

**NORTH IOWA REGIONAL HOUSING AUTHORITY
202 First Street SE, Ste. 203, Mason City, IA 50401**

November 25, 2025, 9:00 AM

**In person in the conference room or access the conference by calling in to
617-793-8470 or toll free at 844-855-4444. Access code is 5204446.**

Commissioners: Bruce Helgeson, Gary Gelner, Beth Johnson, Yvonne Krukow,
Enos Loberg, Jessy Willadsen, Dona Nielsen, and Kayla Zimmerman.

AGENDA

- | | | Pages |
|-----------|--|--------------|
| 1. | Opening of Meeting | |
| | A. Call to Order | |
| | B. Determination of Quorum | |
| | C. Recognition of Visitor | |
| | D. Approval of Agenda and Request for Changes | |
| 2. | Open Forum | |
| | Audience Note: If you desire to speak to the board, please read and complete the Open Forum Request form provided at the sign-in table and give it to the Board Secretary. | |
| 3. | Consent Agenda | |
| | All items under this section are routine and may be enacted by one motion. Any item may be removed from the Consent Agenda at the request of a commissioner and considered separately. | |
| | A. Executive Director's Report | 2 |
| | B. Approval of Consent Items or Request for Removal and Discussion | |
| 4. | Old Business | |
| | A. Minutes | 3-4 |
| | B. Financial Statements | 5-8 |
| | C. Bills | 9-10 |
| | D. Miscellaneous Communications | |
| 5. | New Business | |
| | A. Employee Health Insurance | 11-13 |
| | B. Resolution 2025-09 SEMAP Submission | 14-15 |
| | B. Master Development Agreement | 16-39 |
| 6. | Adjourn. | |

Next Scheduled Regular Meeting December 23, 2025.

Consent Agenda – Executive Director’s Report

a. Public Housing Unit Status

Unit Turnover					
	Month of November 2025	Total Units at Site	Leased as of October 31, 2025	HUD Removed	Vacant Units
«	Algona	14	14	0	0
«	Britt	6	6	0	0
«	Clear Lake	10	10	0	0
«	Forest City	16	16	0	0
	Hampton	27	26	0	1
«	Manly	12	12	0	0
«	Northwood	8	8	0	0
«	Osage	10	10	0	0
	Rockford	10	9	0	1
	Sheffield	8	7	0	1
	Total	121	118	0	3
«	<i>indicates that property is full</i>				

- b. AHRMA insurance annual renewal was received for \$65,036, which is down \$2,100 from last year. AHRMA is our general liability, comprehensive property, and casualty insurance provider.
- c. Mitchell County alternate Jenny Backer reported that she completed the open meeting law Iowa Public Information Board training as required for board members who join after July 1, 2025.

North Iowa Regional Housing Authority
202 First Street SE, Ste. 203, Mason City, IA 50401
Tuesday October 28, 9:00 A.M.
Minutes

1. Opening of Meeting.

- A. Chairperson Helgeson called the North Iowa Regional Housing Authority regular board meeting to order at 9:00 a.m. via conference call and in office. Public access to the meeting was available via phone and in office.

Board Members: Present: Delegates: Bruce Helgeson, Gary Gelner, Enos Loberg, Kayla Zimmerman, and Yvonne Krukow. **Alternate:** None. **Absent:** Beth Johnson and Jessy Willadsen. **By phone:** Dona Nielsen. **Staff:** Justin Stotts **Guest: None.**

- B. Determination of Quorum.
A quorum was determined.
- C. Recognition of Visitor.
None.
- D. Approval of Agenda and Request for Changes/Recording of Agenda.
Loberg moved to approve the agenda as presented. Zimmerman seconded the motion. All were in favor; none opposed; and none abstained. The motion carried.

2. Open Forum.

None.

Dona Nielsen joined the board meeting at 9:11 am by phone.

3. Consent Agenda.

Krukow moved to approve the consent agenda as presented. Loberg seconded the motion. All were in favor; none opposed; and none abstained. The motion carried.

4. Old Business.

- A. Minutes
Zimmerman moved to approve the minutes and bills. Krukow seconded the motion. All were in favor; none opposed; and none abstained. The motion carried.
- B. Financial Statements
None currently.
- C. Bills
- D. Miscellaneous Communication
None

5. New Business.

- A. HCV payment standards
Loberg moved to approve the HCV payment standards to be effective January 1, 2026, for Section 8 Housing Choice Voucher program. Nielsen seconded the motion. All were in favor; none opposed; and none abstained. The motion carried.

B. Resolution 2025-08 Nonprofit Creation Authorization.

Zimmerman moved to approve Resolution 2025-08 Nonprofit Creation Authorization. Gelner seconded the motion. **Roll Call Vote:** Nielsen, Loberg, Zimmerman, Gelner, Krukow, and Helgeson in favor; none opposed; and none abstained. The motion carried.

6. Adjourn.

Loberg moved to adjourn. Zimmerman seconded the motion. All were in favor; none opposed; and none abstained. The motion carried. Meeting adjourned at 10:50 AM. Next Meeting November 25, 2025.

Bruce Helgeson, Chairperson

Date

Justin Stotts, Executive Director

Date

NORTH IOWA REGIONAL HOUSING AUTHORITY - PH
BOARD SUMMARY REPORT
DATE September 2025

	Current	Fiscal Year Begin Bal	+/-
Cash & Investments			
1111 Cash General Fund	\$ 772,040.12	\$ 688,929.88	\$ 83,110.24
1114 Sec Deposit Fund	\$ 33,635.07	\$ 28,721.17	\$ 4,913.90
1117 Petty Cash	\$ 100.00	\$ 100.00	\$ -
1162 CD	\$ 126,321.36	\$ 119,505.92	\$ 6,815.44
1162.010 CD SD	\$ 27,025.38	\$ 25,825.94	\$ 1,199.44
Total Cash & Investments	\$ 959,121.93	\$ 863,082.91	\$ 96,039.02

	YTD Balance	Annual Budget	Percent of Budget
Receipts			
Rental Income	\$ 188,260.17	\$ 174,458.04	108%
Other Operating Revenue	\$ 884,999.87	\$ 494,755.00	179%
Total	\$ 1,073,260.04	\$ 669,213.04	160%
Expenses			
Admin Expense	\$ 234,153.21	\$ 227,576.00	103%
Utilities Expense	\$ 61,569.82	\$ 56,500.00	109%
Maintenance Expense	\$ 418,681.50	\$ 420,501.00	100%
General Expense	\$ 210,186.40	\$ 163,129.00	129%
Leased Amort & Int	\$ 8,760.22	\$ -	0%
Nonroutine Expenses	\$ -	\$ -	0%
Fixed Assets	\$ 132,767.98	\$ 80,000.00	166%
Total Operating Expenses	\$ 1,066,119.13	\$ 947,706.00	112%
Net Income (Loss) from Operations	\$ 7,140.91	\$ (278,492.96)	-3%

Operating Reserve	
Beginning of Year	
2810.510 Admin Unrestricted	\$ 718,180.25
Net Income (Loss) from Operations	\$ 7,140.91
Equity Transfer Business Activity	\$ -
Current FY Pension Adjustment	\$ -
Operating Reserve, End of Current Period	\$ 725,321.16

NORTH IOWA REGIONAL HOUSING AUTHORITY - PH
BOARD SUMMARY REPORT
DATE **Oct 2025**

	Current	Fiscal Year Begin Bal	+/-
Cash & Investments			
1111 Cash General Fund	\$ 671,753.93	\$ 772,040.12	\$ (100,286.19)
1114 Sec Deposit Fund	\$ 34,066.01	\$ 33,635.07	\$ 430.94
1117 Petty Cash	\$ 100.00	\$ 100.00	\$ -
1162 CD	\$ 126,321.36	\$ 126,321.36	\$ -
1162.010 CD SD	\$ 27,025.38	\$ 27,025.38	\$ -
Total Cash & Investments	\$ 859,266.68	\$ 959,121.93	\$ (99,855.25)

	YTD Balance	Annual Budget	Percent of Budget
Receipts			
Rental Income	\$ 18,722.56	\$ 188,179.00	10%
Other Operating Revenue	\$ 38,950.85	\$ 747,741.00	5%
Total	\$ 57,673.41	\$ 935,920.00	6%
Expenses			
Admin Expense	\$ 8,604.26	\$ 250,563.00	3%
Utilities Expense	\$ 1.00	\$ 59,000.00	0%
Maintenance Expense	\$ 17,381.16	\$ 404,870.00	4%
General Expense	\$ 42,414.84	\$ 87,399.00	49%
Leased Amort & Int	\$ 730.02	\$ 800.00	0%
Nonroutine Expenses	\$ -	\$ -	0%
Fixed Assets	\$ -	\$ -	#DIV/0!
Total Operating Expenses	\$ 69,131.28	\$ 802,632.00	9%
Net Income (Loss) from Operations	\$ (11,457.87)	\$ 133,288.00	-9%

