

CAPITAL CITY DEVELOPMENT CORPORATION
Board of Commissioners Meeting
Conference Room, Fifth Floor, 121 N. 9th Street
December 15, 2014 1:30 p.m.

A G E N D A

I. **CALL TO ORDER**.....Vice-Chair Zuckerman

II. **AGENDA CHANGES/ADDITIONS**.....Vice-Chair Zuckerman

III. **CONSENT AGENDA**

- A. Expenses
 - 1. Approval of Paid Invoice Report – November 2014
- B. Minutes and Reports
 - 1. Approval of Meeting Minutes from November 10, 2014
- C. Other
 - 1. Adopt Resolution #1374 Records Disposition

IV. **ACTION ITEM**

- A. CONSIDER: Resolution #1370 Revised Term Sheet from Wells Fargo Bank concerning the Auditorium District expansion project and authorizing modifications to the form of Lease..... John Brunelle
- B. CONSIDER: Approve Resolutions 1371, 1372, and 1373.....John Brunelle
 - Resolution #1371 Memorandum of Understanding with the city of Boise to promote the formation and success of local businesses, entrepreneurs, and companies
 - Resolution #1372 Economic Consulting Management Agreement with Actuate Boise, Inc
 - Resolution #1373 Lease for the purpose of providing Business Assistance Services
- C. CONSIDER: Approve Organizational Approach Boise Wayfinding System..... Doug Woodruff

V. **INFORMATION/DISCUSSION ITEMS**

- A. Parking Strategic Planning 2015.....Max Clark
- B. Housing Study.....Shellan Rodriguez
- C. Central Addition Master Planning.....Boise City PDS
- D. Operations Report.....John Brunelle

VI. **EXECUTIVE SESSION** Deliberate regarding acquisition of an interest in real property which is not owned by a public agency [Idaho Code 67-2345(1)(c)] Communicate with legal counsel to discuss the legal ramifications and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated [Idaho Code 67-2345(1)(f)] To consider the evaluation of staff members [Idaho Code Section 67-2345 (1) (b)]

VII. **ADJOURN**

This meeting is being conducted in a location accessible to those with physical disabilities. Participants may request reasonable accommodations, including but not limited to a language interpreter, from CCDC to facilitate their participation in the meeting. For assistance with accommodation, contact CCDC at 121 N. 9th St, Suite 501 or (208) 384-4264 (TTY Relay 1-800-377-3529)

**Capital City Development Corp
ACH & Cash Disbursements Report
For the Period 11/1/14 through 11/30/14**

Board Officer Review

<u>Payee</u>	<u>Description</u>	<u>ACH Date</u>	<u>Amount</u>
Ampco Parking:			
Monthly Parkers ACH	Payments from Monthly Parkers	11/7/2014	(10,934.00)
Payroll:			
EFTPS - IRS	Federal Payroll Taxes	11/7/2014	9,440.74
Idaho State Tax Commission	State Payroll Taxes		1,740.00
CCDC Employees	Direct Deposits Net Pay		25,201.02
PERSI	Retirement Payment		9,782.88
EFTPS - IRS	Federal Payroll Taxes	11/21/2014	10,482.18
Idaho State Tax Commission	State Payroll Taxes		1,996.00
CCDC Employees	Direct Deposits Net Pay		27,901.13
PERSI	Retirement Payment		9,852.58
Other:			
Paid Invoices	Checks and Electronic payments	November	119,410.05
Grand Totals	Total ACH Transfer		\$ 204,872.58

Reviewed by:
Finance Director

Date:

12/2/14

Reviewed by:
Executive Director

Date:

12.4.14

Reviewed by:
Board Member

Date:

12.4-14

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		102714	NG Guru Donuts-new fiscal	10/27/2014	19.08	10091	11/14/2014
		102714	SR City Club of Boise even	10/27/2014	18.00	10091	11/14/2014
	Total 3835:				6,536.88		
3864	USI Idaho Kibble & Prentic	1482078	Commercial package rene	10/01/2014	27,582.00	60747	11/24/2014
		1485948	FY15 Professional Liabilitie	11/17/2014	1,425.00	60747	11/24/2014
	Total 3864:				29,007.00		
3433	Valley Landscape & Mainte	1715-1	Trash cans installation/relo	10/30/2014	159.00	60748	11/24/2014
		1715-1	Trash cans installation/relo	10/30/2014	371.00	60748	11/24/2014
	Total 3433:				530.00		
3266	Valley Regional Transit	15895	Bus Passes	11/11/2014	540.00	60749	11/24/2014
	Total 3266:				540.00		
3841	VoiceText Communications	84945	CCDC special board mtg c	10/31/2014	11.04	60730	11/06/2014
	Total 3841:				11.04		
3365	Westerberg & Associates	167	Legislative Advisement Ser	10/31/2014	2,750.05	60731	11/06/2014
	Total 3365:				2,750.05		
3374	Western States Equipment	WO0700966	Bldg 8 generator monthly i	11/10/2014	290.97	60750	11/24/2014
	Total 3374:				290.97		
3883	Wide Eye Productions	1875	Sponsorship of The Rocky	10/21/2014	2,500.00	60732	11/06/2014
	Total 3883:				2,500.00		
3852	Worrell Communications L	2062	CCDC website redesign an	10/31/2014	2,312.50	60751	11/24/2014
		2062-2	Strategic Communications	10/31/2014	937.50	60751	11/24/2014
	Total 3852:				3,250.00		
	Grand Totals:				119,410.05		

Report Criteria:

Detail report type printed

[Report]. Check Issue Date = 11/01/2014-11/30/2014

Report Criteria:

Detail report type printed

[Report].Check Issue Date = 11/01/2014-11/30/2014

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3799	Acord, Celine	103114	Mileage reimbursement	10/31/2014	14.69	10090	11/10/2014
Total 3799:					14.69		
3559	Aurora Technical Consultin	1681	PC Support	10/31/2014	475.00	60713	11/06/2014
		1690	Cloud storage	11/03/2014	320.40	60713	11/06/2014
		1706	3 Year Security Suite	11/07/2014	1,620.00	60734	11/24/2014
Total 3559:					2,415.40		
1292	Berryhill & Co.	11429	Board Meeting lunches	11/07/2014	70.50	60735	11/24/2014
Total 1292:					70.50		
1316	Blue Cross of Idaho	1427600004	Health Insurance	11/01/2014	13,748.47	60709	11/01/2014
Total 1316:					13,748.47		
1331	Boise Centre	0000255-IN	Grove maintenance fee	11/07/2014	2,450.00	60736	11/24/2014
		0000258-IN	Reimb Grove fountain rep	11/18/2014	919.00	60736	11/24/2014
Total 1331:					3,369.00		
1385	Boise City Utility Billing	0077500000	611 8th Sewer #00775000	11/01/2014	148.19	60737	11/24/2014
		0126730000	620 S 9th Sewer #0126730	11/01/2014	6.34	60737	11/24/2014
		0447416001	848 Main St # 0447416001	11/01/2014	6.87	60737	11/24/2014
		0548469002	CD 107 S 9th-Trash servic	11/01/2014	202.93	60737	11/24/2014
		0548469002	RM 107 S 9th-Trash servic	11/01/2014	137.99	60737	11/24/2014
		0548469002	WS 107 S 9th-Trash servic	11/01/2014	64.93	60737	11/24/2014
		0580228000	808 W River St #05802280	11/01/2014	235.06	60737	11/24/2014
Total 1385:					802.31		
1424	Boise Office Equip - Servic	IN267661	Copier maintenance	11/03/2014	280.00	60714	11/06/2014
Total 1424:					280.00		
3816	Capitol Landscape	102814-01	8th St bike rack install	10/28/2014	1,225.00	60715	11/06/2014
		102814-01	Paver repair on Mai Thai	10/28/2014	120.00	60715	11/06/2014
		102814-02	Paver repair on 6th street	10/28/2014	240.00	60715	11/06/2014
		102814-02	Broad Street bike rack inst	10/28/2014	150.00	60715	11/06/2014
		102814-02	Turn over 20 "I" pavers on	10/28/2014	105.00	60715	11/06/2014
Total 3816:					1,840.00		
3857	Carew Co	1463	DPPS website design	10/31/2014	875.00	60716	11/06/2014
Total 3857:					875.00		
3880	Carl's Cycles Sales ATV	110514	Procure an ATV with plow f	11/05/2014	.00	60717	Multiple
		110714	Procure an ATV with plow f	11/07/2014	7,427.00	60733	11/10/2014

