.

1.2 "**Authority**" means the Blaine County Housing Authority or its successor.

1.3 "**Disqualifying Interest**" means any real property interest of any kind that is held by the person, either directly or indirectly through any trust or entity, in any residential real property unless such person establishes to Tenant's satisfaction (in Tenant's sole discretion) that the real property interest does not legally or practically allow the person to occupy the residential real property as the person's primary residence. By way of examples to provide guidance for Tenant's use in its discretion (and not as legal obligations): (a) a person who owns a residential dwelling in Southern Idaho, but leases the dwelling to others, would hold a Disqualifying Interest; (b) a person who is a beneficiary of a trust that owns residential real property would not hold a Disqualifying Interest unless the person has the right or option to occupy the residential real property; (c) a person who holds a majority or controlling interest in an entity that owns residential real property would hold a Disqualifying Interest; and (d) a person who holds a minority interest that is not a controlling interest in an entity that owns residential real property held for lease to the general public would not hold a Disqualifying Interest.

1.4 "**Full-Time**" means the Qualified Employee, on average, provides at least thirty-five (35) hours of compensated work per week to the Qualified Employer. More than one part-time employment will be collectively considered to be full-time employment if the average number of hours of compensated work for all Qualified Employers combined is at least thirty-five (35) hours per week. A Qualified Employee of a public, charter or private school that is a Qualified Employer will be deemed to be Full-Time if the Qualified Employee

provides at least thirty-five (35) hours of compensated work during the academic term of such Qualified Employer. A person who is disabled will be considered to be employed to the extent that the disability prevents employment.

1.5 "**Gross Income**" means all income of the Qualified Household, calculated in a manner determined by Tenant, which manner is to be generally consistent with the determination of income Section 8 of the United States Housing Act of 1937 (as amended), and not as calculated for income tax purposes; provided, however, if the Authority publishes guidelines or calculations different than the foregoing, then Tenant may use the guidance or calculations published by the Authority. Gross Income may include rent subsidies from employers or others.

1.6 "**Qualified Employee**" means a person is (a) a current Full-Time employee of a Qualified Employer or (b) a person who has accepted an offer of Full-Time employment with a Qualified Employer and is expected to start such employment within thirty (30) days of occupancy of the Unit; provided, however, in both events the primary place of the person's employment with the Qualified Employer must be a physical location in Blaine County, Idaho that is not a Unit in the Project or the person's primary residence.

1.7 "**Qualified Employer**" means an employer that operates a physical place of employment that is located in Blaine County, Idaho (other than Units in the Project).

1.8 "**Qualified Household**" means all persons who are or will occupy the Unit; provided that (a) each such person that is over the age of eighteen (18) must qualify as a Qualified Resident; and (b) the total Gross Income of all such persons in the household must not be less than eighty percent (80%) of AMI and not more than one hundred fifty-five percent (155%) of AMI (as adjusted for family size); and (c) if more than one Qualified Resident will occupy a Unit, then Tenant will have the option to treat each Qualified Resident as its own Qualified Household (e.g., a 'roommate' circumstance).

1.9 "**Qualified Resident**" means a person must meet each of the following criteria:

(a) Must be over the age of eighteen (18);
(b) Must be a legal resident of the United States;
(c) Must intend to occupy the Unit as his or her primary residence;
(d) Must not have a Disqualifying Interest;
(e) Must meet Tenant's otherwise applicable resident selection criteria for the Project, as long as such criteria is not inconsistent with this Policy.

1.10 "**Resident Nomination Agreement**" means any agreement whereby Tenant grants a Qualified Employer the right to nominate the household of a Qualified Employee (that also meets the requirements to be a Qualified Resident) for occupancy of a Unit; provided, however, the Qualified Employer must be a governmental entity or a 501(c)(3) public charity.

1.11 "**Unit**" means any Affordable Workforce Housing Unit under the Ground Lease.

2. AMI PREFERENCE

2.1 AMI Ranges. The following are the "**AMI Ranges**" for the Project. The AMI Ranges are based on the parties' expectations of housing needs of the area's workforce, the parties' goals for the Project to be an effective solution to those workforce housing needs, and the limits of Tenant's 501(c)(3) status. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the AMI Ranges may be necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

2.1.1 **"Low AMI Range**" means eighty percent (80%) of AMI to one hundred percent (100%) of AMI;

2.1.2 "**Middle AMI Range**" means one hundred percent (100%) of AMI to one hundred twenty percent (120%) of AMI; and

2.1.3 "**High Range**" means one hundred twenty percent (120%) of AMI to one hundred fifty-five percent (155%) of AMI.

2.2 Allocation of Units into AMI Ranges**.** The following is the allocation of Units to be available for the AMI Preference. The allocations are based on the parties' expectations of housing needs of the area's workforce and the parties' goals for the Project to be an effective solution for those workforce housing needs. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the allocation may be necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

2.1 Approximately thirty-two percent (32%) of the Units are to be available for a preference for Qualified Households who, at first occupancy, have a Gross Income in the Low Range.

2.2 Approximately thirty percent (30%) of the Units are to be available for a preference for Qualified Residents who, at first occupancy, have a Gross Income in the Middle Range.

2.3 Approximately thirty-eight percent (38%) of the Units are to be available for a preference for Qualified Residents who, at first occupancy, have a Gross Income in the High Range.

2.3 AMI Preference. The Units must be available in accordance with the allocation set forth in Section 2.2. The Units that are available for a particular AMI Range must first be offered to prospective Qualified Households in the AMI Range who are then ready, willing and able to lease the Unit when it becomes available to lease. If no prospective Qualified Household in the applicable AMI Range is ready, willing and able to lease an applicable unit when it becomes available to lease, Tenant may lease the Unit to any Qualified Household in any AMI Preference range, after applying the preference identified in Section 3.4, if any is then in effect.