Operating Reserve	
Beginning of Year	
2810.510 Admin Unrestricted	\$ 725,321.16
Net Income (Loss) from Operations	\$ (11,457.87)
Equity Transfer Business Activity	\$ -
Current FY Pension Adjustment	\$ -
Operating Reserve, End of Current Period	\$ 713,863.29

NORTH IOWA REGIONAL HOUSING AUTHORITY - VOUCHER
BOARD SUMMARY REPORT
DATE September 2025

	Current	Fiscal Year Begin Bal	+/-
Cash & Investments			
1111 Cash General Fund	\$ 552,522.95	\$ 578,440.07	\$ (25,917.12)
Total Cash & Investments	\$ 552,522.95	\$ 578,440.07	\$ (25,917.12)

	YTD Balance	Annual Budget	Percent of Budget
Receipts			
HUD Admin Fees	\$ 296,733.00	\$ 240,000.00	124%
Other Operating Revenue	\$ 16,894.17	\$ 27,050.00	62%
Total	\$ 313,627.17	\$ 267,050.00	117%
Expenses			
Admin Expense	\$ 271,604.03	\$ 257,473.00	105%
Utilities Expense	\$ -	\$ -	
Maintenance Expense	\$ 574.91	\$ 15,787.00	4%
General Expense	\$ 14,486.04	\$ 11,250.00	129%
Leased Amort & Int	\$ 8,760.22	\$ -	
Total Operating Expenses	\$ 295,425.20	\$ 284,510.00	104%
Net Income (Loss) from Operations	\$ 18,201.97	\$ (17,460.00)	-104%

Operating Reserve	
Beginning of Year	
2810.002 Admin Reserve	\$ 506,057.65
Net Income (Loss) from Operations	\$ 18,201.97
Current FY Pension Adjustment	\$ -
Operating Reserve, End of Current Period	\$ 524,259.62

NORTH IOWA REGIONAL HOUSING AUTHORITY - VOUCHER
BOARD SUMMARY REPORT
DATE **Oct 2025**

	Current	Fiscal Year Begin Bal	+/-
Cash & Investments			
1111 Cash General Fund	\$ 552,522.95	\$ 552,522.95	\$ -
Total Cash & Investments	\$ 552,522.95	\$ 552,522.95	\$ -

	YTD Balance	Annual Budget	Percent of Budget
Receipts			
HUD Admin Fees	\$ 22,006.00	\$ 285,000.00	8%
Other Operating Revenue	\$ 1,166.83	\$ 10,750.00	11%
Total	\$ 23,172.83	\$ 295,750.00	8%
Expenses			
Admin Expense	\$ 11,178.52	\$ 289,955.00	4%
Utilities Expense	\$ -	\$ -	
Maintenance Expense	\$ -	\$ 200.00	0%
General Expense	\$ 721.10	\$ 14,816.00	5%
Leased Amort & Int	\$ 730.02	\$ 800.00	91%
Total Operating Expenses	\$ 12,629.64	\$ 305,771.00	4%
Net Income (Loss) from Operations	\$ 10,543.19	\$ (10,021.00)	-105%

Operating Reserve	
Beginning of Year	
2810.002 Admin Reserve	\$ 524,259.62
Net Income (Loss) from Operations	\$ 10,543.19
Current FY Pension Adjustment	\$ -
Operating Reserve, End of Current Period	\$ 534,802.81

North Iowa Regional Housing Authority

Check Register

All Bank Accounts

October 1, 2025 - October 31, 2025

Check Number	Check Date	Payee	Amount
Payroll Direct Deposit			
9977	10/10/25	Carballo, Carmen N	1,613.32
9978	10/10/25	Gansen, Karri S	1,607.87
9979	10/10/25	Heiny, Daniel L	1,573.38
9980	10/10/25	McBride, Carrie L	1,337.75
9981	10/10/25	Stotts, Justin	2,770.58
9982	10/10/25	Urbatsch, Gregg A	1,648.62
Payroll Direct Deposit Total			<u>10,551.52</u>
Vendor Checks			
9983	10/07/25	A&M Electric Inc	469.30
9984	10/07/25	Algona Municipal Utilities 1	196.14
9985	10/07/25	Algona Plumbing & Heating, LLC	197.80
9986	10/07/25	Alliant Energy/IPL	29.76
9987	10/07/25	Black Hills Energy	41.75
9988	10/07/25	Brett A Austin	1,025.00
9989	10/07/25	Bushbaum Lawn Care & Snow Removal	666.25
9990	10/07/25	Chad Valvoda	1,560.00
9991	10/07/25	City of Clear Lake	34.42
9992	10/07/25	City of Forest City	359.74
9993	10/07/25	City of Rockford	122.10
9994	10/07/25	Finley Law Firm, P.C.	5,677.00
9995	10/07/25	Gary Gelner	48.40
9996	10/07/25	Gary Sheppard	770.00
9997	10/07/25	Gill Group	28,750.00
9998	10/07/25	Hampton Hardware	42.56
9999	10/07/25	Hawkins Ash CPAs	1,995.00
10000	10/07/25	HDSUPPLY	180.59
10001	10/07/25	JOE HORNYAK	29.53
10002	10/07/25	Justin Stotts	533.80
10003	10/07/25	Karri Gansen	329.87
10004	10/07/25	McCloskey Appliance	899.00
10005	10/07/25	Mid American Energy Company	24.32
10007	10/07/25	Northwood Sanitation, LLC	445.00
10008	10/07/25	Online Information Services Inc	196.50
10009	10/07/25	Osage Municipal Utilities	27.34
10010	10/07/25	Quality Carpet Cleaning Restoration Inc.	100.00
10011	10/07/25	River City Communications, Inc	274.00
10012	10/07/25	Skyblue Solutions	237.17
10013	10/07/25	Steven Giles	100.00
10014	10/07/25	Yvonne Krukow	42.00
10015	10/13/25	Mort's Water Company	99.00
10016	10/21/25	Access Systems Leasing	376.82
10017	10/21/25	Alliant Energy/IPL	342.60
10018	10/21/25	Black Hills Energy	23.40
10019	10/21/25	Brett A Austin	3,051.66
10020	10/21/25	BRIC MC LLC	2,691.46
10021	10/21/25	D&L Sanitation	160.00
10022	10/21/25	David Harms	140.00
10023	10/21/25	Eileen Holm	300.00
10024	10/21/25	Finley Law Firm, P.C.	1,410.00
10025	10/21/25	HDSUPPLY	172.41
10026	10/21/25	McCloskey Appliance	2,627.00
10027	10/21/25	Menards - Mason City	1,883.39
10028	10/21/25	Mort's Water Company	384.10
10029	10/21/25	Nuehring's Lawn & Tree Service Inc.	150.00
10030	10/21/25	Paymentus	8.00
10031	10/21/25	Plumb Supply Company	947.38
10032	10/21/25	Reliable1	2,249.95

North Iowa Regional Housing Authority

Check Register

All Bank Accounts

October 1, 2025 - October 31, 2025

Check Number	Check Date	Payee	Amount
10033	10/21/25	River City Communications, Inc	1,454.50
10034	10/21/25	Sarah Walkner	300.00
10035	10/21/25	Schumacher Elevator Company	957.13
10036	10/21/25	ServPro of Fort Dodge	249.00
10037	10/21/25	State of Iowa Department of Inspections & Appeals	540.43
10038	10/21/25	Sunde Services, LLC	4,850.00
EFT	10/20/25	Clear Lake Sanitary District	25.86
EFT	10/20/25	Clear Lake Sanitary District	23.30
EFT	10/20/25	Clear Lake Sanitary District	29.70
EFT	10/20/25	Clear Lake Sanitary District	29.70
EFT	10/20/25	Clear Lake Sanitary District	21.70
EFT	10/20/25	Clear Lake Sanitary District	31.62
EFT	10/20/25	Clear Lake Sanitary District	28.10
EFT	10/20/25	Clear Lake Sanitary District	25.22
EFT	10/20/25	Clear Lake Sanitary District	29.38
EFT	10/20/25	Clear Lake Sanitary District	24.90
EFT	10/20/25	Mid American Energy Company	926.80
EFT	10/20/25	Wellmark	272.93
EFT	10/07/25	Aflac	106.86
EFT	10/07/25	Capital One	5,852.70
EFT	10/07/25	Century Link	199.62
EFT	10/07/25	City of Hampton	806.16
EFT	10/07/25	City of Manly Utility	500.50
EFT	10/07/25	Principal Life Insurance Company	648.41
EFT	10/07/25	Verizon	292.85
Vendor Check Total			<u>80,648.88</u>
Check List Total			<u><u>91,200.40</u></u>

Check count = 80

DATE: November 25, 2025

RE: Employee Insurance Coverage

REQUESTED ACTION: Approve recommended employee health benefits.