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3880:					7,427.00		
1556	Caselle Inc.	61028	tech support for Caselle Cl	11/01/2014	787.33	60718	11/06/2014
Total 1556:					787.33		
3743	Complete Fire Protection L	2019	Annual Fire Alarm monitori	10/30/2014	325.00	60719	11/06/2014
Total 3743:					325.00		
3878	Comerstone Design	CCD103114	Office design	10/31/2014	2,088.20	60738	11/24/2014
Total 3878:					2,088.20		
1787	Downtown Boise Associati	1030	CD Clean Team	10/01/2014	1,919.88	60720	11/06/2014
		1030	RM Clean Team	10/01/2014	1,305.52	60720	11/06/2014
		1030	WS Clean Team	10/01/2014	614.36	60720	11/06/2014
		1201	CD Clean Team	10/31/2014	1,919.88	60720	11/06/2014
		1201	RM Clean Team	10/31/2014	1,305.52	60720	11/06/2014
		1201	WS Clean Team	10/31/2014	614.36	60720	11/06/2014
		1202	8th St Clean Team	10/31/2014	546.00	60720	11/06/2014
Total 1787:					8,225.52		
1898	Fiberpipe	1817-16706	Band & Host	11/01/2014	54.95	60721	11/06/2014
		1817-16706	Audio Streaming	11/01/2014	14.95	60721	11/06/2014
Total 1898:					69.90		
3807	FreedomVoice Systems	2014-110106	Monthly Service	11/01/2014	467.81	60722	11/06/2014
Total 3807:					467.81		
3872	Guy Hand Productions	102914	DPPS parking website phot	10/29/2014	1,650.00	60723	11/06/2014
		102914	CCDC website photos	10/29/2014	1,800.00	60723	11/06/2014
Total 3872:					3,450.00		
3769	Gyllenskog, Nicole	111314	Health ins deductible reim	11/13/2014	394.71	10092	11/18/2014
Total 3769:					394.71		
2129	Idaho Blueprint & Supply C	0000383265	2015 8th St.	10/30/2014	45.42	60724	11/06/2014
Total 2129:					45.42		
2165	Idaho Power	2200406607	9th St outlets #220040660	11/03/2014	3.54	60739	11/24/2014
		2200910368	617 S Ash #2200910368	11/03/2014	12.22	60739	11/24/2014
		2201627995	9th & State # 2201627995	11/01/2014	3.54	60725	11/06/2014
		2202934903	8th St lights #2202934903	11/03/2014	53.34	60739	11/24/2014
		2203186602	611 S 8th Acct# 22031866	11/03/2014	48.09	60739	11/24/2014
		2205420140	620 S 9th # 2205420140	11/03/2014	79.60	60739	11/24/2014
		2205983212	Grove Vault #2205983212	11/04/2014	36.51	60739	11/24/2014
Total 2165:					236.84		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
2186	Idaho Statesman	263244 1014	Legal Notices	10/31/2014	37.48	60740	11/24/2014
Total 2186:					37.48		
2240	Intermountain Gas Compa	12600200-08	617 Ash St #12600200-089	10/27/2014	10.91	60726	11/06/2014
		14078200-00	611 S 8th Acct # 14078200	10/27/2014	18.73	60726	11/06/2014
		15248300-00	620 S 9th Acct # 15248300	10/27/2014	2.06	60726	11/06/2014
Total 2240:					31.70		
2288	Jensen Belts	1347-12	2014 OB Streetscape CD/b	11/01/2014	378.89	60727	11/06/2014
		1434A-1	2015 RM SS Design devel	10/31/2014	3,518.20	60727	11/06/2014
		1434B-1	2015 WS SS Design devel	10/31/2014	849.20	60727	11/06/2014
Total 2288:					4,746.29		
3439	KPFF Consulting Engineer	1114-114701	Waterproofing City Centre	10/31/2014	230.00	60741	11/24/2014
		1114-114712	Capitol Terrace Garage ret	10/31/2014	180.00	60741	11/24/2014
Total 3439:					410.00		
1745	LaFollette, Deah	110714	Insurance deduct reimburs	11/07/2014	272.95	10093	11/18/2014
Total 1745:					272.95		
2621	Office Depot Inc.	7389106350	Misc office supplies	11/06/2014	113.62	60742	11/24/2014
		7389106790	Misc office supplies	11/06/2014	4.76	60742	11/24/2014
Total 2621:					118.38		
2798	Quadrant Consulting Inc.	8130	2014 Streetscapes CA/bid/	10/29/2014	703.20	60728	11/06/2014
Total 2798:					703.20		
2888	Roper Investments	103114	Capitol Terrace Condo billi	10/31/2014	3,119.06	60729	11/06/2014
Total 2888:					3,119.06		
3542	Security LLC - Plaza 121	110114	Office rent	11/01/2014	9,566.93	60710	11/01/2014
		110114	Office rent for records proje	11/01/2014	1,245.00	60710	11/01/2014
		110114	Parking office rent	11/01/2014	3,513.00	60710	11/01/2014
Total 3542:					14,324.93		
3170	Treasure Valley Coffee Inc.	2160:038317	Coffee & tea	11/17/2014	81.40	60743	11/24/2014
		2160:038426	Water & Cooler Rental	11/11/2014	87.00	60743	11/24/2014
Total 3170:					168.40		
3819	TW Telecom	06627668	Internet & Data	11/10/2014	669.20	60744	11/24/2014
Total 3819:					669.20		
3486	ULI Idaho	111714	Advisory board participatio	11/17/2014	200.00	60745	11/24/2014
Total 3486:					200.00		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3233	United Heritage	02014-001 1	Disability insurance	11/01/2014	510.90	60711	11/01/2014
Total 3233:					510.90		
3242	United Water	0600033719	Eastman office #06000337	11/13/2014	103.81	60746	11/24/2014
		0600071423	620 S 9th Water #0600071	11/14/2014	115.23	60746	11/24/2014
		0600357562	Grove & 10th #060035756	11/13/2014	85.99	60746	11/24/2014
		0600383311	6th & Main St #060038331	11/13/2014	23.65	60746	11/24/2014
		0600459554	1401 W Idaho St #0600459	11/13/2014	7.82	60746	11/24/2014
		0600557272	503 509 Ash/Pioneer Grn 0	11/12/2014	270.66	60746	11/24/2014
		0600634762	617 Ash St water #060063	11/12/2014	94.83	60746	11/24/2014
		0600639143	516 S 9th St irri #0600639	11/13/2014	27.90	60746	11/24/2014
		0600668823	437 S 9th St irri #0600668	11/13/2014	55.15	60746	11/24/2014
		0600668451	SW 8th & Fulton #0600668	11/13/2014	29.41	60746	11/24/2014
		0600769718	1413 w Idaho St #0600776	11/14/2014	43.75	60746	11/24/2014
		0600852323	611 S 8th St Water #06008	11/13/2014	274.88	60746	11/24/2014
		0600855412	400 S 15th St irrigation # 0	11/12/2014	29.40	60746	11/24/2014
		0600911085	280 N 8th Sprinklers #0600	11/13/2014	136.26	60746	11/24/2014
		0600911660	408 S 9th St irrigation #060	11/13/2014	27.90	60746	11/24/2014
Total 3242:					1,326.64		
3479	US Bank - Copier Lease	264227315	Copier Contr #500-037566	11/01/2014	421.88	60712	11/01/2014
Total 3479:					421.88		
3835	US Bank - Credit Cards	102714	BH Fred Pryor Seminar wo	10/27/2014	199.00	10091	11/14/2014
		102714	BH Evermore Prints ads for	10/27/2014	144.15	10091	11/14/2014
		102714	BH Napa Auto Parts plastic	10/27/2014	5.82	10091	11/14/2014
		102714	CA Sketchup Pro software	10/27/2014	590.00	10091	11/14/2014
		102714	CA Boise Young Professio	10/27/2014	55.00	10091	11/14/2014
		102714	CA onlc training centers Ad	10/27/2014	750.00	10091	11/14/2014
		102714	CA Cheers birthday cards	10/27/2014	13.65	10091	11/14/2014
		102714	CA Lilly Janes cupcake bd	10/27/2014	32.02	10091	11/14/2014
		102714	CA FredMeyer kitchen sup	10/27/2014	52.89	10091	11/14/2014
		102714	CA Walmart kitchen suppli	10/27/2014	19.57	10091	11/14/2014
		102714	DL Zions Bank event regist	10/27/2014	35.00	10091	11/14/2014
		102714	DL Amazon.com office ca	10/27/2014	370.47	10091	11/14/2014
		102714	DL Amazon.com projector	10/27/2014	427.78	10091	11/14/2014
		102714	DL Amazon.com mini-spid	10/27/2014	4.95	10091	11/14/2014
		102714	DL bleubird monthly execut	10/27/2014	43.16	10091	11/14/2014
		102714	DL City Club of Boise even	10/27/2014	18.00	10091	11/14/2014
		102714	DW AEC Software FastTra	10/27/2014	349.95	10091	11/14/2014
		102714	JC ESmart Payroll Q3 For	10/27/2014	4.95	10091	11/14/2014
		102714	JB Delta Air bag fee Rail V	10/27/2014	25.00	10091	11/14/2014
		102714	JB Hyatt Hotel Rail Volutio	10/27/2014	740.32	10091	11/14/2014
		102714	JB COURSERA online lear	10/27/2014	49.00	10091	11/14/2014
		102714	JB Brickyard business mee	10/27/2014	28.37	10091	11/14/2014
		102714	MW NIGP membership	10/27/2014	30.00	10091	11/14/2014
		102714	MC NPA 2014 Conference	10/27/2014	1,195.00	10091	11/14/2014
		102714	MC Caesars Palace NPA c	10/27/2014	222.88	10091	11/14/2014
		102714	MC Caesars Palace NPA c	10/27/2014	759.83	10091	11/14/2014
		102714	MC Palm Restaurant NPA	10/27/2014	37.84	10091	11/14/2014
		102714	MC Vegas shuttle NPA con	10/27/2014	11.00	10091	11/14/2014
		102714	MC Southwest Air NPA co	10/27/2014	254.20	10091	11/14/2014
		102714	MC Palm Restaurant NPA	10/27/2014	28.00	10091	11/14/2014
		102714	MC Ampco Boise NPA con	10/27/2014	2.00	10091	11/14/2014

MINUTES OF REGULAR MEETING
BOARD OF COMMISSIONERS
CAPITAL CITY DEVELOPMENT CORPORATION
121 N. 9th St., Conference Room
Boise, ID 83702
November 10, 2014 12:00 p.m.