3. AVERAGE AMI PREFERENCE

3.1 Average AMI. The "**Average AMI**" for the Project will be the average AMI of all Qualified Households in the Project.

3.2 Average AMI Range. The "**Average AMI Range**" for the Project means that the Average AMI is targeted to be not less than one hundred ten percent (110%) of AMI and not more than one hundred twenty-seven percent (127%) of AMI. The Average AMI Range is based on the parties'

expectations of housing needs of the area's workforce, the parties' goals for the Project to be an effective solution to those workforce housing needs, and the limits of Tenant's 501(c)(3) status. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the Average AMI Range may be necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

3.3 Reporting. If the Average AMI is not within the Target Average AMI Range, then Tenant will notify Owner thereof in the Annual Report. In such event, Owner and Tenant will confer within a reasonable time to evaluate the potential causes for the deviation, and the potential solutions, if any, for bringing the Average AMI into the Target Average AMI Range over time. Owner and Tenant acknowledge that a potential solution may involve modifying the AMI allocation mix and/or the Target Average AMI Range to reflect actual or expected demand for Units. The Target Average AMI Range is a target only, and there is no breach of this Policy if the Average AMI is outside of the Target Average AMI Range.

3.4 Qualified Household Selection. If the Average AMI is not within the Target Average AMI Range, then Tenant will give preferences to the Qualified Households of otherwise equal priority, after the application of any other applicable preferences and priorities in this Policy, who would bring the Average AMI into, or closer to, the Average AMI Range. Otherwise, where Tenant exercises discretion in the selection of Qualified Households, Tenant will endeavor to select Qualified Households that such Project will have an Average AMI that is within the Average AMI Range, after giving due consideration to Tenant's other selection criteria.

4. LOCAL PRIORITY PREFERENCE

4.1 Local Priorities. The following are the "**Local Priorities**" for Units in the Project. The Local Priorities are based on the parties' goals for the Project and the parties' desire to reduce the need for daily travel by the local workforce between their home and their place of employment. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the Local Priorities are necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

4.1.1 "**Priority 1**" is for Qualified Households that have at least one Qualified Resident that is a Full-Time Qualified Employee of a Qualified Employer(s) where the Qualified Resident's primary place of employment for each Qualified Employer is located in the City of Ketchum or within Ketchum's Area of City Impact.

4.1.2 "**Priority 2**" is for Qualified Households that have at least one Qualified Resident that is a Full-Time Qualified Employee of a Qualified Employer(s).

4.1.3 "**Priority 3**" is for Qualified Households that have at least one Qualified Resident that is a Qualified Employee of a Qualified Employer that is a governmental entity; provided, however, the Qualified Employee must be employed by such governmental entity for a minimum of 1,000 hours per calendar year or regularly employed by such governmental entity for a minimum of 20 hours per week (with any hours not worked because of a disability being counted as hours employed).

4.1.4 "**Priority 4**" is for any Qualified Household.

4.2 Order of Preference. If more than one prospective Qualified Household is eligible for the same Unit and are ready, willing and able to lease the Unit when it becomes available, then Tenant will place the Qualified Households in an order of priority in accordance with the Local Priorities. Tenant may order Qualified Households of the same Local Priority as Tenant elects, in Tenant's discretion. Tenant will offer the Unit to Qualified Households in accordance with the order of priority. If any Qualified Household does not promptly accept the Unit in accordance with the terms of Tenant's offer, then Tenant may offer the Unit to the Qualified Household that is next in the order of priority.

5. RESIDENT NOMINATION AGREEMENTS

5.1 Resident Nomination Agreements may be held only by Qualified Employers. Any Qualified Household nominated pursuant to a Resident Nomination Agreement must be composed of at least one Qualified Employee of the Qualified Employer holding the Resident Nomination Agreement. Any Qualified Household nominated pursuant to a Residential Nomination Agreement will be exempt from the AMI Preference and the Local Preference.

5.2 No more than seventy percent (70%) of the total number of Units in the Project will be occupied by Qualified Households who were nominated pursuant to a Resident Nomination Agreement.

5.3 Subject to the limit in Section 5.2, Tenant will limit the number of Resident Nomination Agreements held by Qualified Employers as follows:

5.3.1 No Qualified Employer may hold Resident Nomination Agreements for more than ten (10) Units;

5.3.2 No more than one Qualified Employer may hold Resident Nomination Agreements for up to ten (10) Units;

5.3.3 No more than two Qualified Employers may hold Resident Nomination Agreements for up to eight (8) Units;

5.3.4 No more than three Qualified Employers may hold Resident Nomination Agreements for up to five (5) Units; and

5.3.5 Any number of Qualified Employers may hold Resident Nomination Agreements for up to four (4) Units.

6. GROSS INCOME

6.1 Tenant will reasonably verify the Gross Income of each Qualified Household, which verification may be by any reasonable method, including the household's production of reasonable evidence of the household's income, and self-certification that income statements provided by the household are true and correct in all material respects.

6.2 Gross Income will be verified or re-verified at (a) the Qualified Household's application for first occupancy of a Unit; (b) upon the renewal of any lease of a Unit, if the renewal term is one (1) year; and (c) at least once per calendar year for any lease renewed for a term of less than one (1) year.

6.3 Tenant agree to confer with Owner annually to evaluate Tenant's policies with respect to the renewal or nonrenewal of leases with a Qualified Household if the Gross Income of the Qualified Household at renewal is then less than eighty percent (80%) of AMI or more than one hundred fifty-five percent (155%) of AMI, and, if applicable, consider adjustments to such desired by Owner.

6.4 Nothing in this Policy will require Tenant to renew the lease or not renew if any Qualified Household that, at such renewal, has a Gross Income outside of the foregoing range.

6.5 Except as provided in Section 6.3, no change in the Qualified Household's Gross Income will change its status as a Qualified Household or the Qualified Household's AMI Range classification at first occupancy.