COMMENTS: Attached is a brief evaluation of plan design options, along with insurance plan and premium information.

Attached is a list of comparable plans, our current plan is renewable with a 10% increase.

I am proposing we continue with our high deductible health plan, in conjunction with an employer contribution to a Health Savings Account on behalf of the employee. These types of plans typically will see lower premium increases due to the fact they encourage the insured to be better consumers of health care.

I propose we stay with the UHC Level-Funded HP500025B, with an expected cost to the agency of \$49,068.12 for the coming year.

The proposed employee share of single health coverage is 15%, totaling \$144.32 per pay period if we choose the selected plan.

In order to keep the deductible cost to staff in under control, I propose we offset the higher deductible by funding a Health Savings Account (HSA) for our each of our staff. The proposal would be to put \$1,500 per participating health plan member into an HSA every six months beginning February 1, which would keep the effective deductible to staff the same as previous years if the proposed plan is chosen. If another plan is chosen, I propose we adjust the funding level of the HSA so we leave no more than a \$2,000 gap between HSA funding and the individual deductible.

Dental insurance costs and coverage will remain the same in 2026.

New coverage choices will take effect February 1, 2026.



Edwards-Brandt & Associates

NIRHA

Report as of 12 November 2025

Plan Group Comparison - 2/1/26 - 1/31/27

This is a brief, illustrative summary of the benefits and rates. This is not intended to be a complete comparison of contract provisions. Refer to the contract/certificate for exact benefit details. While every effort has been made to ensure the accuracy of the rates, final rates are subject to change and are based on final enrollment and underwriting approval.

* = Additional details available

Medical Plan Group		Current		Renewal		Proposed		Proposed	
		\$ 44,513 ³¹		\$ 49,068 ¹² +10.2%		\$ 45,149 ⁷⁹ +1.4%		\$ 57,394 ⁰⁷ +28.9%	
Medical Plan Design		UHC Level-Funded HP500025B PPO		UHC Level-Funded HP500025B PPO		UHC Level-Funded HP6000CP25B PPO		Wellmark BlueCross BlueShield of Iowa myBlue HDHP Silver PPO BLUE PPO	
		Single	Family	Single	Family	Single	Family	Single	Family
Deductible		\$ 5,000	\$ 10,000	\$ 5,000	\$ 10,000	\$ 6,000	\$ 12,000	\$ 6,250	\$ 12,500
Employee Coinsurance		Embedded 0 %	Embedded 0 %	Embedded 0 %	Embedded 0 %	Embedded 0 %	Embedded 0 %	Embedded 0 %	Embedded 0 %
Out-of-Pocket Max		\$ 5,000	\$ 10,000	\$ 5,000	\$ 10,000	\$ 6,000	\$ 12,000	\$ 6,250	\$ 12,500
Employer Funding		\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0
Net Out-of-Pocket Max		\$ 5,000	\$ 10,000	\$ 5,000	\$ 10,000	\$ 6,000	\$ 12,000	\$ 6,250	\$ 12,500
Employee Annual Premium		\$ + 1,571	\$ + 21,535	\$ + 1,732	\$ + 23,839	\$ + 1,594	\$ + 21,857	\$ + 2,026	\$ + 0
Employee Max Annual Cost		\$ 6,571	\$ 31,535	\$ 6,732	\$ 33,839	\$ 7,594	\$ 33,857	\$ 8,276	\$ 12,500
Medical Copays		Copay		Copay		Copay		Copay	
Primary Care		\$ -- Ded+Coins		\$ -- Ded+Coins		\$ --		\$ 0 \$0 after deductible	
Specialty Care		\$ -- Ded+Coins		\$ -- Ded+Coins		\$ --		\$ 0 \$0 after deductible	
Urgent Care		\$ -- Ded+Coins		\$ -- Ded+Coins		\$ --		\$ 0 \$0 after deductible	
Emergency		\$ -- Ded+Coins		\$ -- Ded+Coins		\$ --		\$ 0 \$0 after deductible	
In-Patient Hospital		\$ -- Ded+Coins		\$ -- Ded+Coins		\$ --		\$ 0 \$0 after deductible	
Out-Patient Hospital		\$ -- Ded+Coins		\$ -- Ded+Coins		\$ --		\$ 0 \$0 after deductible	
Rx		Integrated with Medical		Integrated with Medical		Integrated with Medical		Integrated with Medical	
Tiers		--		--		--		\$0*	
Enrollment		5	Prem	ER	EE	5	Prem	ER	EE
Employee Only		5	\$ 872 ⁸¹	85 %	\$ 130 ⁹²	5	\$ 962 ¹²	85 %	\$ 144 ³²
Employee + Spouse		--	\$ --	-- %	\$ --	--	\$ --	-- %	\$ --
Employee + Children		--	\$ --	-- %	\$ --	--	\$ --	-- %	\$ --
Family		0	\$ 2,536 ⁴⁶	29 %	\$ 1,794 ⁵⁷	0	\$ 2,804 ³⁹	29 %	\$ 1,986 ⁵⁹
Annual Insurance Premium		\$ 52,368 ⁶⁰		\$ 57,727 ²⁰ ▲		\$ 53,117 ⁴⁰ ▲		\$ 67,522 ⁴⁴ ▲	
Employer Premium Contribution		\$ 44,513 ³¹		\$ 49,068 ¹²		\$ 45,149 ⁷⁹		\$ 57,394 ⁰⁷	
Budgeted HRA + HSA		\$ + 0 ⁰⁰ + 0 ⁰⁰		\$ + 0 ⁰⁰ + 0 ⁰⁰		\$ + 0 ⁰⁰ + 0 ⁰⁰		\$ + 0 ⁰⁰ + 0 ⁰⁰	
Employer Annual Cost		\$ 44,513.31		\$ 49,068.12 +10.2%		\$ 45,149.79 +1.4%		\$ 57,394.07 +28.9%	



Edwards-Brandt & Associates

NIRHA

Report as of 12 November 2025

Plan Group Comparison - 2/1/26 - 1/31/27

This is a brief, illustrative summary of the benefits and rates. This is not intended to be a complete comparison of contract provisions. Refer to the contract/certificate for exact benefit details. While every effort has been made to ensure the accuracy of the rates, final rates are subject to change and are based on final enrollment and underwriting approval.

* = Additional details available

		Current			Renewal			Proposed			Proposed		
Medical Plan Design		UHC Level-Funded HP500025B			UHC Level-Funded HP500025B			UHC Level-Funded HP6000CP25B			Wellmark BlueCross BlueShield of Iowa myBlue HDHP Silver PPO		
Employees /	Type	Prem	ER	EE	Prem	ER	EE	Prem	ER	EE	Prem	ER	EE
GANSEN, K /	EE	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 1,226 ⁶⁵	\$ 1,042 ⁶⁵	\$ 184 ⁰⁰
HEINY, D /	EE	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 1,309 ⁵⁹	\$ 1,113 ¹⁵	\$ 196 ⁴⁴
URBATSCH, G /	EE	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 1,254 ¹⁵	\$ 1,066 ⁰³	\$ 188 ¹²
SEATON, C /	EE	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 609 ⁸³	\$ 518 ³⁶	\$ 91 ⁴⁷
MCBRIDE, C /	EE	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 1,226 ⁶⁵	\$ 1,042 ⁶⁵	\$ 184 ⁰⁰
Monthly / Annual Premium		\$ 4,364 ⁰⁵ / \$ 52,368 ⁶⁰			\$ 4,810 ⁶⁰ / \$ 57,727 ²⁰			\$ 4,426 ⁴⁵ / \$ 53,117 ⁴⁰			\$ 5,626 ⁸⁷ / \$ 67,522 ⁴⁴		

DATE: November 25, 2025

RE: SEMAP Submission

Requested Action: Approve Resolution No. 2025-09 approving the Section Eight Management Assessment Program (SEMAP) submission for the fiscal year ending September 30, 2025.

