

PROPERTY DEVELOPMENT AGREEMENT

This Agreement is entered into this ____ day of _____, 200__, by and between _____(IHFA), an Idaho _____ corporation, hereinafter referred to as “IHFA”, and _____ (hereinafter referred to as “local housing agency), an Idaho non-profit corporation.

WHEREAS, IHFA receives and administers Idaho Community Reinvestment Corporation (ICRC) funds that are intended for the provision of affordable housing opportunities in Idaho; and

WHEREAS, IHFA has available ICRC loan funding for providing predevelopment costs for the construction of new, affordable, owner-occupied homes; and

WHEREAS, the local housing agency would like to utilize said program for the predevelopment costs on a parcel of property at _____ in _____, Idaho, more particularly described as Exhibit “A” attached hereto and incorporated herein by this reference (the “Property”), in connection with the construction of a new affordable single-family dwelling therein (the “Project”).

NOW, THEREFORE, the parties agree as follows:

- 1. IHFA, as agent for ICRC, will lend ICRC funds to local housing agency to reimburse for the actual predevelopment costs for the Project, up to a maximum of ten thousand dollars (\$10,000.00) (the “Loan”). Eligible costs include:

2. The amount of \$800 will be deducted from the Loan proceeds to pay for origination, closing and servicing of the Loan. This amount will cover both the Loan to the local housing agency and the end Loan to the homebuyer.

3. Local housing agency hereby promises to pay to the order of IHFA, as agent for ICRC, the principal amount of the Loan, without interest, upon sale of the Property to a low- or moderate-income homebuyer qualified as described in paragraph 4, below (whether one person or more than one person, hereinafter the "Homebuyer"), or upon the one-year anniversary date of the issuance of the certificate of occupancy for the Project, whichever comes first. If the Property is sold to a Homebuyer, the Loan shall be assumed by such Homebuyer as part payment of the purchase price of the Property, and the local housing agency shall be automatically released from liability therefore upon such assumption.

4. Assumption of the Loan by a Homebuyer will be evidenced by a Promissory Note made by the Homebuyer to ICRC (the "Note"). The Note shall bear interest as provided therein, and shall be secured by a Deed of Trust or assignment of lease on the Property granted by the Homebuyer. ICRC will be named beneficiary on said Deed of Trust or assignee on said assignment of lease. Payment on the Note will be deferred as long as no transfer of the original Homebuyer's interest in the Property, or any part thereof, occurs, and the original Homebuyer continues to use the Property as his/her primary residence. If an interest in the Property is sold or transferred, or is no longer used as the original Homebuyer's principal residence, the Loan shall become fully due and payable. If neither of those events occurs, the Loan shall be due in full on the thirtieth (30th) anniversary date of the Note. The local housing agency shall ensure that the Homebuyer signs and acknowledges receipt of a Disclosure Form detailing the circumstances which will cause the Loan to become immediately due and payable. For purposes

of this Agreement, the “original Homebuyer” means the first Homebuyer who purchases the Property from the local housing agency or a successor IHFA-approved, non-profit agency. The local housing agency agrees to convey title to the original Homebuyer by means of a warranty deed with title insurance from a title insurance company licensed to do business in Idaho.

5. The local housing agency agrees to sell the Property at a price not exceeding the median prices of area homes, pursuant to practices that affirmatively further fair housing, to owner-occupants who meet IHFA’s criteria for 80% median-income status for a given area of the state.

6. The local housing agency further agrees that if (a) the Property is not purchased by a qualified Homebuyer within one (1) year after the date of issuance of the certificate of occupancy for the Project, or (b) the Property is purchased within one (1) year after the date of issuance of the certificate of occupancy for the Project, but the purchaser is not a qualified low- or moderate-income Homebuyer, the local housing agency shall repay to IHFA, as agent for ICRC, the full amount of the Loan, plus interest at the rate of twelve percent (12.0%) per annum, from the date the Loan funds were advanced to the local housing agency until paid in full.

7. Applicable municipal, state, and federal laws, regulations and ordinances must be complied with in the construction of the Project on the Property.

8. The local housing agency agrees to hold harmless, defend, and indemnify ICRC, IHFA, and their respective employees, agents and officials, from any and all claims, actions, causes of action, suits, charges, damages, and judgments whatsoever that arise out of any negligent or intentional actions attributable to the local housing agency, its employees, agents, directors, officers, or volunteers, as a result of or in connection with the local housing agency’s performance under this Agreement.

9. This Agreement represents the entire agreement between the parties regarding the subject matter hereof. No prior promises, representations, or agreements, written or oral, shall amend, alter, change, or add to any of the express provisions herein. This Agreement may only be amended by means of a writing agreed to and executed by both parties.

10. This Agreement shall be governed by and construed pursuant to the laws of the State of Idaho. Proper venue for any action arising hereunder shall be _____ County.

11. This Agreement shall not be construed either for or against either party on the basis that such party had primary responsibility for drafting the Agreement.

12. Any notice which either party gives to the other hereunder shall be in writing and shall be deemed delivered when delivered personally, or when deposited in the United States mail with adequate postage, to the following addresses:

IHFA: Idaho Housing & Finance Association
Attn: _____

Boise, ID _____

Attn: Director

13. This Agreement shall be recorded in the real property records of the county in which the Property is located. It shall run with the land and shall be binding on the local development agency and its assigns and successors in interest, including its successors in title to the Property; **provided, however, that this Agreement shall be and remain subordinate to any first-priority deed of trust or mortgage on the Property, whether now existing or hereafter arising.** IHFA, as agent for ICRC, shall execute and deliver a subordination agreement to any owner or holder of any such deed of trust or mortgage upon request, to

evidence the subordination of the priority of this Agreement to the priority of such deed of trust or mortgage. Within a reasonable time after sale of the Property to a qualified Homebuyer and recordation of the Deed of Trust or assignment of lease from such Homebuyer in favor of ICRC, this Agreement shall be released of record.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their authorized representatives the day and year first above written.

IDAHO HOUSING & FINANCE
ASSOCIATION,
A PUBLIC BODY CORPORATE &
POLITIC of Idaho

_____ a non-profit
corporation registered in the State of Idaho

By: _____
Executive Director

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of February, 2009, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of _____, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Notary Public for Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of February, 2009, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and, being duly sworn, acknowledged to me that she executed the same on behalf of

by authority of its Board of Directors.

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

Notary Public for Idaho
Residing at _____
My commission expires _____

EXHIBIT A

[Property legal description]