7. **LEASE REQUIREMENTS.** Tenant will include the following requirements in each lease with a Qualified Household.

7.1 After first occupancy, each Qualified Resident in the Qualified Household must actually and continuously occupy the Unit as his or her primary residence for at least ten (10) months of each calendar year.

7.2 The Qualified Household must not sublease, license or assign any right to occupy the Unit to any person who is not a member of the Qualified Household. No short term or vacation rentals will be permitted.

7.3 Each Qualified Resident must notify Tenant if the Qualified Resident acquires any interest that may be a Disqualifying Interest. Tenant has the right to terminate any lease upon sixty (60) days prior notice if any Qualified Resident of the Qualified Household acquires any Disqualifying Interest during the term of the lease.

8. TENANT'S RIGHT TO OPERATE PROJECT

8.1 Except as expressly limited by this Policy and the Ground Lease, Tenant will have the right to operate the Project in accordance with such policies and practices as Tenant deems desirable.

8.2 Any duty or obligation of Tenant under this Policy may be performed by Tenant, Tenant's property manager, or the agents or employees of any of them. Owner and Tenant understand and agree that this Policy is designed and intended to be implemented by the management staff of the Project in the ordinary course of business without the need to consult with Owner or Tenant (except when such management staff deems it necessary or desirable to do so.

8.3 Nothing in this Policy will require Tenant to lease any Unit, or renew the lease for any Unit, to any Qualified Household that does not meet Tenant's then-current resident screening criteria for the Project, as long as such screening criteria is not inconsistent with the Ground Lease or this Policy. Tenant's resident screening criteria may include any lawful screening requirements, including those related to the rental history, employment history and criminal history of any person in the Qualified Household.

8.4 Nothing in this Policy limits Tenant's right to enforce (or discretion not to enforce) the terms of any lease or other agreement with respect to any Qualified Household, Qualified Resident or any other person who uses or occupies the Project.

9. **NO DISCRIMINATION.** There shall be no discrimination against, or segregation of, any person or group of persons on account of disability, race, color, creed, religion, sex, sexual orientation, gender identity/expression, marital status, ancestry, or national origin in the sublease, transfer, use, occupancy, tenure, or enjoyment of Land or Project, nor shall the Tenant or any person claiming under or through the Tenant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of subtenants, sublessees, or vendees of the Land or Project.

10. **ANNUAL REPORTS.** After occupancy of the Project, Tenant will provide Owner with a written report (in any form reasonably requested by Owner) by March 1 of each calendar year that provides reasonable evidence that the Units have been leased (or made available for lease) in compliance with the Ground Lease and this Policy during the prior calendar year.

11. **COMPLIANCE**

11.1

11.2 Tenant will not be in breach of this Policy unless Tenant fails to substantially comply with terms of this Policy and fails to take commercially reasonable efforts to cure the substantial noncompliance within thirty (30) days after receipt of a notice from Owner specifying the substantial noncompliance. If the nature of the substantial noncompliance is that it reasonably requires longer than thirty (30) days to cure, then Tenant will have a reasonable period to cure as long as Tenant commences to cure within the 30-day period and continues with commercially reasonable efforts until the noncompliance is cured.

11.3 Owner is the only beneficiary of this Policy. If any person believes that Tenant has not complied with the terms of this Policy, then such person may notify Owner thereof.

12. **AMENDMENT; TERMINATION**

12.1 This Policy may be amended or terminated only by a written instrument mutually agreed to and executed by Owner and Tenant.

12.2 Owner and Tenant agree to confer with each other annually (and otherwise at either party's request) to evaluate the effectiveness of the Policy and, if applicable, consider amendments to the Policy desired by either party.

12.3 Neither party will unreasonably withhold its approval of a proposed amendment. In the event either party withholds its approval of any proposed amendment, Owner and Tenant agree to confer in good faith to resolve disapproving party's concerns.

12.4 Owner and Tenant agree that its reasonable for either party to withhold its approval if the party believes in good faith that the proposed amendment would:

12.4.1 Violate applicable law or the terms of the Ground Lease;

12.4.2 Present a material risk of causing the operation of the Project to violate applicable law (e.g., disparate impacts under the fair housing laws);

12.4.3 Be materially inconsistent with Owner's status or obligations as a governmental entity;

12.4.4 Be materially inconsistent with Tenant's status or obligations as a 501(c)(3) public charity;

12.4.5 Be unduly burdensome for Tenant or Tenant's property manager to implement in the ordinary operation of the Project in a timely, efficient, and cost-effective manner;

12.4.6 Present a material risk of Tenant violating any covenants with respect to any financing applicable to the Project (including any debt service coverage ratio requirements or operating expense and reserve requirements);

12.4.7 Would cause Tenant to hold any Unit available for a Qualified Household with a higher preference, if any otherwise Qualified Household ready, willing, and able to lease the Unit;

12.4.8 Present a material risk of Tenant not being in a position to fulfill its financial obligations; or

12.4.9 Materially alter the purpose and intent of the Project as outlined in the Ground Lease and this Policy.

[end of text; signature page follows]

COUNTERPART SIGNATURE PAGE

DATED effective as of the Effective Date.

Owner: The Urban Renewal Agency of the City of Ketchum, also known as the KETCHUM URBAN RENEWAL AGENCY, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended

By: ______________________________
Susan Scovell, Chair

Tenant: FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

By: First + Washington Holdings LLC, an Idaho limited liability company, its sole member

By: Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, its sole member

By: ______________________________
Steven M. Shafran
President

4865-4238-9925, v. 1

Attachment C

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, APPROVING THE PROJECT PREFERENCE POLICY BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM AND FIRST + WASHINGTON PROPERTIES LLC OUTLINING THE TERMS AND CONDITIONS RELATED TO THE OPERATION AND LEASING OF AN AFFORDABLE WORKFORCE HOUSING PROJECT COMMONLY REFERRED TO AS THE 1ST AND WASHINGTON AFFORDABLE WORKFORCE HOUSING PROJECT; AND AUTHORIZING THE CHAIR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID PROJECT PREFERENCE POLICY SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE PROJECT PREFERENCE POLICY; TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE PROJECT PREFERENCE POLICY; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, 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 Ketchum, Idaho (hereinafter referred to as the "Agency").