I. CALL TO ORDER: Chair Hale convened the meeting with a quorum at 12:03 p.m.

Present were: Commissioner Pat Shalz, Commissioner John Hale, Commissioner Dana Zuckerman, Commissioner David Eberle, Commissioner Stacy Pearson and Commissioner Lauren McLean.

Agency staff members present were: John Brunelle, Executive Director; Todd Bunderson, Development Director; Max Clark, Parking and Facilities Director; Ross Borden, Finance Director; Pam Sheldon, Contracts Specialist; Nicole Gyllenskog, Controller; Joey Chen, Accountant; Mary Watson, Contracts Manager; Ben Houpt, Project Coordinator; Doug Woodruff, Project Manager; Shellan Rodriguez, Project Manager; Céline Acord, Administrative Assistant; Deah LaFollette, Executive Assistant. Also present was Agency legal counsel, Ryan Armbruster.

II. CONSIDER: Changes, Modification, or Addition to the Agenda:

There were no changes.

III. EXECUTIVE SESSION:

A motion was made by Commissioner Zuckerman to go into an executive session at 12:05 p.m. to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated [Idaho Code Section 67-2345 (1)(f)]. Commissioner Eberle seconded the motion. A roll call vote was taken:

Commissioner McLean; Aye
Commissioner Shalz; Aye
Commissioner Hale; Aye
Commissioner Zuckerman; Aye
Commissioner Pearson; Aye
Commissioner Eberle; Aye

All said Aye. The motion carried 6-0.

Communications ensued to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

EXECUTIVE SESSION ADJOURNMENT:

A motion was made by Commissioner Zuckerman to adjourn executive session at 12:35 p.m. and return to the public meeting. Commissioner Eberle seconded the motion. A roll call vote was taken:

Commissioner McLean; Aye
Commissioner Shalz; Aye
Commissioner Hale; Aye
Commissioner Zuckerman; Aye
Commissioner Pearson; Aye
Commissioner Eberle; Aye

All said Aye. The motion carried 6-0.

IV. CONSENT AGENDA:

Commissioner Zuckerman moved to approve the Consent Agenda. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

The Consent Agenda consisted of the following actions:

- A. Expenses
 - 1. Approval of Paid Invoice Report – October 2014
- B. Minutes and Reports
 - 1. Approval of Meeting Minutes from October 14, 2014
- C. Other
 - 1. Resolution #1366 Designate Executive Director to Serve as Alternate on the Valley Regional Transit Board

V. ACTION ITEMS:

A. CONSIDER: Resolution #1367 Parking Enforcement and Collection Policy

Max Clark, CCDC Parking & Facilities Director, gave a report.

Commissioner Zuckerman moved to approve Resolution #1367 to update and amend the Enforcement & Collections Policy for the Downtown Public Parking System. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

B. CONSIDER: Resolution #1368 Authorizing Continued Discussions with Financial Institutions to Provide Funding for Auditorium District Expansion Project

John Brunelle, CCDC Executive Director, gave a report.

Commissioner Zuckerman moved to approve Resolution #1367 to update and amend the Enforcement & Collections Policy for the Downtown Public Parking System. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

C. CONSIDER: Resolution #1369 IRS ‘Official Intent’ for Reimbursement of Tax Exempt Indebtedness for Multi-Modal Center”

Ross Borden, CCDC Finance Director, gave a report.

Commissioner Zuckerman moved approval of Resolution #1369 to provide official intent to the Internal Revenue Service of the Agency’s tax exempt reimbursement of capital expenditures from the proceeds of indebtedness expected to be incurred by the Agency for the local match portion of Valley Regional Transit’s Multi-Modal Center in the Central District. Commissioner Shalz seconded the motion.

All said Aye. The motion carried 6-0.

D. CONSIDER: Draft RFQ/P for 1401 & 1413 W Idaho St Disposition

Todd Bunderson, CCDC Development Director, and Shellan Rodriguez, CCDC Project Manager, gave a report.

Commissioner Zuckerman moved to authorize the Executive Director to issue the RFQ/P when finalized consistent with Board direction as provided in today’s discussion. Commissioner Shalz seconded the motion.

All said Aye. The motion carried 6-0.

VI. INFORMATION/DISCUSSION ITEMS:

A. Boise State University Master Plan Presentation

Christy Jordan, BSU Capital Planning and Space Management Director, gave a report.

B. Silva Cell Recap

Doug Woodruff, CCDC Project Manager, gave a report.

C. Operations Report

John Brunelle, CCDC Executive Director, gave a report.

VII. EXECUTIVE SESSION:

A motion was made by Commissioner Zuckerman to go into an executive session at 1:55 p.m. to deliberate regarding acquisition of an interest in real property which is not owned by a public agency [Idaho Code § 67-2345(1)(c)]. Commissioner Eberle seconded the motion. A roll call vote was taken:

Commissioner McLean; Aye
Commissioner Shalz; Aye
Commissioner Hale; Aye
Commissioner Zuckerman; Aye
Commissioner Pearson; Aye
Commissioner Eberle; Aye

All said Aye. The motion carried 6-0.

Communications ensued to discuss acquisition of real property which is not owned by a public agency.

EXECUTIVE SESSION ADJOURNMENT:

A motion was made by Commissioner Eberle to adjourn executive session at 2:40 p.m. and return to the public meeting. Commissioner Shalz seconded the motion. A roll call vote was taken:

Commissioner McLean; Aye
Commissioner Shalz; Aye
Commissioner Hale; Aye
Commissioner Zuckerman; Aye
Commissioner Pearson; Aye
Commissioner Eberle; Aye

All said Aye. The motion carried 6-0.

VIII. ADJOURNMENT:

There being no further business to come before the Board, a motion was made by Commissioner Eberle to adjourn the meeting. Commissioner Pearson seconded the motion.

All said Aye.

The meeting was adjourned at 2:41 p.m.

ADOPTED BY THE BOARD OF DIRECTORS OF THE CAPITAL CITY DEVELOPMENT CORPORATION ON THE ____ day of _____, 2014.

John Hale, Chair

Pat Shalz, Secretary

RESOLUTION NO. 1374

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE DESTRUCTION OF CERTAIN RECORDS ELIGIBLE FOR DESTRUCTION PURSUANT TO THE PUBLIC RECORDS RETENTION POLICY APPROVED ON APRIL 14, 2014, THROUGH THE ADOPTION OF RESOLUTION NUMBER 1340; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO DESTROY THOSE RECORDS CURRENTLY ELIGIBLE FOR DESTRUCTION; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, 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, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, a public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, for the purpose of financing the undertaking of any urban renewal project (collectively the "Act");

WHEREAS, the City Council of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the amended and restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "Amended Urban Renewal Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5597 on December 6, 1994, approving the Amended Urban Renewal Plan and making certain findings;

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5597 on December 6, 1994, approving the Amended Urban Renewal Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the 2007 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "2007 Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6576 on June 26, 2007, effective upon publication on July 23, 2007, approving and making certain findings on the 2007 Plan;

WHEREAS, the City, after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the “River Street Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the “River Myrtle-Old Boise Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the Westside Downtown Urban Renewal Plan (the “Westside Plan”);

WHEREAS, following said hearing, the City adopted its Ordinance No. 6108 on December 4, 2001, approving the Westside Plan and making certain findings;

WHEREAS, the City after notice duly published, conducted a public hearing on the 30th Street Area Urban Renewal Plan (“30th Street Plan”);

WHEREAS, following said hearing, the City adopted its Ordinance No. 6868 on December 4, 2012, approving the 30th Street Plan;

WHEREAS, the 2007 Plan, the River Myrtle Old Boise Plan, the Westside Plan, and the 30th Street Plan are collectively referred to as the “Boise Urban Renewal Plans”;

WHEREAS, the Agency Board has, acting in the best public interest, adopted policies and procedures in compliance with Idaho Code Section 50-907;

WHEREAS, the Agency Board on August 9, 2007, approved Agency Resolution No. 1110, which adopted a specific policy for destruction of records, consistent with Idaho Code Section 50-907;

WHEREAS, the Agency Board on April 14, 2008, approved Agency Resolution No. 1135, which amended the specific policy for destruction of records, consistent with Idaho Code Section 50-907;

WHEREAS, the Agency Board on April 14, 2014, approved Agency Resolution No. 1340, which adopted the Agency’s Public Records Retention Policy and Email Policy (the “Public Record Retention Policy”), consistent with Idaho Code Section 50-907;

WHEREAS, Agency staff believes it to be beneficial to have the Agency Board approve the destruction of records identified on Exhibit A, attached to this Resolution and incorporated by reference as if set forth in total herein, which are currently eligible for destruction pursuant to the Public Record Retention Policy;

RESOLUTION NO. 1374

WHEREAS, Agency staff has notified the Boise City Clerk in writing that certain records are scheduled for destruction and has invited the City to notify the Agency within 30 days whether they wish to retain all or a portion of said records at their own expense;

WHEREAS, Agency staff recommends approval of the destruction of those records currently eligible for destruction according the Public Record Retention Policy, unless the Boise City Clerk should respond affirmatively within the given time frame that they wish the records to be retained;

WHEREAS, the Board finds it in the best interests of the Agency and the public to approve the destruction of those records currently eligible for destruction, provided that the Boise City Clerk does not indicate that the records should be retained.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

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

Section 2. That the Executive Director is authorized and directed to take all action to destroy the records listed on Exhibit A, attached hereto, including providing advance notice to the Boise City Clerk.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of the City of Boise, Idaho, on December 15, 2014. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on this 15th day of December, 2014.