Comments: SEMAP measures the performance of public housing agencies (PHA) that administer the Housing Choice Voucher Program. There are 15 indicators of performance which HUD uses to target, monitor, and assist programs that need improvement. HUD annually assigns each PHA a rating on each of the 15 indicators, and assigns an overall performance rating of high, standard, or troubled.

If a PHA does not perform adequately on any of the first 14 indicators, or if the overall performance rating is troubled, the PHA must implement a corrective action plan for HUD to review. HUD may also conduct on-site reviews to assess the magnitude and seriousness of the problems.

NIRHA received an overall performance rating of “High”, which is the top rating.

RESOLUTION NO. 2025-09

**SECTION 8 MANAGEMENT ASSESSMENT PROGRAM
(SEMAP)**

NORTH IOWA REGIONAL HOUSING AUTHORITY

WHEREAS, the North Iowa Regional Housing Authority provides housing for low income families through various programs which are funded primarily through agreements with the United States Department of Housing and Urban Development; and

WHEREAS, the Department of Housing and Urban Development has directed all housing authorities to complete the Section 8 Management Assessment Program for the purpose to identify management capabilities and deficiencies in order to target monitoring and program assistance more effectively; and

WHEREAS, the Department of Housing and Urban Development requires a resolution from the Board of Commissioners accepting the completed SEMAP submission;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Iowa Regional Housing Authority that the Authority has been presented with and reviewed the SEMAP submission for the fiscal year ending September 30, 2025, believe it to be true and accurate; and hereby ratify their approval of its November 25, 2025, submission to the Department of Housing and Urban Development as required by federal regulations.

PASSED AND ADOPTED BY THE NORTH IOWA REGIONAL HOUSING AUTHORITY ON THIS 25th DAY OF NOVEMBER 2025.

Bruce Helgeson, Chairperson

ATTEST:

Justin Stotts, Executive Director

DATE: November 25, 2025

RE: Master Development Agreement

REQUESTED ACTION: Approve the Executive Director to negotiate and execute the Master Development/Consulting Agreement between North Iowa Regional Housing Authority (NIRHA) and Knight Advantage, LLC (Knight Development).

COMMENTS: The Master Development Agreement establishes Knight Development as NIRHA's partner and consultant for the planning, financing, and redevelopment of properties under the HUD Rental Assistance Demonstration (RAD) and other affordable housing programs. This agreement will allow NIRHA to move from a consulting role to a development partnership as projects advance.

Key Agreement Highlights:

- Knight Development will assist NIRHA with RAD, Section 18, and LIHTC applications, project financing, design, and construction oversight.
- NIRHA will provide initial predevelopment funding up to \$100,000 and will be reimbursed at closing.
- Developer fee: up to 18% of total development cost (HUD/IHFA limits), split 70% to Knight Development and 30% to NIRHA.
- Net project cash flow and incentive management fees will be shared 50/50.
- Agreement term is three years, with automatic three-year renewals unless terminated by either party.
- Either party may terminate for convenience or cause with written notice.
- The agreement will apply to future projects under separate project-specific addendums.

Approval of this agreement enables NIRHA to formalize its partnership with Knight Development for RAD conversions, LIHTC financing, and new affordable housing initiatives across the region.

MASTER DEVELOPMENT/CO AGREEMENT

This Master Development Agreement (this "Agreement") is made as of the ____ day of _____, 20____, by and between **NORTH IOWA HOUSING AUTHORITY** (the "Authority") and **KNIGHT ADVANTAGE, LLC doing business as KNIGHT DEVELOPMENT**(the "Developer/Consultant").

RECITALS:

WHEREAS, the Authority owns or intends to acquire property located in North Iowa Housing Authority Jurisdiction, located throughout north Iowa., (the "Project Sites") on which it intends to develop certain affordable housing units;

WHEREAS, through a Request for Proposals (the "RFP"), attached as Exhibit B hereto, the terms of which are incorporated into this Agreement, the Authority competitively procured the Developer/Consultant as a private partner to provide planning, development and consulting services with respect to the development of replacement housing, rehabilitation or demolition of the Prior Units and acquisition of additional replacement housing as needed under HUD's RAD program. The Authority will move from consulting to Developer as needed to meet development requirements related to financing.

WHEREAS, the Authority (or a subsidiary or an affiliate of the Authority) may form a separate entity to own and operate a Project (the "Owner Entity") by execution of a limited partnership agreement, which may be amended from time to time (the "Partnership Agreement");

WHEREAS, the Authority desires to contract with the Developer/Consultant to handle in consultation with the Authority all facets of the RAD application, development and financing of one or more Projects, demolition and disposition of the Prior Units and acquisition of additional replacement housing units as needed and instructed by the Authority under HUD's RAD program; and

WHEREAS, the Authority and the Developer/Consultant envision this Agreement as the first in a series of related agreements (each, a "Project Agreement") still to be negotiated for discrete stages of the development contemplated herein in consideration of investor requirements.

WHEREAS, the Authority desires to appoint the Developer/Consultant to provide certain services for the Authority with respect to overseeing the scope of work contemplated hereunder until all development work is completed.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the "Recitals" section of this Agreement or are defined below:

ACC: The Annual Contributions Contract between HUD and the Authority for the benefit of any Public Housing Units.

Act: The United States Housing Act of 1937 (42 U.S.C. § 1437, *et seq.*), as amended from time to time, any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

Applicable Public Housing Requirements. All requirements applicable to public housing, including, but not limited to, the Act, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, any mixed-finance ACC amendment, any HOPE VI grant agreement (if applicable), HUD notices (including any notice of fund availability under which the Authority received an award of HOPE VI funds for use in connection with a Project), the HUD-approved Declaration of Restrictive Covenants in favor of HUD, the Authority's admissions and occupancy policies applicable to a Project, and all applicable federal statutory, regulatory and executive order requirements, as those requirements may be amended from time to time.

Closing: With respect to any Project, the date on which the equity investor is admitted into the Owner Entity created for such Project.

Code: The Internal Revenue Code of 1986, as amended.

Developer/Consultant Costs: With the prior approval of the Authority, costs, including predevelopment costs, reasonably incurred by the Developer/Consultant relating to professionals (including but not limited to architects, engineers and attorneys and other contractors or vendors providing services directly relating to a Project). Developer/Consultant Costs shall also include Reimbursable Expenses reasonably incurred by such third-party professionals.

Developer/Consultant Fee: The fee to be paid (including deferred and non-deferred amounts) to the Developer/Consultant, as set forth in Section 8.

Development Services: The scope of services required to be performed by the Developer/Consultant hereunder related to the predevelopment or development of a Project.

Hazardous Materials: (a) "Hazardous Substances" as defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.*; (b) "Hazardous Wastes" as defined by the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.*; (c) any hazardous, dangerous or toxic chemical, waste, pollutant, contaminant or substance ("Pollutant") within the meaning of any federal, state or local law prohibiting, limited or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such Pollutant; (d) petroleum crude oil or fraction thereof; (e) any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. §2011 *et seq.* and amendments thereto and reauthorizations thereof; (f) asbestos-containing materials in any form or condition; or (g) polychlorinated biphenyls in any form or condition.

HUD: The United States Department of Housing and Urban Development.

LIHTC or Tax Credits: Low income housing tax credits established pursuant to Section 42 of the Code.

HFA: Housing Finance Authority, the State's allocating agency for the Tax Credits.

IHFA: *IOWA Housing Finance Agency*

Project: A component of the development contemplated hereunder, which for funding and relocation purposes is developed as a distinct transaction. The parties hereto agree that Project shall include, without limitation, any development activities resulting from a RAD application prepared or to be prepared by the Developer/Consultant on behalf of the Authority.

Project Agreement: Any agreement between the Authority or the Owner Entity, as applicable, and the Developer/Consultant to develop a Project.

Public Housing Units: Any units owned by the Authority (or any subsidiary thereof) which receive the benefit of public housing funds, either for development or operation or both, and are subject to the laws of the United States and the regulations of HUD governing public housing.

Reimbursable Expenses: The actual cost for expenses incurred as a result of necessary travel, postage and overnight courier charges, telephone expenses, and other customary and reasonable out-of-pocket costs.

Total Development Costs: All hard and soft costs of a Project.