WHEREAS, the City Council of the city of Ketchum (the "City") by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the "2006 Plan") to be administered by the Agency; and

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the "2010 Plan"); and

WHEREAS, in order to achieve the objectives of the 2010 Plan, the Agency is authorized to acquire real property for the revitalization of areas within the 2010 Plan boundaries; and,

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B), and Lot 6, Block 19 (Parcel RPK0000019006B) (the "Site"); and

WHEREAS, in accordance with Idaho Code § 50-2011, Disposal of Property in Urban Renewal Area, the Agency issued a Request for Proposals ("RFP") on May 26, 2022, seeking to

initiate a redevelopment project to revitalize the 2010 Plan boundary area in compliance with the 2010 Plan through redevelopment of the Site which could also serve as a catalyst for redevelopment of other properties in the vicinity; and,

WHEREAS, following the publication of the RFP in the *Idaho Mountain Express* newspaper on May 26, 2022, the Agency received three (3) proposals for development of the Site by the August 26, 2022, deadline; and,

WHEREAS, at its regular public meeting of November 14, 2022, pursuant to Resolution No. 22-URA11, the Agency Board discussed the proposals it had received and thereafter met with consensus regarding the proposed recommendation for development of the Site and selected the proposal by Wood River Community Housing Trust Inc. ("WRCHT") and deChase Miksis Development, otherwise known as deChase Development Services, LLC, to begin negotiations with; and

WHEREAS, the Agency and WRCHT and deChase Development Services, LLC entered into the Agreement to Negotiate Exclusively ("ANE") on January 27, 2023, for the purpose of analyzing and assessing a development opportunity for the Site; and

WHEREAS, following, the Agency Board approved the First Amendment to Agreement to Negotiate Exclusively, which among other things provided for deChase Development Services, LLC's assignment of its rights under the ANE to deChase 1st + Washington Development Services LLC; and

WHEREAS, the ANE was subsequently amended on September 21, 2023, November 13, 2023, and January 16, 2024 in order to facilitate continued discussions and negotiations of the terms of the Disposition and Development Agreement ("DDA") and long-term ground lease ("Ground Lease") which would govern the development and operation of the Site; and

WHEREAS, WRCHT has assigned its rights in the ANE to First + Washington Properties LLC, who in addition to deChase First + Washington Services LLC will execute the DDA as the "Developer" and "Development Manager", respectively; and

WHEREAS, the Agency, Developer, and Development Manager ("Parties") have prepared the DDA, and accompanying Ground Lease and Project Preference Policy (as defined in the DDA) to facilitate the construction, operation, and ownership of an affordable workforce housing project ("Project") on the Site; and

WHEREAS, the Project Preference Policy, as an attachment to the DDA has been agreed to by the Parties and will be executed by the Parties simultaneously with the Ground Lease once the applicable conditions precedent have been fulfilled in the DDA: and

WHEREAS, the Project Preference Policy will provide for the terms and conditions of the Developer's leasing of the affordable workforce housing units and applicable criteria and preferences that will be applied, including but not limited to, the average median income of the residents, the employment location of the residents, and others; and

WHEREAS, Agency staff and legal counsel have reviewed the Project Preference Policy, attached hereto as Exhibit A and incorporated herein as if set out in full and recommend approval of the Project Preference Policy; and

WHEREAS, the Board of Commissioners of the Agency find it in the best public interest to approve the Project Preference Policy and authorize the Chair and Secretary to execute and attest the Project Preference Policy, 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 KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

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

Section 2: That the Project Preference Policy, a copy of which is attached as Exhibit A, and incorporated herein and made a part hereof by reference, is hereby approved and accepted as to form, recognizing technical changes or corrections, which may be required prior to execution of the Project Preference Policy.

Section 3: That the Chair of the Agency is hereby authorized to sign and enter into the Project Preference Policy and, further, is hereby authorized to execute all necessary documents required to implement the actions contemplated by the Project Preference Policy, subject to representations by the Agency staff and legal counsel that all conditions precedent to, and any necessary technical changes to, the Project Preference Policy are consistent with the provisions of the Project Preference Policy including the comments and discussion received, or any necessary substantive changes discussed and approved, at the February 20, 2024, Agency Board meeting.

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

PASSED by the Urban Renewal Agency of Ketchum, Idaho on February 20, 2024. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners on February 20, 2024.

URBAN RENEWAL AGENCY OF KETCHUM

By___________________________________
Susan Scovell, Chair

ATTEST:

By ____
Secretary

EXHIBIT A

PROJECT PREFERENCE POLICY

4854-8118-3141, v. 1

PROJECT PREFERENCE POLICY

First + Washington

February 14, 2024

Effective as of the date first set forth above ("**Effective Date**"), this Project Preference Policy for First + Washington (this "**Policy**") is adopted by the Urban Renewal Agency of the City of Ketchum, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended ("**Owner**") and approved by First + Washington Properties LLC, an Idaho limited liability company ("**Tenant**") in accordance with Section 5.6 (Project Preference Policy) of the Ground Lease for First + Washington between Owner and Tenant as drafted (the "**Lease**"). Any capital terms not defined in this Policy, but defined in the Lease, will have the meaning set forth in the Lease.

1. SELECT DEFINITIONS

1.1 "**AMI**" means the current average median income under Section 8 of the United States Housing Act of 1937, as amended, and including adjustments for family size; provided, however, if the Authority publishes AMI calculations different than the foregoing, then Tenant may use the AMI calculations published by the Authority.