APPROVED:

By _____
Chairman of the Board

ATTEST:

By _____
Secretary



RECORDS DESTRUCTION EXHIBIT SUMMARY SHEET

By my signature below, I certify the following statements.

I have reviewed the list of documents on the attached Exhibit. The listed documents are semi-permanent or temporary records as described in the Public Records Retention Policy adopted by the CCDC Board on August 9, 2007 and amended on April 14, 2014. All of the documents listed on the attached Exhibit are beyond the retention requirement and are therefore eligible for destruction.

The Boise City Clerk has been notified in writing of CCDC's intent to destroy these documents (see attached letter). CCDC will hold destruction of the documents until the date noted in the letter to provide the City Clerk an opportunity to request retention of the documents if they wish.

Céline Acord

12/15/14

Date

CCDC RECORDS ELIGIBLE FOR DESTRUCTION

Board Review Date: 12/15/14 - Resolution No. 1374

Date	Contents	Retention Classification	Eligible Destruction Date & Review
FY1970-FY1975	Appraisal, legal, economic consulting, title, financial and engineering services - proposals, statements of qualification, contracts, correspondence	Semi-permanent	10/1/1980 and earlier
FY1972	General administrative correspondence	Semi-permanent	10/1/1977
FY1975-1990	Property management re: clean up and trash receptacles, advertising, security, janitorial services - general administrative correspondence, invoices, maintenance issues, daily patrol reports, certificate of insurance, contracts, eviction procedure, etc.	Semi-permanent	10/1/1995 and earlier
FY1978	Application for federal assistance	Semi-permanent	10/1/1983
FY1978-FY1979	General administrative correspondence	Semi-permanent	10/1/1984
FY1978-FY1981	Mountain States Telephone and Telegraph Co. vs. BRA; case no. 12676 and 13977	Semi-permanent	10/1/1991
FY1980	Preservation Coalition vs. Moon Landrieu, Richard Eardley and BRA	Semi-permanent	10/1/1990
FY1981	Downtown storm drain relocation - bid specs, proposal, correspondence, public notice, progress reports	Semi-permanent	10/1/1991
FY1981-FY1984	Planning services - correspondence, agreement	Semi-permanent	10/1/1989 and earlier
FY1984	Consulting services/Harlan Mann - correspondence, resolution, agreement	Semi-permanent	10/1/1989
FY1985	Parking structure design services - proposal, correspondence	Semi-permanent	10/1/1990
FY1986-1989	Consulting services - correspondence, bid specs, agreements	Semi-permanent	10/1/1994 and earlier
FY1986-1989	Administrative procedures and forms for purchasing	Semi-permanent	10/1/1994 and earlier
FY1986-1989	Late rent reports, aging reports, accounts to collection	Semi-permanent	10/1/1994 and earlier
FY1987	Asbestos removal services - legal notice, proposals	Semi-permanent	10/1/1992
FY1988	Parking citations - correspondence (complaints)	Semi-permanent	10/1/1993
FY1988	Credit card application - CBI Equifax	Semi-permanent	10/1/1993
FY1989	EPA Brownfields Assessment Grant - proposals	Semi-permanent	10/1/1994
FY1989-FY1990	Event agreements and general information	Semi-permanent	10/1/1993 and earlier

CCDC RECORDS ELIGIBLE FOR DESTRUCTION

Board Review Date: 12/15/14 - Resolution No. 1374

Date	Contents	Retention Classification	Eligible Destruction Date & Review
FY1989-FY1990	8th St. streetscape improvements - proposals, meeting notes, requests for payment, correspondence, change orders, etc.	Semi-permanent	10/1/1995
FY1989-FY1991	Legal services - correspondence, agreement	Semi-permanent	10/1/1996 and earlier
FY1989-FY1993	Appraisal services - RFP, legal notice, correspondence, agreement	Semi-permanent	10/1/1998 and earlier
FY1989-FY1992	Audit services - RFP, proposals, correspondence, legal notice,	Semi-permanent	10/1/1997 and earlier
FY1990-FY1991	Parking operator selection - correspondence, agreement, income/expense recap	Semi-permanent	10/1/1996 and earlier
FY1991	Request for DDA/Boise Terminal Market - correspondence	Semi-permanent	10/1/1996
FY1992-1995	Christmas parking performance - correspondence, revenue report, daily car counts	Semi-permanent	10/1/1990
FY1996-1999	Community Development Block Grant - correspondence, agreement	Semi-permanent	10/1/2004 and earlier
FY2002-2004	City of Boise CAR - agency comments	Semi-permanent	10/1/2014 and earlier
FY2003	Parking collections reports	Semi-permanent	10/1/2008
FY2003	Gateway East Master Plan - RFP, correspondence, contract, scope of work, budget tracking	Semi-permanent	10/1/2008
FY2003-FY2004	Civic Plaza project - invoices, contractor's application for payment, correspondence	Semi-permanent	10/1/2009 and earlier
FY2003-FY2004	Credit card application - First Horizon Merchant Services	Semi-permanent	10/1/2009 and earlier
FY2003-FY2004	City of Boise conditional use permits - agency comments	Semi-permanent	10/1/2014 and earlier
FY2003-FY2007	Idaho Motor Vehicle Records requests	Semi-permanent	10/1/2012 and earlier
FY2004	City of Boise design review - agency comments	Semi-permanent	10/1/2014
FY2004	City of Boise sign permits - agency comments	Semi-permanent	10/1/2014

CCDC RECORDS ELIGIBLE FOR DESTRUCTION

Board Review Date: 12/15/14 - Resolution No. 1374

Date	Contents	Retention Classification	Eligible Destruction Date & Review
FY2004-FY2008	Downtown maintenance - payment logs/ProCare, correspondence, notes	Semi-permanent	10/1/2013 and earlier
FY2005	Financial recaps	Semi-permanent	10/1/2010
FY2005	Parking collection disputes	Semi-permanent	10/1/2010
FY2005	EPA Brownfields Assessment Grant - proposals	Semi-permanent	10/1/2010
FY2005-FY2006	General administrative correspondence	Semi-permanent	10/1/2011 and earlier
FY2007	General administrative correspondence re: parking study	Semi-permanent	10/1/2012
FY2007	Credit card application - U.S. Bank	Semi-permanent	10/1/2012
2008	Personnel - W-2, 1099, payroll report	Semi-permanent	12/31/2013
FY2008	On-call landscape architectural and urban design services - RFP	Semi-permanent	10/1/2013
FY2008	Parking citation report	Semi-permanent	10/1/2013
FY2008	Incident Report - damage to elevator lobby wall	Temporary	10/1/2011
FY2008-FY2009	On-call contracts for professional services	Semi-permanent	10/1/2014 and earlier
FY2008-FY2009	Capital asset records	Semi-permanent	10/1/2013 and earlier
FY2011-FY2012	FY 2012 budget/amendment notes	Temporary	10/1/2014
FY1987-2004	Bannock Garage - maintenance records, incidence reports, routine correspondence, revenue audit, parking management agreement w/Ampco	Semi-Permanent	10/1/2009
FY1987-1989	Downtown maintenance issues - correspondence, meeting notes, budget estimates	Semi-Permanent	10/1/1994 and earlier
FY1993-1999	License agreements for use of Agency property for various events (for example, Twilight Criteron, Eastman Market)	Semi-Permanent	10/1/2004 and earlier
FY1995	Lease agreement for 755 West Idaho St. (DPPS office)	Semi-Permanent	10/1/2000
FY2004	Personnel files	Semi-Permanent	10/1/2014
FY2000	Grant application to ITD	Semi-Permanent	10/1/2005



December 15, 2014

Jamie Heinzerling
Deputy City Clerk
PO Box 500
Boise, ID 83701

Re: Public Records Destruction

Dear Ms. Heinzerling,

Attached is Capital City Development Corporation's Resolution No. 1374 which will be presented to our Board for adoption on December 15, 2014. If adopted, this resolution authorizes the destruction of the attached temporary and semi-permanent records.