2. APPOINTMENT. The Authority hereby appoints the Developer/Consultant to render services to the Authority, and confirms and ratifies the appointment of the Developer/Consultant with respect to services previously rendered to the Authority to date, in supervising and overseeing the development of a Project and the performance of other services as herein contemplated. The Developer/Consultant shall undertake all the activities herein as a development partner on behalf of the Authority, pursuant to the terms and conditions set forth herein.

3. COOPERATION. The Authority and the Developer/Consultant agree to cooperate with one another in good faith to successfully complete a Project and all activities contemplated by this Agreement.

4. NO THIRD-PARTY BENEFICIARIES. The Authority and the Developer/Consultant acknowledge that nothing contained in the ACC or this Agreement, nor any act of HUD, the Authority or the Developer/Consultant, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and the Authority as provided under the terms of the ACC.

Commented [A1]: This just means that only the parties to this agreement are intended to benefit from this contract. No one else can sue to enforce it or claim that they are damaged by it.

5. AUTHORITY AND OBLIGATIONS. The Developer/Consultant shall have the authority and the obligation as necessary or appropriate (in the reasonable judgment of the Developer/Consultant) to perform all of the Development Services described in Section 6 of this Agreement. The provisions of this Agreement shall become subject to the provisions of the applicable Partnership Agreement and Project Agreement if and when executed; provided, however, that if the Developer/Consultant has no ownership interest in the Owner Entity, the Developer/Consultant shall have the right to review and comment on the terms and conditions of the Partnership Agreement (including the terms and conditions of any amendments thereto) that conflict with this Agreement or otherwise affect the Developer/Consultant's rights and obligations hereunder. Following such review, upon reasonable objection by the Developer/Consultant, the Authority agrees that it will not enter into any Partnership Agreement which contains non-standard terms and conditions that adversely affect the interests of the Developer/Consultant hereunder.

Each Project Agreement, when executed, will be attached as an addendum to this Agreement and shall supplement and, to the extent applicable, amend this Agreement as it applies solely to that Project. The parties acknowledge and agree that, in the event of a conflict or inconsistency between the Applicable Public Housing Requirements, to the extent applicable, and any requirement set forth in this Agreement or any Project Agreement, the Applicable Public Housing Requirements, to the extent applicable, shall in all instances be controlling.

To the extent the Developer/Consultant incurs third-party Project costs, the Developer/Consultant shall be reimbursed (or payment made by the Authority on the Developer/Consultant's behalf), contingent on the Authority's receipt of appropriate documentation of such expense.

6. DEVELOPMENT SERVICES.

A. The Developer/Consultant shall make recommendations for the development and construction of a Project, including the ownership and development entities, shall perform the services and carry out the responsibilities with respect to a Project as are set forth herein, and shall perform such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by (1) the Authority, (2) the Developer/Consultant, with the review of the Authority, or (3) as the managing general partner/representative of the limited partnership.

B. The Developer/Consultant's services shall be performed in the name of and on behalf of the Authority, or as appropriate, the Developer/Consultant's own name as the Authority's Developer/Consultant partner or the Owner Entity, and shall consist of the duties set forth in the following subparagraphs of this Paragraph 6(B) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer/Consultant set forth in this Agreement is beyond the reasonable control of the Developer/Consultant, the Developer/Consultant shall be obligated to promptly notify the Authority that the performance of such duty is beyond its reasonable control. The Developer/Consultant has performed or shall perform the following:

- (1) With the assistance of the Authority, make application for federal, state, local and private programs for funds to assist in financing a Project, including

(without limitation) HUD public housing mixed finance, Tax Credits, tax-exempt bonds, HOME funds, Community Development Block Grant funds, the Federal Home Loan Banks' Affordable Housing Program, energy grants, HUD or Rural Development loan programs and such other development resources that may be identified during the term of this Agreement. All application fees or costs associated with said applications shall be paid by the Authority and reimbursed at project closing up to the first \$100,000. The Developer/Consultant will pay the predevelopment costs after the first \$100,000 until the Authority receives the RAD Conversion Commitment, (RCC), or permission from HUD to spend additional predevelopment funds as may be available during the development process;

(2) Negotiate and cause to be executed in the name and on behalf of the Authority (or if appropriate, on behalf of the Owner Entity) contracts for architectural, engineering, testing, legal, consulting or other professional services for a Project or demolition of the Prior Units, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Authority or Owner Entity or the furnishing of any supplies, materials, machinery or equipment therefore, or any amendments thereof; provided, however, that the Developer/Consultant shall execute third-party contracts in its own name, as the Authority's Developer/Consultant partner, or in the name of the owner entity after the first \$100,000 in order to comply with federal procurement requirements applicable to the Authority; provided further that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with which the agreement is to be made shall have been reviewed by the Authority (such review will not to be unreasonably withheld or delayed); provided further that, except as expressly provided herein, the Authority agrees that the Developer/Consultant makes no representation, warranty or guarantee as to the performance or quality of work of any party to any such contract and shall bear no liability therefor;

(3) Identify sources of financing (both debt and equity) for a Project and negotiate the terms of such financing with prospective lenders and investors.

(4) Provide required financial guarantees or identify partners as needed for financial guarantees required by the investor, lender, and HUD. The typical LIHTC investor guarantee includes \$1,000,000 in liquidity and \$5,000,000 in net worth. These guarantees can be through project conversion as well as long term program compliance of 15 years.

(5) Coordinate the preparation of the plans and specifications for a Project (the "Plans and Specs"), which shall be subject to the reasonable approval of the Authority and may be amended by the agreement of the parties hereto and with the consent of any lender or equity investor, as applicable.

(6) Establish and implement appropriate administrative and financial controls for the design and construction of a Project, including but not limited to, the items listed below in this subparagraph (5):

(i) coordination with the architect, the general contractor, and other contractors, professionals and Developer/Consultants employed in connection with the design of a Project;

(ii) nontraditional or alternate methods of procuring of any construction contracts, including without limitation, any pre-bid activities, receiving bids, preparing any bid analysis and making recommendations to the Authority or project owner for the project general contractor;

(iii) administration of any construction contracts.

(iv) participation in conferences and the rendering of such advice and assistance as will aid in developing economic, efficient, and desirable design and construction procedures.

(v) the rendering of advice and recommendations as to the selection procedures for and selection of subcontractors and suppliers.

(vi) the review and submission to the Authority for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements with any lending institutions providing funds for a Project for the design or construction of any improvements;

(vii) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of a Project;

(viii) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of a Project;

(ix) compliance with all terms and conditions applicable to the Authority or a Project contained in any governmental permit or approval required or obtained for the lawful construction of a Project, or in any insurance policy affecting or covering a Project, or in any surety bond obtained in connection with a Project;

(x) furnishing such additional consultation and advice relating to the construction and development of a Project as may be reasonably requested from time to time by the Authority and within the scope of this Agreement;

(xi) furnishing, as reasonably requested by the Authority, sources and uses calculations and financial feasibility reports for a Project;

(xii) administering the agreements with a Project architect, general contractor, and other contractors, professionals and Developer/Consultants retained for a Project; and

(xiii) filing on behalf of the Authority any notices of completion required or permitted to be filed upon the completion of any improvements and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of dwelling units and other space in a Project.

(7) Obtain access to utilities and required zoning approvals;

(8) Observe the progress of the course of construction of a Project so as to be fully competent to approve or disapprove requests for payment made by a Project architect and the general contractor, or by any other parties with respect to the design and construction of a Project, and in addition to verify that the same is being carried out substantially in accordance with the Plans and Specs approved by the Authority or, in the event that the same is not being so carried out, to promptly so notify the Authority;

(9) Obtain and maintain insurance coverage in accordance with Section 39 herein, which shall be approved by the Investors and HUD;

(10) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer/Consultant's functions hereunder;

(11) Use commercially reasonable efforts to ensure the timely completion of a Project in accordance with the approved Plans and Specs;

(12) At the direction of the Authority, implement any decisions of the Owner Entity made in connection with the design, development and construction of a Project or any policies and procedures relating thereto, exclusive of leasing activities;

(13) Perform and administer any and all other services and responsibilities of the Developer/Consultant which are set forth in any other provisions of this Agreement or which are reasonably requested to be performed by the Authority and are within the general scope of the services described herein;

(14) The Developer/Consultant shall have the right to arrange and place the Tax Credit equity investment and any tax-exempt bond investment for a Project without a competitive bid process; provided, however, the Authority reserves the right to request submission of invited proposals for Tax Credit investors or any tax-exempt bond investors;

(15) The Developer/Consultant shall assist the Authority with communicating with and cooperating with federal, state and local governmental

officials and other interested organizations (including any resident groups), and shall attend meetings regarding a Project with the same, as and to the extent necessary to effectively carry out a Project;

(16) The Developer/Consultant shall assist the Authority in any Project diligence required to secure funding for a Project;

(17) Obtain a completion guarantee from the general contractor; provided, however, the Developer/Consultant may provide such guarantee in its own name; or affiliated entity name;

(18) Pay for third party services and reports after the first \$100,000 is expended by the Authority in accordance with the RAD Rules. After receipt of HUD's RAD Conditional Conversion, (RCC), approval the Authority may provide additional 3rd party reimbursable expenses as negotiated and available.