1.2 "**Authority**" means the Blaine County Housing Authority or its successor.

1.3 "**Disqualifying Interest**" means any real property interest of any kind that is held by the person, either directly or indirectly through any trust or entity, in any residential real property unless such person establishes to Tenant's satisfaction (in Tenant's sole discretion) that the real property interest does not legally or practically allow the person to occupy the residential real property as the person's primary residence. By way of examples to provide guidance for Tenant's use in its discretion (and not as legal obligations): (a) a person who owns a residential dwelling in Southern Idaho, but leases the dwelling to others, would hold a Disqualifying Interest; (b) a person who is a beneficiary of a trust that owns residential real property would not hold a Disqualifying Interest unless the person has the right or option to occupy the residential real property; (c) a person who holds a majority or controlling interest in an entity that owns residential real property would hold a Disqualifying Interest; and (d) a person who holds a minority interest that is not a controlling interest in an entity that owns residential real property held for lease to the general public would not hold a Disqualifying Interest.

1.4 "**Full-Time**" means the Qualified Employee, on average, provides at least thirty-five (35) hours of compensated work per week to the Qualified Employer. More than one part-time employment will be collectively considered to be full-time employment if the average number of hours of compensated work for all Qualified Employers combined is at least thirty-five (35) hours per week. A Qualified Employee of a public, charter or private school that is a Qualified Employer will be deemed to be Full-Time if the Qualified Employee provides at least thirty-five (35) hours of compensated work during the academic term of such Qualified Employer. A person who is disabled will be considered to be employed to the extent that the disability prevents employment.

1.5 "**Gross Income**" means all income of the Qualified Household, calculated in a manner determined by Tenant, which manner is to be generally consistent with the determination of income Section 8

of the United States Housing Act of 1937 (as amended), and not as calculated for income tax purposes; provided, however, if the Authority publishes guidelines or calculations different than the foregoing, then Tenant may use the guidance or calculations published by the Authority. Gross Income may include rent subsidies from employers or others.

1.6 "**Qualified Employee**" means a person is (a) a current Full-Time employee of a Qualified Employer or (b) a person who has accepted an offer of Full-Time employment with a Qualified Employer and is expected to start such employment within thirty (30) days of occupancy of the Unit; provided, however, in both events the primary place of the person's employment with the Qualified Employer must be a physical location in Blaine County, Idaho that is not a Unit in the Project or the person's primary residence.

1.7 "**Qualified Employer**" means an employer that operates a physical place of employment that is located in Blaine County, Idaho (other than Units in the Project).

1.8 "**Qualified Household**" means all persons who are or will occupy the Unit; provided that (a) each such person that is over the age of eighteen (18) must qualify as a Qualified Resident; and (b) the total Gross Income of all such persons in the household must not be less than eighty percent (80%) of AMI and not more than one hundred fifty-five percent (155%) of AMI (as adjusted for family size); and (c) if more than one Qualified Resident will occupy a Unit, then Tenant will have the option to treat each Qualified Resident as its own Qualified Household (e.g., a 'roommate' circumstance).

1.9 "**Qualified Resident**" means a person must meet each of the following criteria:

(a) Must be over the age of eighteen (18);
(b) Must be a legal resident of the United States;
(c) Must intend to occupy the Unit as his or her primary residence;
(d) Must not have a Disqualifying Interest;
(e) Must meet Tenant's otherwise applicable resident selection criteria for the Project, as long as such criteria is not inconsistent with this Policy.

1.10 "**Resident Nomination Agreement**" means any agreement whereby Tenant grants a Qualified Employer the right to nominate the household of a Qualified Employee (that also meets the requirements to be a Qualified Resident) for occupancy of a Unit; provided, however, the Qualified Employer must be a governmental entity or a 501(c)(3) public charity.

1.11 "**Unit**" means any Affordable Workforce Housing Unit under the Ground Lease.

2. AMI PREFERENCE

2.1 AMI Ranges. The following are the "**AMI Ranges**" for the Project. The AMI Ranges are based on the parties' expectations of housing needs of the area's workforce, the parties' goals for the Project to be an effective solution to those workforce housing needs, and the limits of Tenant's 501(c)(3) status. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the AMI Ranges may be necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

2.1.1 **"Low AMI Range**" means eighty percent (80%) of AMI to one hundred percent (100%) of AMI;

2.1.2 "**Middle AMI Range**" means one hundred percent (100%) of AMI to one hundred twenty percent (120%) of AMI; and

2.1.3 "**High Range**" means one hundred twenty percent (120%) of AMI to one hundred fifty-five percent (155%) of AMI.

2.2 Allocation of Units into AMI Ranges**.** The following is the allocation of Units to be available for the AMI Preference. The allocations are based on the parties' expectations of housing needs of the area's workforce and the parties' goals for the Project to be an effective solution for those workforce housing needs. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the allocation may be necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

2.1 Approximately thirty-two percent (32%) of the Units are to be available for a preference for Qualified Households who, at first occupancy, have a Gross Income in the Low Range.

2.2 Approximately thirty percent (30%) of the Units are to be available for a preference for Qualified Residents who, at first occupancy, have a Gross Income in the Middle Range.

2.3 Approximately thirty-eight percent (38%) of the Units are to be available for a preference for Qualified Residents who, at first occupancy, have a Gross Income in the High Range.

2.3 AMI Preference. The Units must be available in accordance with the allocation set forth in Section 2.2. The Units that are available for a particular AMI Range must first be offered to prospective Qualified Households in the AMI Range who are then ready, willing and able to lease the Unit when it becomes available to lease. If no prospective Qualified Household in the applicable AMI Range is ready, willing and able to lease an applicable unit when it becomes available to lease, Tenant may lease the Unit to any Qualified Household in any AMI Preference range, after applying the preference identified in Section 3.4, if any is then in effect.