In compliance with Idaho Code Section 50-907 and the CCDC Public Records Retention Policy (approved on April 14, 2014, through the adoption of CCDC Resolution No. 1340), we are notifying you of our intent to destroy these records.

If you would like any of these documents to be retained, please notify me by January 15, 2014. If CCDC does not hear from you by that date and the Board approves Resolution No. 1374, we will proceed with the destruction of these records on January 16, 2014.

Please contact me by phone at 208-384-4264 or email at cacord@ccdcboise.com if you have any questions or require further information.

Sincerely,

A handwritten signature in blue ink that reads "Céline Acord".

Céline Acord
Administrative Assistant



AGENDA BILL

<p>Agenda Subject: Consider Resolution No. 1370 authorizing the Chair, Vice-Chair, or Executive Director and Secretary to execute the Revised Summary of Proposed Terms and Conditions submitted by Wells Fargo, N.A. and to replace the form of Lease attached to the Amended and Restated Development Agreement.</p>	<p>Date: 12-15-2014</p>
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<p>Staff Contact: John Brunelle</p>	<p>Attachments: Resolution No. 1370, including by way of attachment the Revised Summary of Proposed Terms and Conditions and the revised form of Lease; memo from Eric Heringer, Piper Jaffray; memo from Nick Miller, bond counsel</p>
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Action Requested:
 Approve Resolution No. 1370 authorizing CCDC Chair, Vice-Chair, or Executive Director and Secretary to execute the Revised Summary of Proposed Terms and Conditions with Wells Fargo Bank, N.A. related to the Greater Boise Auditorium District (“District”) expansion project and replace the form of Lease to the Amended and Restated Development Agreement.

Fiscal Notes:
 No additional fiscal impact on CCDC. On October 14, 2014, the Board approved an agreement with Piper Jaffrey to provide financial advisory services. This activity is included within the scope of that agreement. Additionally, the cost of entering into this transaction is covered by the Amended and Restated Development Agreement between the District and CCDC.

Background:
 At its meeting of September 15, 2014, the Board authorized Eric Heringer of Piper Jaffrey to prepare an RFP for Direct Placement of Notes to provide the funding for the District expansion project. The joint RFP was issued on October 9, 2014, and sent to several financial institutions. The RFP established October 30, 2014, as a deadline for responses. As of the October 30, 2014, deadline, responses were received.

Upon review of the proposals by Eric Heringer, Todd Bunderson, and Ross Borden along with District representatives, that group recommend continued discussions with the entities that responded to further refine the proposals presented and determine the next steps concerning the financing. The District considered a similar action at its Board meeting on November 6, 2014, and authorized its Executive Director and legal counsel to

continue discussions.

Wells Fargo Bank, N.A. was one of the responses received, and at the District Board meeting on November 20, 2014, the District approved Wells Fargo Bank, N.A.'s Revised Summary of Proposed Terms and Conditions. The Revised Summary of Proposed Terms and Conditions has necessitated revisions to the form of Lease previously attached to the Amended and Restated Development Agreement. An analysis of the proposals has been prepared by Eric Heringer, CCDC Financial Advisor, and is attached. An explanation of the changes to the Revised Summary of Proposed Terms and Conditions has been prepared by Nick, Miller, bond counsel, and is attached.

Staff Recommendation:

CCDC staff and financial advisor recommend acceptance of the Revised Summary of Proposed Terms and Conditions with Wells Fargo Bank, N.A. Approve Resolution No. 1370.

Suggested Motion:

I move to approve Resolution No 1370 authorizing the Chair, Vice-Chair, or Executive Director and Secretary to execute the Revised Summary of Proposed Terms and Conditions with Wells Fargo Bank, N.A. and to replace the form of Lease attached to the Amended and Restated Development Agreement.

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING WELLS FARGO BANK, N.A.'S REVISED PROPOSAL FOR FINANCING; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE THE REVISED SUMMARY OF PROPOSED TERMS AND CONDITIONS; AUTHORIZING THE REPLACEMENT OF THE FORM OF LEASE TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT; AUTHORIZING ANY NECESSARY TECHNICAL CHANGES TO THE REVISED SUMMARY OF PROPOSED TERMS AND CONDITIONS AND LEASE SUBJECT TO CERTAIN CONDITIONS, INCLUDING SUBSTANTIVE CHANGES; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, as amended and supplemented ("Law");

WHEREAS, the Boise City Council adopted its Ordinance No. 5597 on December 6, 1994, approving the Amended Urban Renewal Plan (hereinafter the "Amended Plan" and the Urban Renewal Area is hereinafter referred to as the "Project Area"), Boise Central District Project I and II which Amended Plan adopts by reference the Downtown Urban Design Plan, Framework Master Plan, and Design Guidelines (hereinafter the "Design Guidelines");

WHEREAS, the City Council of the City, after notice duly published, conducted a public hearing on June 5, 2007;

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6576 on June 26, 2007, effective upon publication on July 23, 2007, approving and making certain findings on the 2007 Amended and Restated Urban Renewal Plan, for the Boise Central District Project I, Idaho R-4 and Project II, Idaho R-5 (the "2007 Plan");

WHEREAS, the Law authorizes the Agency to carry out urban renewal projects within its area of operation and to issue revenue bonds for the purpose of financing the cost of any such urban renewal project and to secure payment of such bonds as provided in the Section 50-2012 of the Law;

WHEREAS, the Greater Boise Auditorium District (“District”) is a public body organized and operating under the laws of the state of Idaho (the “State”) as an auditorium district pursuant to Title 67, Chapter 49 of the Idaho Code (hereinafter the “Act”);

WHEREAS, the Act authorizes the District to acquire, operate and maintain public convention and auditorium facilities and further authorizes the District to enter into lease arrangements relating to the construction and operation of its authorized facilities;

WHEREAS, Section 67-4912(f) of the Act authorizes the District to acquire, dispose of and encumber real and personal property and any interest therein, including leases and easements within the District;

WHEREAS, Section 50-2015 of the Law authorizes the District to dedicate, sell, convey or lease any of its respective interests in any property to the Agency, to incur the entire expense of any public improvements for an urban renewal project, and take such further actions as are necessary to aid in or cooperate in the planning or carrying out of an urban renewal plan and related activities;

WHEREAS, Section 50-2015 of the Law further authorizes the District and the Agency to enter into any such sale, conveyance, lease, or agreement without appraisal, public notice, advertisement, or public bidding;

WHEREAS, the 2007 Plan identifies as an objective the development of a convention center and the Agency’s participation in such a project;

WHEREAS, the District proposes to acquire a new ballroom facility, related kitchen and ancillary facilities within a building to be known as the Centre Building, in Boise, Idaho (the “Centre Building Project”);

WHEREAS, on June 9, 2014, the District entered into a Development Agreement (the “Development Agreement”) with the Agency, whereby the Agency agreed to participate with the District, subject to judicial validation of the non-appropriation lease financing structure described in the Development Agreement, to finance the purchase of the Centre Building Project (the “Financing”);

WHEREAS, pursuant to the Development Agreement, the Agency and the District have retained Piper Jaffray & Co. as financial advisor in connection with the Financing (the “Financial Advisor”);

WHEREAS, on September 15, 2014, the Agency authorized the Agency's Executive Director and staff to work with the Financial Advisor to prepare and issue a Request for Proposals seeking proposals from financial firms to provide the Financing (the "Financing RFP");

WHEREAS, on September 22, 2014, the District authorized the District's Executive Director to work with the Financial Advisor and the Agency to prepare and issue the Financing RFP;

WHEREAS, Agency staff and District staff have negotiated an Amended and Restated Development Agreement, which addresses, inter alia, the role of the Agency as a conduit lender, payment of expenses, and the judicial confirmation process;

WHEREAS, on October 14, 2014, Agency Board adopted Resolution No. 1362 approving the Amended and Restated Development Agreement, which included the form of Lease Agreement but conditioned execution of the Amended and Restated Development Agreement upon approval by the District after proceeding through any required public hearing or public comment process;

WHEREAS, the Financing RFP was issued by the Financial Advisor, and the District and Agency have received responses from interested banks ("RFP Respondents");

WHEREAS, the Agency staff, Financial Advisor and legal counsel reviewed the responses to the Financing RFP and recommended that the Agency seek additional information from the RFP Respondents and continue evaluation of the Financing RFP responses;

WHEREAS, on October 14, 2014, Agency Board adopted Resolution No. 1368 authorizing the Executive Director, staff, and legal counsel to continue evaluating the Financing RFP responses with the Financial Advisor and to seek additional information from the RFP Respondents.