(19) Include all RAD, Section 18, and Section 8 Project Based Voucher compliance requirements in the development of RAD and replacement units.

(20) All other obligations described in the RFP shall be incorporated into this Agreement.

7. AUTHORITY DUTIES AND RESPONSIBILITIES.

A. In General. The Authority shall be responsible for the roles and responsibilities described in this Article 7 in connection with a Project.

B. Information. The Authority shall expeditiously provide all information necessary for the orderly progress of a Project, including but not limited to provision of current, accurate budgets, and such other information or documents as shall be necessary for financings, including any applications therefor, or the satisfaction of regulatory, lender or investor requirements. In addition, the Authority shall coordinate closely with the Developer/Consultant regarding any communications with HUD, and will forward to the Developer/Consultant all relevant correspondence, directives, and other written material either to or from HUD. The Authority will respond promptly to questions that may arise during Project administration.

C. Execution of Documents. Whenever the Authority is required under this Agreement or by statute or regulation to take actions or execute documents in order to proceed with a Project, the Authority will promptly respond.

D. Development Support. The Authority shall provide assistance for a Project with local agencies, HUD, lenders, and other applicable parties and will agree to reasonable requirements imposed on a Project by any lenders and investors investing in a Project. The Authority shall provide, to the extent appropriate, assistance requested by the Developer/Consultant in obtaining licenses, approvals, clearances, or other cooperation from local, State, and federal governmental agencies and entities.

E. Review and Approval. The Authority shall promptly review any matter or document relating to a Project submitted to it by the Developer/Consultant for the Authority's approval and shall promptly advise the Developer/Consultant of its approval or of why approval is being withheld. The Authority's approval shall not be unreasonably withheld.

F. Due Diligence and Costs. The Authority will pay for the first \$100,000 in expenses for due diligent and professional services. The Authority may pay additional up front fees, but only with HUD's approval or receipt of the RCC. The Authority would be reimbursed for these costs at the closing of the real estate transaction/partnership closing. The authority may request the funds stay in the project or be reimbursed at closing.

G. PHA Loans: The PHA may provide loans to the partnership related to predevelopment costs, PHA provided gap financings, and/or seller take back loans. These loans will be considered soft loans and repayable through cash flow in the waterfall in accordance with HUD's approval and subsidy layering review.

H. PHA and Affiliate: The PHA and its affiliate entities shall participate as project owner, project developer, and project sponsor as deemed necessary for project success. The PHA shall maintain a ground lease for land with a lease for the project development. The improvements will be made by the partnership through the development process and be held by the project ownership through the tax credit compliance period. The PHA or its designated affiliate will hold the Right of First Refusal for the property and improvements at the end of the 15 year compliance period. The project will ensure that the housing authority remains in control in compliance with HUD's RAD requirements.

I. Provide Section 8 Project Based Vouchers in accordance with HUD's RAD project requirements. Assist with site based utility allowances, annual OCAF and rent increase requests for the project, development of waitlist preference language, and assistance with implementation of a site-based Section 8 waitlist. Will provide process in coordination with Developer/Consultant related to project request for qualified tenants. Will conduct annual rent reasonableness studies as required by HUD.

J. PHA Plan: Will update the PHA Plan as needed to meet program requirements and any preferences that are project targeted.

8. COMPENSATION; DEVELOPER/CONSULTANT FEE.

Deleted: ¶

A. In consideration for the services provided pursuant to this Agreement, the Authority shall pay the Developer/Consultant in the manner and at the rates set forth in Exhibit C hereto. Further, for Projects involving Tax Credits, the Authority shall pay the Developer/Consultant a Developer/Consultant Fee to be determined on a Project-by-Project basis and included in the applicable Project Agreement. The Developer/Consultant Fee is to be negotiated by the parties as a part of the Project Agreement but shall not exceed the greater of fifteen percent (18%) of Total Development Costs or the highest feasible amount allowed by the IHFA, HUD or other applicable government authorities.

B. The parties hereto acknowledge and agree that, subject to the terms of the applicable Project Agreement, portions of the Developer/Consultant Fee shall be deemed to be

earned upon the achievement of certain benchmarks, as follows: (i) twenty percent (20%) thereof upon completion of the Plans and Specs and receipt of appropriate zoning for a Project; (ii) fifteen per cent (15%) thereof upon the thirty percent completion of construction of a Project; (iii) an additional fifteen percent (15%) upon fifty percent completion of construction of a Project; and (iv) fifty percent (50%) thereof upon completion of a Project. Once earned, the Developer/Consultant Fee is payable in all events.

C. The Authority and Developer will split the total developer fee. The Developer will receive 70% of the developer fee and the Agency will receive 30% of the developer fee.

D. The Authority and Developer will work to meet HUD's deferred developer fee requirement while monitoring the cash paid developer fee and deferred developer fee that will be required in RAD projects. The Authority will take the deferred developer fees as controlled by the RAD restrictions.

E. The cash flow will be split equally, 50%/50%, as is available and allowed. The economic cash flow through the project waterfall will be paid 50% to the Authority and 50% to the Developer and will consider HUD's Subsidy Layering Review restrictions.

F. The Developer and the Authority will split the incentive management fee that is to be paid through the cash flow waterfall.

G. The Developer will work to incorporate administrative fees into the project for any Section 8 administrative fee shortfall in the first year of conversion.

H. The Developer and Authority will split available cash flow equally pursuant to the cashflow waterfall structure and as allowed by HUD's Subsidy Layering Review requirements annual asset management fee as negotiated in the cash flow waterfall structure with the Limited Partnership.

I. The Developer and Authority shall each be paid an Asset Management Fee annually as available from the cash flow waterfall.

9. CORPORATE PRIORITY. Except as expressly provided herein, this Agreement shall be subject to the terms and conditions of the Partnership Agreement, as approved by the Developer/Consultant.

10. TERMINATION FOR CONVENIENCE. The Authority may terminate this Agreement, in whole or in part with respect to a Project, whenever the Authority determines that such termination is in its best interest. Any such termination shall be effected by delivery to the Developer/Consultant of a written Notice of Termination specifying the extent to which the performance of the work under this Agreement is terminated, and the date upon which such termination becomes effective. If the performance of the work is terminated under this provision, the Authority shall be liable for payments due to all contractors or subcontractors, and for reasonable and proper costs incurred prior to the receipt by the Developer/Consultant of the written notice of termination resulting from such termination, which shall include (1) the Developer/Consultant Costs (including, without limitation, all predevelopment costs and

Commented [A2]: I took out the term "parrapursu" which means nothing. The Latin term that someone was trying to use is "pari passu" and just means "on equal footing".

Reimbursable Expenses) incurred by the Developer/Consultant as of the date of termination less the total amount of reimbursements for such costs made to the Developer/Consultant, plus a reasonable profit (not to exceed 10%) on such costs if no Developer/Consultant Fee is paid to the Developer/Consultant pursuant to Section 8 hereof; (2) the cost of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to a Project site, payment for which has not been made by the Authority or the Owner Entity; (3) the cost of preserving and protecting the work already performed until the Authority or its assignee takes possession thereof or assumes responsibility therefor; (4) the reasonable costs of legal and accounting services necessary to prepare and present the termination claim to the Authority; and (5) reasonable compensation paid to the Developer/Consultant for all tasks performed to date, including the aggregate Developer/Consultant Fee earned on the effective date of termination. Except following payment in full of the Developer/Consultant Fee specified in Section 8, this provision shall not be exercised by the Authority after a Project has achieved Closing.