3. AVERAGE AMI PREFERENCE

3.1 Average AMI. The "**Average AMI**" for the Project will be the average AMI of all Qualified Households in the Project.

3.2 Average AMI Range. The "**Average AMI Range**" for the Project means that the Average AMI is targeted to be not less than one hundred ten percent (110%) of AMI and not more than one hundred twenty-seven percent (127%) of AMI. The Average AMI Range is based on the parties' expectations of housing needs of the area's workforce, the parties' goals for the Project to be an effective solution to those workforce housing needs, and the limits of Tenant's 501(c)(3) status. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the Average AMI Range may be necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

3.3 Reporting. If the Average AMI is not within the Target Average AMI Range, then Tenant will notify Owner thereof in the Annual Report. In such event, Owner and Tenant will confer within a reasonable time to evaluate the potential causes for the deviation, and the potential solutions, if any, for bringing the Average AMI into the Target Average AMI Range over time. Owner and Tenant acknowledge that a potential solution may involve modifying the AMI allocation mix and/or the

Target Average AMI Range to reflect actual or expected demand for Units. The Target Average AMI Range is a target only, and there is no breach of this Policy if the Average AMI is outside of the Target Average AMI Range.

3.4 Qualified Household Selection. If the Average AMI is not within the Target Average AMI Range, then Tenant will give preferences to the Qualified Households of otherwise equal priority, after the application of any other applicable preferences and priorities in this Policy, who would bring the Average AMI into, or closer to, the Average AMI Range. Otherwise, where Tenant exercises discretion in the selection of Qualified Households, Tenant will endeavor to select Qualified Households that such Project will have an Average AMI that is within the Average AMI Range, after giving due consideration to Tenant's other selection criteria.

4. LOCAL PRIORITY PREFERENCE

4.1 Local Priorities. The following are the "**Local Priorities**" for Units in the Project. The Local Priorities are based on the parties' goals for the Project and the parties' desire to reduce the need for daily travel by the local workforce between their home and their place of employment. Upon the request of either party, Owner and Tenant will confer to evaluate whether or not potential changes to the Local Priorities are necessary or desirable to achieve the foregoing considerations, or to reflect changes in the foregoing considerations that may occur over the term of the Lease.

4.1.1 "**Priority 1**" is for Qualified Households that have at least one Qualified Resident that is a Full-Time Qualified Employee of a Qualified Employer(s) where the Qualified Resident's primary place of employment for each Qualified Employer is located in the City of Ketchum or within Ketchum's Area of City Impact.

4.1.2 "**Priority 2**" is for Qualified Households that have at least one Qualified Resident that is a Full-Time Qualified Employee of a Qualified Employer(s).

4.1.3 "**Priority 3**" is for Qualified Households that have at least one Qualified Resident that is a Qualified Employee of a Qualified Employer that is a governmental entity; provided, however, the Qualified Employee must be employed by such governmental entity for a minimum of 1,000 hours per calendar year or regularly employed by such governmental entity for a minimum of 20 hours per week (with any hours not worked because of a disability being counted as hours employed).

4.1.4 "**Priority 4**" is for any Qualified Household.

4.2 Order of Preference. If more than one prospective Qualified Household is eligible for the same Unit and are ready, willing and able to lease the Unit when it becomes available, then Tenant will place the Qualified Households in an order of priority in accordance with the Local Priorities. Tenant may order Qualified Households of the same Local Priority as Tenant elects, in Tenant's discretion. Tenant will offer the Unit to Qualified Households in accordance with the order of priority. If any Qualified Household does not promptly accept the Unit in accordance with the terms of Tenant's offer, then Tenant may offer the Unit to the Qualified Household that is next in the order of priority.

5. RESIDENT NOMINATION AGREEMENTS

5.1 Resident Nomination Agreements may be held only by Qualified Employers. Any Qualified Household nominated pursuant to a Resident Nomination Agreement must be composed of at least one Qualified Employee of the Qualified Employer holding the Resident Nomination Agreement.

Any Qualified Household nominated pursuant to a Residential Nomination Agreement will be exempt from the AMI Preference and the Local Preference.

5.2 No more than seventy percent (70%) of the total number of Units in the Project will be occupied by Qualified Households who were nominated pursuant to a Resident Nomination Agreement.

5.3 Subject to the limit in Section 5.2, Tenant will limit the number of Resident Nomination Agreements held by Qualified Employers as follows:

5.3.1 No Qualified Employer may hold Resident Nomination Agreements for more than ten (10) Units;

5.3.2 No more than one Qualified Employer may hold Resident Nomination Agreements for up to ten (10) Units;

5.3.3 No more than two Qualified Employers may hold Resident Nomination Agreements for up to eight (8) Units;

5.3.4 No more than three Qualified Employers may hold Resident Nomination Agreements for up to five (5) Units; and

5.3.5 Any number of Qualified Employers may hold Resident Nomination Agreements for up to four (4) Units.

6. GROSS INCOME

6.1 Tenant will reasonably verify the Gross Income of each Qualified Household, which verification may be by any reasonable method, including the household's production of reasonable evidence of the household's income, and self-certification that income statements provided by the household are true and correct in all material respects.

6.2 Gross Income will be verified or re-verified at (a) the Qualified Household's application for first occupancy of a Unit; (b) upon the renewal of any lease of a Unit, if the renewal term is one (1) year; and (c) at least once per calendar year for any lease renewed for a term of less than one (1) year.

6.3 Tenant agrees to confer with Owner annually to evaluate Tenant's policies with respect to the renewal or nonrenewal of leases with a Qualified Household if the Gross Income of the Qualified Household at renewal is then less than eighty percent (80%) of AMI or more than one hundred fifty-five percent (155%) of AMI, and, if applicable, consider adjustments to such desired by Owner.

6.4 Nothing in this Policy will require Tenant to renew the lease or not renew if any Qualified Household that, at such renewal, has a Gross Income outside of the foregoing range.