WHEREAS, one of the RFP Respondents was Wells Fargo Bank, N.A.;

WHEREAS, Wells Fargo Bank, N.A. has provided a proposal to the District and Agency, which includes a Revised Summary of Proposed Terms and Conditions;

WHEREAS, the District Board, at its meeting of November 20, 2014, approved the Wells Fargo Bank, N.A. Summary of Proposed Terms and Conditions;

WHEREAS, the Agency staff, Financial Advisor and bond counsel reviewed the Revised Summary of Proposed Terms and Conditions submitted by Wells Fargo Bank, N.A. and recommended that the Agency approve the Revised Summary of Proposed Terms and Conditions with Wells Fargo Bank, N.A., a copy of which is attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, the Revised Summary of Proposed Terms and Conditions contains terms that requires modification of the form of Lease attached to the Amended and Restated Development Agreement;

WHEREAS, District staff and counsel have prepared a modification of the form of Lease and recommends replacing the form of Lease with the modified form of Lease, a copy of which is attached hereto as Exhibit B and incorporated herein by reference;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Revised Summary of Proposed Terms and Conditions and authorize the Chair, Vice-Chair, or Executive Director and Secretary to execute the Revised Summary of Proposed Terms and Conditions submitted by Wells Fargo Bank, N.A., and to replace the form of Lease attached to the Amended and Restated Development Agreement.

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

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

Section 2: That the Board hereby approves the Revised Summary of Proposed Terms and Conditions submitted by Wells Fargo Bank, N.A., a copy of which is attached hereto as Exhibit A and incorporated by reference;

Section 3: That the Board hereby approves the replacement of the form of Lease previously attached to the Amended and Restated Development Agreement with the modified form of Lease, a copy of which is attached hereto as Exhibit B and incorporated herein by reference.

Section 4: That the Chair, Vice-Chair, or Executive Director and Secretary are hereby authorized to execute the Revised Summary of Proposed Terms and Conditions submitted by Wells Fargo Bank, N.A., subject to representations by Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the Revised Summary of Proposed Terms and Conditions or other documents are acceptable upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Revised Summary of Proposed Terms and Conditions and the comments and discussions received at the December 15, 2014, Agency Board meeting, including any substantive changes discussed and approved at that meeting

Section 5. This Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of Boise City, Idaho, on December 15, 2014. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 15, 2014.

APPROVED:

By _____
Chair of the Board

ATTEST:

By _____
Secretary

4818-6731-6768, v. 1



December 11, 2014

Mr. John Brunelle
Executive Director
Capital City Development Corporation
jbrunelle@ccdcboise.com

Mr. Patrick Rice
Executive Director
Greater Boise Auditorium District
pat_rice@boisecentre.com

Cc: eric.a.heringer@pjc.com
nmiller@hawleytroxell.com

Dear Mr. Brunelle and Mr. Rice,

Wells Fargo Bank, N.A. (the “Bank”) is pleased to provide this proposed Term Sheet to the Greater Boise Auditorium District (the “District”) and Capital City Development Corporation (“CCDC”). The proposed terms and general conditions are detailed in the “Summary of Proposed Terms and Conditions” and the “Response Form” attached as Appendix A.

Please acknowledge your acceptance of this proposed Term Sheet by signing in the places indicated at the conclusion of the “Summary of Proposed Terms and Conditions.”

Wells Fargo is pleased to have the opportunity to support the District on this transaction and we look forward to a long and mutually beneficial relationship.

Sincerely,

Linda K. Armstrong
VP/Senior Relationship Manager

Cc: John Self
Mark Lliteras

Summary of Proposed Terms and Conditions

Lease Revenue Note

OBLIGOR/LESSEE: Greater Boise Auditorium District (the “District”).

ISSUER/LESSOR: Capital City Development Corporation (the “CCDC”).

LENDER: Wells Fargo Bank, N.A. (“Wells” or the “Bank”).

CREDIT FACILITY: Up to \$23,500,000 for direct purchase, fixed rate, tax-exempt, Lease Revenue Note or Notes (the “Note”).

Neither the Lease nor the Note constitutes indebtedness or multiple fiscal year direct or indirect obligation of the District within the meaning of any constitutional or statutory debt limitation. Neither the Lease nor the Note will directly or indirectly obligate the District to make any payments other than those which may be appropriated by the District for each District fiscal year. All obligations of the District under the Lease and the Note will terminate at the end of the Lease term following an event of non-appropriation.

PURPOSE: Proceeds of the Note will be used to (i) finance the acquisition of condominium units containing a new ballroom facility, related kitchen and ancillary facilities (see Project description below); (ii) finance acquisition of furniture, fixtures and equipment; (iii) fund a debt service reserve fund; and (iv) pay costs of issuance (the “Financed Project”). The following is a summary of the Use of Funds:

Acquire facility: \$19.1 million
FF&E, DS Reserve, COI: \$3.4 million – \$4.4 million

INITIAL TERM/
MANDATORY
TENDER DATE: Initial term option of either 7 or 10 years.

AMORTIZATION
& MATURITY: Amortization 20 years. The final maturity is not to exceed 120% of the weighted average economic life of the assets being financed.

INTEREST RATES: The Note will contain a Fixed Rate Mode. An indicative interest rate for a 7-year term option is 2.25% and for a 10-year option is 2.65% as of October 31, 2014, calculated on a 360 day year.

The Fixed Rate is subject to change according to market conditions.

The Fixed Rate is subject to adjustment upon a) the occurrence of an event of taxability (see taxable rate below) and b) change in the maximum federal corporate tax rate.

AMORTIZATION: Level annual principal and interest payments. Actual due date to be determined based on closing date and renewal date of the lease. Based on the terms and rates stated in this proposal the principal and interest payment due annually on the 7 year note would be \$1,472,089 and on the 10 year note would be \$1,528,900.

SECURITY
AND DOCUMENTATION Agreement between Bank and CCDC (the “Agreement”) and Deed of Trust and Assignment of Rents from CCDC to Bank (the “Deed of Trust”) which shall (a)

assign annually appropriated Lease revenues paid by the District to CCDC under the Lease, and (b) grant a first lien on the Financed Project, until the Note has been fully repaid. Deed of Trust shall be junior and subject to an option by the District to purchase the Financed Project for \$10.00 at the time the Note has been fully satisfied, which option will be fully assignable by the District.

The Lease shall provide that, for each year in which the District renews the Lease, the District's obligation to make Lease payments will have a senior lien on the District's Room Tax.

DEBT SERVICE

RESERVE FUND ("DSRF"):

To be funded at closing with Note proceeds in an amount equal to the lesser of the following: (i) 10% of the par amount of the Note; (ii) 125 percent of average annual debt service on the Note; or, (iii) the maximum annual debt service on the Note. Upon each year's renewal of the Lease, if renewed at the sole discretion of the District, if there is a deficit in the DSRF based on the balance of the Note, upon appropriation the District agrees to replenish the DSRF as required to maintain the applicable metric as stated above based on the current balance of the Note. The District agrees if non-appropriation occurs all monies in the DSRF fund are relinquished and available for application to the Note.

LEASE PAYMENT FUND:

A fund, subject to the provisions of the documentation, will be established with a trustee to the satisfaction of the Bank to which shall be deposited the annually appropriated Lease payments in the first month of the District's fiscal year not later than December 31st. Said principal and interest payments, in the amounts determined upon sale of the Note, shall be deducted from the lease payment fund on the date due.

PREPAYMENT OPPORTUNITY:

The District shall pay to the Bank a prepayment fee equal to (i) 3% of the principal amount prepaid if payment is received during the first year; (ii) 2% of the principal amount prepaid if payment is received during the second year; and (iii) 1% of the principal amount prepaid if payment is received during the third year. There shall be no prepayment fee for amounts prepaid after more than three years.

CLOSING FEE:

Closing fee will be .20% of par amount payable at closing.

OTHER FEES:

Usual and customary for this type of financing to be negotiated, provided that, except for an agreed-upon maximum, the District's obligation for any amendment fees, termination fees, trustee fees, attorney's fees (bond and Bank), and customary language regarding increased costs, capital adequacy and taxes shall not continue in the event the Lease is terminated through non-renewal, except for any expenses incurred prior to the lease termination and still outstanding.

Whether or not the transaction is executed, the District will pay all fees and expenses relating to the preparation of the financing documentation as incurred up to a maximum amount of \$60,000.00. The Bank will keep the District informed of any expenses incurred on a monthly basis.

Estimated Fees:

Bond Counsel	At cost
Bank Counsel	Range of \$20,000 to \$30,000
Trustee	At cost
Real Estate Fees	At cost

General Conditions

BANKING

RELATIONSHIP:

Continuance of the District's current banking relationship with Wells Fargo to include all primary operating accounts and supporting traditional banking services of the District, subject to any public bidding requirements of the District required by law not policy.

REPORTING

REQUIREMENTS:

Usual and customary for this type of financing, including but not limited to:

- 1) Annual audited financial statements to be received within the earlier of 30 days of issuance or 270 days from fiscal year end.
- 2) Annual budget to be received upon acceptance and approval by the District.

PRINCIPAL

FINANCIAL

COVENANTS:

Usual and customary for this type of financing, including but not limited to the following; provided, however, the covenants are only in effect during the Lease term and will expire at the end of any Lease term following an event of non-appropriation.