11. TERMINATION FOR CAUSE. The Authority and the Developer/Consultant shall each have the right to terminate this Agreement for cause. As used herein, cause to terminate this Agreement shall be defined as a material breach of any of the terms or conditions set forth in this Agreement that is not cured to the reasonable satisfaction of the other party(s) within ninety (90) days of notice of such material breach, provided that if such breach cannot be cured within ninety (90) days and the breaching party shall have diligently embarked upon a cure during that period, then the cure period shall be extended for another forty-five (45) days. In the event one party determines that another party is in material breach, the non-breaching party shall give written notice to the other party of the material breach, specifying the nature of the material breach of the terms and conditions of this Agreement. The notice shall state that the party in material breach will be given the right to cure the material breach within the time period set forth in this Section 11. If the party in material breach fails to cure the material breach to the reasonable satisfaction of the other party prior to the termination date stated in said notice, then the non-breaching party may terminate the Agreement by written notice. If the Developer/Consultant is terminated by the Authority under this section, then the Authority shall be responsible for settling all third-party payments due to any contractor or subcontractor and shall be responsible for reimbursing the Developer/Consultant for all Developer/Consultant Costs incurred and not yet reimbursed and for paying Developer/Consultant the earned portion of the Developer/Consultant Fee on the effective date of termination..

12. TERMINATION FOR INFEASIBILITY. The parties agree that certain matters are conditions precedent to the Authority's and the Developer/Consultant's ability to proceed with a Project and to fulfill the terms and conditions of this Agreement. The parties' ability to perform responsibilities hereunder is substantially contingent upon actions by third parties over whom the parties have only limited influence, as well as upon the continuation of economic and regulatory circumstances at least as favorable to housing development and marketing as currently exist (the "Development Contingencies"). Such Development Contingencies shall include, without limitation, the following:

A. The award of tax credits or tax-exempt bond financing allocations (or, as the case may be, both) in the amount projected;

B. The investment of equity at projected rates;

- C. The projection of tenant rents and available subsidies sufficient to achieve breakeven operations;
- D. The making of private loans under projected terms and conditions;
- E. The provision of all projected assistance, including grants, loans and land transfers, from governmental bodies;
- F. The successful elimination from a Project Site of hazardous materials;
- G. The successful elimination or control of adverse geotechnical conditions;
- H. The receipt of all necessary government approvals and permits;
- I. The continuation of law, regulations, public policy and economic and market circumstances at least as favorable to affordable housing development in general, and to a Project in particular, as currently exist;
- J. The making of a Project no longer financially viable due to an increase in construction or other costs; and
- K. A decline in Project economics such that sources and uses calculations indicate a potential inability to pay the Developer/Consultant its full Developer/Consultant Fee.

In the event a Development Contingency does not occur in a manner that reasonably permits the accomplishment of a Project as contemplated hereunder, the Developer/Consultant may terminate this Agreement as it relates to the applicable Project with written notice to the Authority, provided such Project has not reached Closing. The Authority shall be responsible for settling all third-party payments due to any contractor or subcontractor and shall be responsible for reimbursing the Developer/Consultant for all Developer/Consultant Costs incurred and not yet reimbursed and for paying Developer/Consultant the earned portion of the Developer/Consultant Fee on the effective date of termination.

13. EFFECT OF TERMINATION. Upon the termination of this Agreement, except as specifically provided herein, the obligations of the Authority and the Developer/Consultant under this Agreement shall cease and be of no effect; provided, however, if this Agreement shall be terminated in part, this Agreement shall cease only with respect to that portion of the Agreement so terminated. After payment in full of amounts owed to the Developer/Consultant hereunder, the Authority shall have the immediate right to any and all documents, plans, reports, studies, license and other work product produced or obtained by the Developer/Consultant in connection with a Project affected by the termination, and the Developer/Consultant shall cooperate in full in promptly turning over to the Authority all such Project materials.

14. NON-DISCRIMINATION IN EMPLOYMENT. In connection with this Agreement, the Developer/Consultant shall not itself discriminate against any employee or applicant for employment because of race, color, creed, age, or national origin. As applicable, the Developer/Consultant shall comply with Executive Order 11246 of September 24, 1965, entitled

"Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor Regulations (41 CFR, Chapter 60).

15. OFFICIALS NOT TO BENEFIT. No member of or delegate to the United States Congress or commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise there from.

16. DRUG-FREE WORKPLACE. The Developer/Consultant shall, during the term of this Agreement, provide a drug-free workplace in accordance with the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D).

17. ANTI-KICKBACK. As applicable, the Developer/Consultant shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3).

18. DAVIS-BACON ACT. As applicable, the Developer/Consultant shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5).

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT. As applicable, the Developer/Consultant shall comply with Sections 103 and 107 of the Contract Work Hours, and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5).

20. REPORTING. The Developer/Consultant has been made aware of and will use its best efforts to conform with the Authority's requirement and regulations pertaining to reporting.

21. PATENT RIGHTS. The Developer/Consultant has been made aware of and will use its best efforts to conform with the Authority's requirements and regulations pertaining to patent rights with respect of any discovery or invention which arises or is developed in the course of or under such contract.

22. COPYRIGHTS. The Developer/Consultant has been made aware of and will conform with Authority's requirements and regulations pertaining to copyrights and rights in data.

23. RECORDKEEPING, AUDIT AND REPORTING REQUIREMENTS.

A. Recordkeeping; Access. The Developer/Consultant's books and records pertaining to its performance under this Agreement shall be kept in accordance with generally accepted accounting principles and as required by any federal or state regulations, and shall be retained for at least three years after the Authority or Owner Entity, as applicable, makes final payment to the Developer/Consultant under this Agreement and all other pending matters are closed. The Developer/Consultant agrees to grant a right of access to the Authority, HUD, any agency providing funds to the Authority, the Comptroller General of the United States, and any of their authorized representatives, with respect to any books, documents, papers, or other records pertinent to this Agreement in order to make audits, examinations, excerpts, and transcripts.

B. Audit. The Authority, Owner Entity, HUD, any agency providing funds to the Authority, the Comptroller General of the United States, or any of their duly authorized representatives, shall have the right to perform any audit of the Developer/Consultant's finances and records related to a Project and the performance of its duties hereunder, including without limitation, the financial arrangement with anyone the Developer/Consultant may delegate to discharge any part of its obligations under this Agreement.

C. Contractors. The Developer/Consultant agrees to ensure that the recordkeeping, access, audit and reporting requirements set forth in this Section 23 are included in any general contract that receives funds derived from the Authority in connection with a Project.

24. [RESERVED]

25. CLEAN AIR ACT AND CLEAN WATER ACT. As applicable, the Developer/Consultant shall comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1867(h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15).

26. ENERGY POLICY AND CONSERVATION ACT. As applicable, the Developer/Consultant shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871.)

27. APPLICABLE LAW. This Agreement and the application, or interpretation hereof, shall be governed by the laws of the State of Mississippi.

28. BINDING AGREEMENT. This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors, and assigns.

29. HEADINGS. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

30. TERMINOLOGY. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

31. RELIANCE. No person other than the parties to this Agreement may directly or indirectly rely on or enforce the provisions of this Agreement, whether as a third-party beneficiary or otherwise.

32. AUTHORITY. The parties executing this Agreement certify that they have the requisite authority to sign this Agreement and bind the appropriate entities.

Deleted: ¶

33. CONFLICT OF INTEREST.

A. The parties acknowledge and agree that this Agreement does not violate the conflict of interest provisions set forth in 24 CFR Part 85 or the ACC, and the parties hereto agree to comply with such provisions.

B. The Authority acknowledges that by executing this Agreement the Developer/Consultant has made no exclusive obligation to the Authority. The Developer/Consultant reserves the right to enter into similar agreements with other public housing authorities and to engage generally in development activities in the affordable housing industry, and no such activities shall give rise to a breach of this Agreement or cause a conflict of interest with the Developer/Consultant's obligations hereunder.

34. SELECTION OF PROFESSIONALS, CONTRACTORS, AND CONSULTANTS.

A. In General. The parties to this Agreement acknowledge that 24 CFR Part 85, which applies to the Authority, does not apply to the Developer/Consultant or the Owner Entity. However, in light of the Authority's investment in a Project, all procurement transactions carried out by the Developer/Consultant shall be conducted in a manner to provide, to the extent practical, open and free competition, and the Developer/Consultant shall consult with the Authority regarding vendor selection. In no event shall the Developer/Consultant contract with any party which has been debarred or suspended by HUD under 24 CFR Part 24. All contracts with third parties shall contain all standard provisions required by HUD, shall otherwise be consistent with this Agreement and shall provide for insurance to benefit the Developer/Consultant, the Authority and, as applicable, the Owner Entity in commercially reasonable amounts.

B. Development Partner. The Developer/Consultant will select a joint venture development partner to secure additional experience points for the LIHTC application. The selection of this partner will be done in conjunction with the Developer/Consultant and the Authority.