6.5 Except as provided in Section 6.3, no change in the Qualified Household's Gross Income will change its status as a Qualified Household or the Qualified Household's AMI Range classification at first occupancy.

7. **LEASE REQUIREMENTS.** Tenant will include the following requirements in each lease with a Qualified Household.

7.1 After first occupancy, each Qualified Resident in the Qualified Household must actually and continuously occupy the Unit as his or her primary residence for at least ten (10) months of each calendar year.

7.2 The Qualified Household must not sublease, license or assign any right to occupy the Unit to any person who is not a member of the Qualified Household. No short term or vacation rentals will be permitted.

7.3 Each Qualified Resident must notify Tenant if the Qualified Resident acquires any interest that may be a Disqualifying Interest. Tenant has the right to terminate any lease upon sixty (60) days prior notice if any Qualified Resident of the Qualified Household acquires any Disqualifying Interest during the term of the lease.

8. TENANT'S RIGHT TO OPERATE PROJECT

8.1 Except as expressly limited by this Policy and the Ground Lease, Tenant will have the right to operate the Project in accordance with such policies and practices as Tenant deems desirable.

8.2 Any duty or obligation of Tenant under this Policy may be performed by Tenant, Tenant's property manager, or the agents or employees of any of them. Owner and Tenant understand and agree that this Policy is designed and intended to be implemented by the management staff of the Project in the ordinary course of business without the need to consult with Owner or Tenant (except when such management staff deems it necessary or desirable to do so.

8.3 Nothing in this Policy will require Tenant to lease any Unit, or renew the lease for any Unit, to any Qualified Household that does not meet Tenant's then-current resident screening criteria for the Project, as long as such screening criteria is not inconsistent with the Ground Lease or this Policy. Tenant's resident screening criteria may include any lawful screening requirements, including those related to the rental history, employment history and criminal history of any person in the Qualified Household.

8.4 Nothing in this Policy limits Tenant's right to enforce (or discretion not to enforce) the terms of any lease or other agreement with respect to any Qualified Household, Qualified Resident or any other person who uses or occupies the Project.

9. **NO DISCRIMINATION.** There shall be no discrimination against, or segregation of, any person or group of persons on account of disability, race, color, creed, religion, sex, sexual orientation, gender identity/expression, marital status, ancestry, or national origin in the sublease, transfer, use, occupancy, tenure, or enjoyment of Land or Project, nor shall the Tenant or any person claiming under or through the Tenant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of subtenants, sublessees, or vendees of the Land or Project.

10. **ANNUAL REPORTS.** After occupancy of the Project, Tenant will provide Owner with a written report (in any form reasonably requested by Owner) by March 1 of each calendar year that provides reasonable evidence that the Units have been leased (or made available for lease) in compliance with the Ground Lease and this Policy during the prior calendar year.

11. COMPLIANCE

11.1 Tenant will use commercially reasonable efforts in accordance with this Policy.

11.2 Tenant will not be in breach of this Policy unless Tenant fails to substantially comply with terms of this Policy and fails to take commercially reasonable efforts to cure the substantial noncompliance within thirty (30) days after receipt of a notice from Owner specifying the substantial noncompliance. If the nature of the substantial noncompliance is that it reasonably requires longer than thirty (30) days to cure, then Tenant will have a reasonable period to cure as long as Tenant commences to cure within the 30-day period and continues with commercially reasonable efforts until the noncompliance is cured.

11.3 Owner is the only beneficiary of this Policy. If any person believes that Tenant has not complied with the terms of this Policy, then such person may notify Owner thereof.

12. AMENDMENT; TERMINATION

12.1 This Policy may be amended or terminated only by a written instrument mutually agreed to and executed by Owner and Tenant.

12.2 Owner and Tenant agree to confer with each other annually (and otherwise at either party's request) to evaluate the effectiveness of the Policy and, if applicable, consider amendments to the Policy desired by either party.

12.3 Neither party will unreasonably withhold its approval of a proposed amendment. In the event either party withholds its approval of any proposed amendment, Owner and Tenant agree to confer in good faith to resolve disapproving party's concerns.

12.4 Owner and Tenant agree that its reasonable for either party to withhold its approval if the party believes in good faith that the proposed amendment would:

12.4.1 Violate applicable law or the terms of the Ground Lease;

12.4.2 Present a material risk of causing the operation of the Project to violate applicable law (e.g., disparate impacts under the fair housing laws);

12.4.3 Be materially inconsistent with Owner's status or obligations as a governmental entity;

12.4.4 Be materially inconsistent with Tenant's status or obligations as a 501(c)(3) public charity;

12.4.5 Be unduly burdensome for Tenant or Tenant's property manager to implement in the ordinary operation of the Project in a timely, efficient, and cost-effective manner;

12.4.6 Present a material risk of Tenant violating any covenants with respect to any financing applicable to the Project (including any debt service coverage ratio requirements or operating expense and reserve requirements);

12.4.7 Would cause Tenant to hold any Unit available for a Qualified Household with a higher preference, if any otherwise Qualified Household ready, willing, and able to lease the Unit;

12.4.8 Present a material risk of Tenant not being in a position to fulfill its financial obligations; or

12.4.9 Materially alter the purpose and intent of the Project as outlined in the Ground Lease and this Policy.

[end of text; signature page follows]

COUNTERPART SIGNATURE PAGE

DATED effective as of the Effective Date.