1. The Lease shall provide that if the District renews the Lease, it will timely appropriate funds for the Lease Payments, and in the event it does not renew the Lease, the District will surrender possession of the Financed Project at the end of the current term of the Lease. The District and CCDC shall not allow additional liens on the pledged property, other than the lien in favor of the Bank.
2. The District will maintain at all times, key forms of insurance as applicable in an amount and form acceptable to the Bank. This may include but not be limited to physical damage insurance, earthquake, windstorm/hurricane, flood insurance, terrorism insurance, and liability insurance.
3. Business interruption insurance satisfactory to the Bank will be required that would continue full payments to Wells Fargo in the case of impairment of District operations, thus mitigating abatement.
4. Additional Note Test (ANT) - The Lease will require that the District may not provide a parity pledge of its room tax revenue to any other obligations unless the most recently audited room tax revenue provides a minimum of 1.75 times coverage of the combined annual obligations under the Lease, any other outstanding parity obligations and the annual payments for the proposed obligations and no material adverse impairment of the cash flow is known or forecast. The ANT coverage requirement will be a Maximum Annual Debt Service (MADS) test.

All of the requirements under this "General Conditions" category shall apply only so long as the Lease is in effect. The District has no post-termination obligations.

INCREASED COSTS AND

CAPITAL ADEQUACY;

TAXES:

Customary for facilities of this type, including, without limitation, provisions concerning increased costs, taxes, changes in capital adequacy, capital requirements and other requirements of law (including Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III), or their interpretation, illegality, unavailability, and reserves without proration or offset and payments free and clear of withholding or other taxes.

TAXABLE RATE/

TAXABLE CONVERSION:

In case of a determination of taxability, the District will prepay the Note within 60 days with a premium so that the total amount of premium plus interest paid from

the date of taxability through the date of prepayment would be calculated at the tax-exempt rate multiplied by a tax-exempt factor currently estimated at 1.429 plus any other expenses incurred by the note holder as a result of the determination of taxability. Bank willing to offer a taxable rate to apply after a determination of taxability so long as the yield to the Bank for the taxable Note is maintained equivalent to the yield to the Bank of the tax-exempt Note.

RATE ADJUSTMENT: In order that the note holder maintains a certain tax equivalent yield on its investment, the tax-exempt rate is subject to further adjustments (beyond the changes outlined in the paragraph above) in the event of further governmental legislation which adversely affects the tax equivalent yield to the note holder.

MANDATORY TENDER: The Note will be subject to a mandatory tender to the District at the end of the initial Fixed Rate Mode. Current scheduled principal redemptions of the Note will also be required.

**CONDITIONS
PRECEDENT
TO CLOSING:**

Usual and customary for transactions of this nature including but not limited to:

- 1) Final approval of Bank.
- 2) No material adverse change in the assets, operations, condition (financial or otherwise) or prospects of the District, nor in the facts and information regarding such entities as represented to date prior to Closing.
- 3) Receipt of Opinion of Bond Counsel acceptable to the Bank, Bank Counsel and Trustee as to the validity of CCDC and District to enter into the contemplated transaction cited herein.
- 4) Disclosure of any pending or threatened litigation (with such pending or threatened litigation acceptable to the Bank).
- 5) Execution and delivery of the Lease, Agreement, Deed of Trust and any other financing documents and all certificates, authorizations and opinions requested in form and substance satisfactory to the Bank, with legal opinions to cover such matters as the Bank may require.
- 6) Payment of all fees, including but not limited to, appraisal fees, environmental report fees, legal fees and closing fees.
- 7) Receipt of Judicial Confirmation, satisfactory to Bank, of the District's ability under the Idaho Constitution to enter into the Lease.

**REPRESENTATIONS &
WARRANTIES:**

Usual and customary for transactions of this type, to include without limitation: (i) no declaration of bankruptcy within the past 7 years; (ii) loan documents not violating laws or existing agreements or requiring governmental, regulatory or other approvals; (iii) no material litigation; (iv) compliance with other laws and regulations; (v) to the District's knowledge, no adverse agreements, existing defaults or non-permitted liens on the real estate used as security; and (vi) financial statements true and correct.

EVENTS OF DEFAULT:

Usual and customary for transactions of this type, to include without limitation: (i) nonpayment of principal, interest, fees or other amounts when due under any of the loan documents, if such amounts were appropriated by the District; (ii) non-compliance with any representation or warranty; (iii) violation of any covenant continuing beyond any agreed cure period; (iv) default under any other debts; (v) bankruptcy or insolvency event or declaration of a moratorium; (vi) unpaid judgment; (vii) material adverse change; and (viii) invalidity of any of the loan documents. An event of non-appropriation shall not constitute an event of default but shall terminate the Lease and allow Bank to exercise the remedies in the Agreement and Deed of Trust.

DEFAULT RATE
FOR OVERDUE LEASE
PAYMENTS:

Wells Fargo Prime Rate plus 4.00%.

FEES, EXPENSES AND
INDEMNIFICATION:

Whether or not the Agreement is executed, the District will (a) pay all fees and expenses relating to preparation of the Bank documents, including fees of Bank Counsel unless the Agreement is not executed due to the Bank's withdrawal from the transaction at no fault of the District and (b) indemnify the Bank and its respective directors, officers and employees against all claims asserted and losses, liabilities and expenses incurred in connection with the transaction. This obligation will expire at the end of any Lease term following an event of non-appropriation. The maximum amount payable to the Bank under this provision will be \$100,000.00.

FUTURE MODIFICATIONS:

Prior to the execution of the Agreement and the Note, the terms, conditions and interest rates herein referenced, the financing and the par amount indicated herein and are subject to revision in the discretion of the Bank, including, without limitation, in the event that (i) the par amount changes; (ii) the transaction deviates materially from what was initially described in conjunction therewith; (iii) the proposed financing does not close (other than as a result of action/inaction by the Bank); or (iv) events occur resulting in a material disruption of the market.

NO ADVISORY
OR FIDUCIARY ROLE:

CCDC and District acknowledge and agree that: (i) the transaction contemplated by this term sheet is an arm's length, commercial transaction between CCDC and District and Wells Fargo Bank, N.A., in which Wells Fargo Bank, N.A. is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the District; (ii) Wells Fargo Bank, N.A. has not assumed any advisory or fiduciary responsibility to CCDC and District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Wells Fargo Bank, N.A. or its affiliates have provided other services to the District on other matters); (iii) the only obligations Wells Fargo Bank, N.A. has to CCDC and District with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (iv) CCDC and District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

TRANSFER PROVISIONS:

While the Bank is purchasing the Note for its own account without a current intention to transfer them, the Bank reserves the right in its sole discretion to assign, sell, pledge or participate interests in the Note without the consent of CCDC and/or District, subject to compliance with applicable securities laws.

LOAN TREATMENT:

Wells Fargo's purchase of the Note is conditioned on its ability to treat the Note as a loan for accounting purposes. To achieve this treatment, the following conditions must be met:

1. No rating can be assigned to the Note.
2. The Note must be delivered in physical form.
3. The physical Note must carry a legend referencing the transfer restrictions.
4. Wells Fargo's ability to transfer is limited to certain commercial bank Qualified Institutional Buyers.
5. The Note, if more than one, must have minimum denominations of not less than \$250,000.

EMMA AND RATING
AGENCY DISCLOSURE:

To maintain transparency with its existing note holders and the rating agencies, Wells Fargo requests that CCDC and District a) post the Agreement and Note on the MSRB's EMMA site following the closing of the transaction, provided that pricing and certain other information contained therein, as directed by the Bank, shall be redacted prior to such posting and b) deliver relevant financing documents to the rating agencies.

CONFIDENTIALITY:

This proposed Term Sheet is confidential and proprietary, and terms herein may not be disclosed without our prior written consent, except to your professional advisors in connection with this Financing or other independent auditors or accountants who agree to be bound by such confidentiality requirements, or as may be required by law.

Notwithstanding anything herein to the contrary, any party hereto may disclose to any and all persons, without limitation of any kind the tax treatment or tax structure of this transaction. Furthermore, the parties to this transaction may disclose, as required by federal or state laws, any information as required to comply with such federal or state laws, including the ultimate financing documents, once executed, which may incorporate the terms of this proposed Term Sheet. The parties acknowledge that the contents of this proposed Term Sheet and its cover letter may be discussed at a public meeting of the District or CCDC, and that such contents will then be part of the public record. Further, if this proposed Term Sheet is signed by the District or CCDC, it will become a public document subject to public records requests. The Bank agrees that this proposed Term Sheet and its cover letter may be filed with the court in connection with the District's petition for judicial confirmation of the Lease, and that, at such time, the proposed Term Sheet and cover letter will become a public document.

This "Summary of Proposed Terms and Conditions" and the "Response Form" attached as Appendix A is for discussion purposes only and is not intended to be and should not be construed as an offer, a commitment to enter into a direct purchase of the Note, nor agreement to lend, nor should it be construed as an attempt to establish all of the terms and conditions relating to any loan or credit facility described herein. It is intended only to be indicative of certain terms and conditions around which credit approval may be sought, and if approved after additional financial and legal due diligence, how the loan documents might be structured, and shall not preclude negotiations over these or any other terms and conditions. Further, this proposed Term Sheet is contingent upon the District's receipt of Judicial Confirmation satisfactory to Bank, on the District's ability under the Idaho Constitution to enter into a proposed Lease Agreement (the "Lease") between CCDC and the District and a financing arrangement of this type. The execution versions of agreements containing final terms and conditions, if any, would be subject to approval by District and Bank. This proposal is subject to Wells Fargo formal credit approval process.