C. Construction Contractor. The Developer/Consultant (acting through the Owner Entity, as applicable) shall select the general contractor(s) (each, a "General Contractor") to perform the construction necessary to complete a Project. All construction contracts must comply with federal, state and local law. Standard Enterprises, Inc. was selected during the procurement process.

35. INSURANCE. The Developer/Consultant shall (at its own expense) maintain and keep in full force and effect during the term of this Agreement such insurance as is commercially reasonable for the performance of its duties hereunder.

36. MISCELLANEOUS.

A. Notices.

(1) All notices, requests, demands, approvals, or other formal communications given hereunder or in connection with this Agreement shall be in

writing and shall be deemed given when actually received or two days after being sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Developer/Consultant:

Knight Advantage, LLC
Attn: Holly Knight
2102 Floyd Park Drive, Suite 3
Ruston, LA 71270

with a copy to:

John Moore
Attn:
4268 I-55 North
Jackson, MS 39211
Fax: 601-714-9962

If to the Authority:

North Iowa Housing Authority
Attn: Justin Stots
202 1st Street SE #203
Mason City, IA 50401

with a copy to:

Attn: _____
Fax: _____

B. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.

C. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Agreement and the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Agreement.

D. Parties Bound. No officer, director, shareholder, member, employee, agent, or other person authorized to act for and on behalf of either party shall be personally liable for any obligation, express or implied, hereunder.

E. Waivers. The failure of either party to insist in any one or more cases upon the strict performance of any of the other party's obligations under this Agreement or to exercise any right or remedy herein contained shall not be construed as a waiver or a relinquishment for the future of such obligation, right or remedy.

F. Successors. The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the parties hereto, their successors and assigns.

G. Total Agreement. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representation, or agreements, either verbal or written between the parties.

H. Demolition; Relocation. As applicable, the Authority has received or will receive prior to Closing, HUD approval for any demolition activities, including for the Prior Units, necessary for the applicable Project. The Authority has complied, and shall continue to comply, with all federal, state and local requirements governing the relocation of residents and the provision of replacement housing under this paragraph.

I. Environmental Matters.

(1) The parties certify that (1) until any federally-required environmental review requirements are completed to the satisfaction of the applicable governmental unit, the parties shall take no action to demolish, rehabilitate, or otherwise affect the improvements now on a Project Sites, or expend federal funds on the improvements other than with respect to action that is taken in the normal maintenance or operation of the improvements, and (2) the parties shall take such actions as may be necessary to preserve the improvements in their current condition, until such time as the environmental review is completed.

(2) The Developer/Consultant shall not knowingly permit a Project or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials, except in such amounts as are ordinarily used, stored or generated in similar Project, or otherwise knowingly permit the presence of Hazardous Materials in, on or under a Project in violation of any applicable law; provided, however, that the Developer/Consultant shall not be in default hereof with regard to any pre-existing condition or Hazardous Material migrating from any adjoining property or violation of applicable law caused by a party other than the Developer/Consultant.

(3) Upon receiving actual knowledge of the same, the Developer/Consultant shall promptly advise the Authority in writing of: (a) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Authority, the Developer/Consultant or any portion of a Project pursuant to any applicable federal, state or local environmental laws; (b) any and all claims made or threatened by any third-party against the Authority, the Developer/Consultant or any portion of a Project relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; (c) the presence of any Hazardous Materials in, on or under any portion of a Project; or (d) the Developer/Consultant's discovery of any Hazardous Material on any real property adjoining or in the vicinity of any portion of a Project.

J. No Liens. Without the prior written consent of the Authority, the Developer/Consultant shall not place a lien or other encumbrance on a Project, nor pledge such Project as collateral for any debts or financing.

37. GENERAL CONDITIONS FOR NON-CONSTRUCTION CONTRACTS. As applicable, the Developer/Consultant shall comply with the applicable standards, orders or requirements contained in Section I of General Conditions for Non-Construction Contracts, Section I, HUD Form HUD-5370-C (10/2006).

38. INDEMNIFICATION. The Authority shall indemnify, defend and hold harmless the Developer/Consultant (by counsel satisfactory to the Developer/Consultant) and its members, directors, officers, employees, and agents from and against any and all losses, costs, damages, claims, causes of action, demands, suits, liabilities, obligations, judgments, expenses (including any reasonable actual attorney fees and other costs of litigation) fines, penalties, charges, administrative and judicial proceedings and orders, remedial action requirements and enforcement actions of any kind arising out of or relating to third-party claims for any injury, disease or death of persons or damage to or loss of property resulting from or in connection with any breach by the Authority of any provision of this Agreement. The Authority's monetary liability shall not be limited by any provisions or limits of insurance. This indemnification obligation shall survive the expiration or termination of this Agreement.

Deleted: the

The Authority further agrees to indemnify, defend and hold harmless the Developer/Consultant (by counsel satisfactory to the Developer/Consultant) and its members, directors, officers, employees, and agents from and against any and all losses, costs, damages,

claims, causes of action, demands, suits, liabilities, obligations, judgments, expenses (including any reasonable actual attorney fees and other costs of litigation) fines, penalties, charges, administrative and judicial proceedings and orders, remedial action requirements and enforcement actions of any kind arising directly out of any claim by a third-party concerning (a) the failure of the Authority or any employee, agent, Developer/Consultant partner (other than the Developer/Consultant), contractor or subcontractor of the Authority (other than those contractors and subcontractors procured by the Developer/Consultant) to comply with any federal, state or local law or regulation relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from a Project; or (b) any activity carried on or undertaken on or off a Project by the Authority or any employees, agents, Developer/Consultant partners (other than the Developer/Consultant) contractors or subcontractors of the Authority (other than those contractors and subcontractors procured by the Developer/Consultant), in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under a Project.

39. TERM. This Agreement shall be effective on the date hereof and shall initially be for a term of three (3) years. At the end of the initial term, the Agreement shall automatically renew for an additional three (3) years, and shall automatically renew every two years thereafter for an additional three (3) years, unless one party gives the other written notice that such party does not intend to renew this Agreement at least thirty (30) days prior to the expiration of the existing term. The Authority shall immediately pay the Developer/Consultant all amounts due and payable to the Developer/Consultant hereunder in the event the Agreement expires and either party elects not to renew. Notwithstanding the foregoing, once a Project reaches Closing, this Agreement shall not expire as it relates to that Project until full satisfaction of the obligations of the parties hereunder and the Project Agreement with respect to such Project.

[The Remainder of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

NORTH IOWA HOUSING AUTHORITY

By: _____
Justin Stotts, Executive Director

KNIGHT ADVANTAGE, LLC

By: _____
Holly Knight, Managing Member

EXHIBIT A

A - 1

EXHIBIT B

REQUEST FOR QUALIFICATIONS -from initial RFQ

B - 1

EXHIBIT C

DEVELOPER/CONSULTANT COMPENSATION

LIHTC APPLICATIONS: The Developer Fee for the project is 18% of the total eligible basis as allowed by Section 42 of the Internal Revenue Code of 1986, as amended; due and payable as set out in the Partnership Amended & Restated Development Services Agreement. The Developer/Consultant will be compensated from the available Developer Fee. The percentage of fees payable to the Developer/Consultant will be 70% of the total Developer Fee.

The Developer Consultant will forego future consulting services, after submission of the SAC and RAD Concept Submission. Any services past these stages will be considered development services and shall be paid through the cash paid developer fee through the investor approved milestones.

The Developer Partner providing project guarantees including but not limited to construction, conversion, and compliance will earn 70% of the allowable developer fee.. Then 30% to the Authority as development partner. The developer fee will be paid as prescribed in the Limited Partnership in conjunction with the investor, lender, and HUD restrictions. Typically, the developer fee will be paid at four increments as agreed upon in the Limited Partnership Agreement with the equity Investor as follows,

15% At Closing

25% At Construction Milestone

55% At Construction Completion/Conversion/Stabilization, and

5% At 8609s.

Commented [A3]: This does not add up to 100%

OTHER REAL ESTATE, BUSINESS, HUD and RAD CONSULTING SERVICES: Any expenses not related to any LIHTC application preparation and submittal will be billed hourly as listed below. Any of these potential expenses will be pre-approved by the Authority before activities commence.

Executive Level Personnel	\$250.00 per hour
Administrative Staff	\$75.00 per hour
Clerical Staff	\$35.00 per hour
Travel time	\$35.00 per hour
Expenses	Actual per receipts
Mileage	Federal rate
SAC and RAD	\$25,000 per application