Owner:

The Urban Renewal Agency of the City of Ketchum, also known as the KETCHUM URBAN RENEWAL AGENCY, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended

By: ______________________________
Susan Scovell, Chair

Tenant:

FIRST + WASHINGTON PROPERTIES LLC, an Idaho limited liability company

By: First + Washington Holdings LLC, an Idaho limited liability company, its sole member

By: Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, its sole member

By: ______________________________
Steven M. Shafran
President

Attachment D

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, APPROVING A NOT TO EXCEED FUNDING AMOUNT FOR THE PROJECT COMMONLY REFERRED TO AS THE FIRST AND WASHINGTON AFFORDABLE WORKFORCE HOUSING PROJECT ("PROJECT"), SUCH FUNDING TO BE PROVIDED TOWARDS ELIGIBLE PUBLIC INFRASTRUCTURE AND PUBLIC PURPOSE EXPENSES ASSOCIATED WITH THE COST OF CONSTRUCTION OF THE PROJECT, WHICH PROJECT IS BEING DEVELOPED ON LAND OWNED BY THE AGENCY AND FOR WHICH THE AGENCY WILL ASSUME OWNERSHIP OF THE PROJECT AT THE EXPIRATION OF THE LEASEHOLD INTEREST IN SAID PROJECT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, 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 Ketchum, Idaho (hereinafter referred to as the "Agency").

WHEREAS, the City Council of the city of Ketchum (the "City") by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the "2006 Plan") to be administered by the Agency; and

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the "2010 Plan"); and

WHEREAS, the 2010 Plan identified the "revitalization, redesign, and development of undeveloped areas which are stagnate or improperly utilized especially through the creation of affordable workforce housing, a central town plaza and parking lots and structures" as a central purpose of the 2010 Plan; and

WHEREAS, in order to achieve the objectives of the 2010 Plan, the Agency is authorized to acquire real property for the revitalization of areas within the 2010 Plan boundaries; and,

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B), and Lot 6, Block 19 (Parcel RPK0000019006B) (the "Site"); and

WHEREAS, in accordance with Idaho Code § 50-2011, Disposal of Property in Urban Renewal Area, the Agency issued a Request for Proposals ("RFP") on May 26, 2022, seeking to initiate a redevelopment project to construct affordable workforce housing within the 2010 Plan boundary area in compliance with the 2010 Plan through redevelopment of the Site as contemplated in the 2010 Plan; and

WHEREAS, the Agency ultimately selected Wood River Community Housing Trust Inc. and its subsidiary First + Washington Properties LLC, and deChase 1st + Washington Development Services LLC (collectively referred to for purposes of this resolution as "Developer") to develop and construct an affordable workforce housing project ("Project") at the Site; and

WHEREAS, Developer and Agency intend to enter into a Disposition and Development Agreement ("DDA") and long-term ground lease ("Ground Lease") which would govern the development and operation of the Site; and

WHEREAS, the terms of the DDA and Ground Lease contemplate the Developer developing the Project on the Site and operating the Project under a fifty (50) year ground lease, at which point at the expiration of the Ground Lease the Project and associated improvements will revert to the Agency or its successor; and

WHEREAS, the Project contemplates affordable workforce housing units which are restricted to average median income ("AMI") levels and geographical workforce criteria to help resolve the affordable workforce housing crisis in the local community; and

WHEREAS, because the Project is being developed for affordable workforce housing and being that the units will be rent restricted, the Project requires additional funding sources to make the Project financially viable; and

WHEREAS, the Developer, a non-profit entity with the mission to develop, acquire, own, and manage rental units that will be rented to qualifying local residents who are actively working and living in the local community, has requested funding participation from the Agency for certain aspects of the construction of the Project; and

WHEREAS, the 2010 Plan terminates November 15, 2030, recognizing the Agency will receive its allocation of revenues in 2031, pursuant to Idaho Code § 50-2903(7). The Agency desires to further the purpose of the 2010 Plan to create affordable workforce housing by assisting in funding eligible aspects of the Project; and

WHEREAS, based on unknown variables such as interest rates, potential in-kind contributions, and donations, the Developer is unable to ascertain with specificity the funding amount that will needed by the Agency to help make this Project financially viable; and

WHEREAS, the Developer has requested a funding commitment by the Agency of an amount not to exceed Eight Million Dollars ($8,000,000.00) to be used to further the development and construction of the Project and contingent on the financing needs and eligible construction costs; and

WHEREAS, the Developer has requested that a portion of this funding in the amount of Four Million Dollars ($4,000,000.00) be provided to the Developer for the Project and eligible infrastructure expenses at the time of financing the Project; and

WHEREAS, the Agency Board finds it in the best interest of the Agency to continue to further the purposes of the 2010 Plan and in the best interest of the public to provide financial support for eligible infrastructure related to the Project; and

WHEREAS, the Agency Board desires to commit an amount not to exceed Eight Million Dollars ($8,000,000.00), such exact amount to be determine, towards the Project for eligible infrastructure which furthers the purpose of the 2010 Plan in establishing affordable workforce housing; and

WHEREAS, the Agency Board commits to entering into a funding agreement with the Developer at the time in which the financing for the Project is obtained by the Developer in an amount to be determined but in no event an amount exceeding Eight Million Dollars ($8,000,000.00); and

WHEREAS, the Board of Commissioners of the Agency find it in the best public interest to approve a funding commitment of an amount not to exceed Eight Million Dollars ($8,000,000.00) for eligible infrastructure costs associated with the Project and authorize the Chair and Secretary to further such commitment, subject to the conditions set forth below.

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

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

Section 2: That the Agency does hereby commit to providing a funding amount not to exceed Eight Million Dollars ($8,000,000.00) towards eligible infrastructure costs for the construction of the Project, such specific amount to be determined, Four Million Dollars ($4,000,000.00) of which is contemplated to be provided towards eligible costs at the time in which the Developer obtains financing of the Project.

Section 3: The Agency and Developer will enter into a separate funding agreement for such eligible infrastructure costs at the time funding is provided by the Agency.

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

PASSED by the Urban Renewal Agency of Ketchum, Idaho on February 20, 2024. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners on February, 2024.

URBAN RENEWAL AGENCY OF KETCHUM

By____________________________________
Susan Scovell, Chair

ATTEST:

By ____
Secretary

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