AGREED AND ACCEPTED.

John Brunelle
Executive Director
Capital City Development Corporation

Date

Patrick Rice
Executive Director
Greater Boise Auditorium District

Date

As these materials include information related to a bank-purchased bond transaction (“Direct Purchase”), please be advised that Direct Purchase is a product offering of Wells Fargo Bank, N.A. or a subsidiary thereof (“Purchaser”) as purchaser / investor. Wells Fargo Securities will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of Wells Fargo Securities. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm’s length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser, as purchaser / investor, has financial and other interests that differ from your interests. In its capacity as purchaser / investor, Purchaser’s sole role would be to purchase securities from you (or the issuer in the case of a conduit transaction). Purchaser will not have any duty or liability to any person or entity in connection with the information provided herein. The information provided is not intended to be and should not be construed as “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934.

APPENDIX A

RESPONSE FORM

THE FOLLOWING INFORMATION WILL BE USED AS A BASIS FOR FURTHER DISCUSSION AND POSSIBLE SELECTION OF A BANK TO COMPLETE THE PROPOSED FINANCING.

1. Name of Bank: [Wells Fargo Bank, N.A.](#)
2. Contact Name: [Linda K. Armstrong](#)
3. Contact Phone #: [\(208\) 393-2009](#)
4. Contact Email: linda.k.armstrong@wellsfargo.com
5. Provide an estimate of the interest rate on the Notes assuming interest rates as of October 21, 2014 for a 20-year, fixed rate Note. For evaluation purposes, assume a November 1, 2014 closing date with semi-annual note payments beginning on May 1, 2015. Level Amortization: [See attached “Summary of Proposed Terms and Conditions.”](#)
6. Provide an estimate of bank closing costs including bank counsel fees if any (CCDC’s Note Counsel will be preparing the financing and legal documents): [See attached “Summary of Proposed Terms and Conditions.”](#)
7. Provide an estimate of any annual, on-going costs to maintain and/or service the Notes: [See attached “Summary of Proposed Terms and Conditions.”](#)
8. Provide any significant terms, covenants and conditions of the proposed Notes not otherwise discussed (or that are substantially different than what is discussed) in the Term Sheet: [See attached “Summary of Proposed Terms and Conditions.”](#)
9. Provide a list of no more than five public finance transactions that are similar in size, security structure (lease payments subject to appropriation) and/or issuer type to the financing contemplated herein. Include issue size, security type, issuer name, repayment term and the dated date of issue.

Client	Transaction Type	Closed	Term	State	Size
Board of Regents, State of IA, University of Iowa	Direct Purchase/	7/10/2013	10	IA	\$30,000,000
	Lease Revenue	7/10/2013	5	IA	\$ 2,450,000
Arvada Fire Protection District	Direct Purchase/	3/5/2013	10	CO	\$ 9,500,000
	Lease Revenue				
Board of Regents, State of IA, (taxable) University of Iowa	Direct Purchase/	7/10/2013	5	IA	\$ 8,000,000
	Lease Revenue				
State of South Dakota On Behalf of its Bureau Of Administration	Direct Purchase/	3/5/2014	6	SD	\$3,019,665
	Lease Revenue	3/2/2012	6	SD	\$2,834,392
Montrose Fire Protection District	Direct Purchase/	3/1/2012	10	CO	\$3,147,575
	Lease Revenue				

10. Provide an affirmative statement to the effect that: “The responding institution qualifies as a bank, a qualified institutional buyer, or an accredited investor. The responding institution is capable of providing an acceptable letter or certificate indicating that, as the prospective purchaser of the Note, it is experienced in transactions such as those related to the Notes and that the responding institution is knowledgeable and fully capable of independently evaluating the risks involved in investing in the Notes. Further, should the responding institution, as the prospective purchaser of the Notes, determine, subsequent to its purchase of the Notes, to sell, assign, or transfer the Notes, any such sale, assignment, or transfer will be made under these same conditions, constituting what is referred to as a “traveling letter.” Wells Fargo Bank, N.A. affirms it meets the qualifications as outlined in question #10 of this Response Form and will abide by the provisions provided herein as advised and confirmed by its Bank Counsel upon review of the documentation for the proposed Financed Project.

**LEASE AGREEMENT
(ANNUAL APPROPRIATION)**

Between

URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO
Aka Capital City Development Corporation

And

**GREATER BOISE AUDITORIUM DISTRICT,
ADA COUNTY, STATE OF IDAHO**

Relating to

**Not to exceed \$23,500,000
Lease Revenue Note
(Centre Building Project)**

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Appendix A - Definitions

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**LEASE AGREEMENT
(ANNUAL APPROPRIATION)**

THIS LEASE AGREEMENT (ANNUAL APPROPRIATION) (the “**Lease**” or “**Lease Agreement**”) is dated as of _____ (the “**Effective Date**”) between the URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, aka Capital City Development Corporation, an urban renewal agency of the City of Boise, Idaho, organized and operating as an urban renewal agency pursuant to Chapters 20 and 29, Title 50, Idaho Code (the “**Agency**”), as lessor, and GREATER BOISE AUDITORIUM DISTRICT, ADA COUNTY, STATE OF IDAHO, a public body organized and operating as an auditorium district pursuant to Chapter 49, Title 67, Idaho Code (the “**District**”), as lessee.

WITNESSETH:

WHEREAS, the District is a public body organized and operating under the laws of the State of Idaho (the “**State**”) as an auditorium district pursuant to Title 67, Chapter 49 of the Idaho Code (hereinafter the “**Act**”); and

WHEREAS, the Act authorizes the District to acquire, operate and maintain public convention and auditorium facilities and further authorizes the District to enter into lease arrangements relating to the construction and operation of its authorized facilities; and

WHEREAS, the Agency is a public body organized and operating as an urban renewal agency of the City of Boise City, Idaho, pursuant to Chapters 20 and 29, Title 50, Idaho Code, as amended (the “**Urban Renewal Law**”); and

WHEREAS, the Urban Renewal Law authorizes the Agency to carry out urban renewal projects within its area of operation and to issue a revenue note for the purpose of financing the cost of any such urban renewal project and to secure payment of such note as provided in the Section 50-2012 of the Urban Renewal Law; and

WHEREAS, Section 67-4912(f) of the Act authorizes the District to acquire, dispose of and encumber real and personal property and any interest therein, including leases and easements within the District; and

WHEREAS, Section 50-2015 of the Urban Renewal Law authorizes the District to dedicate, sell, convey or lease any of its respective interests in any property to the Agency, to incur the entire expense of any public improvements for an urban renewal project, and take such further actions as are necessary to aid in or cooperate in the planning or carrying out of an urban renewal plan and related activities; and

WHEREAS, Section 50-2015 of the Urban Renewal Law further authorizes the District and the Agency to enter into any such sale, conveyance, lease, or agreement without appraisal, public notice, advertisement, or public bidding; and

WHEREAS, the District intends to expand and improve the “**Boise Centre,**” its existing convention center and public event facilities, in downtown Boise (the “**Project**”) to be located within the boundaries of both the District and the Agency; and

WHEREAS, as part of the Project the District intends to (i) construct a new ballroom facility, related kitchen and ancillary facilities, and (ii) purchase of related furniture and equipment. The new ballroom facility and related kitchen are located in a new building being constructed by KC Gardner Company, L.C. (the “**Developer**”), who has acquired title to parcel to the south of the existing U.S. Bank office tower in close proximity to the Boise Centre. The parcel is referred to herein as the “**South Parcel;**” and

WHEREAS, the District and the Developer have entered into an Amended and Restated Master Development Agreement (the “**Gardner MDA**”), whereby the Developer agreed to develop and build to suit the new ballroom facility, related kitchen and ancillary facilities within a new building to be constructed on the South Parcel, such building referred to herein as the “**Centre Building;**” and

WHEREAS, the Centre Building is subject to a condominium regime as set forth in the Condominium Documents. Condominium units containing the above described facilities will be sold by the Developer to the District; and

WHEREAS, the District is seeking financing for the purchase of the condominium units containing the new ballroom facility, the related kitchen, and ancillary facilities in the Centre Building, along with related soft costs and equipment, which has an estimated cost of \$21,236,400 (collectively, the “**Financed Project**”) and related reserves and financing costs; and

WHEREAS, the Agency has determined, at the request of the District, to issue a revenue note or similar instrument to provide funds to finance the purchase of the Financed Project and related reserves and financing costs to be undertaken by the District and the Agency, which note shall be designated the “**Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Note (Centre Building Project),**” in an aggregate principal amount up to \$23,500,000 (the “**Note**”), under and pursuant to a Note Purchase Agreement (the “**Note Purchase Agreement**”) adopted by the Agency; and

WHEREAS, the District and the Agency intend for the Agency to purchase the Financed Project with the proceeds of the Note; and

WHEREAS, the Note Purchase Agreement provides the obligation of the purchaser of the Note to provide an acceptable letter or certificate indicating that the purchaser is experienced in transaction such as those related to the Note and that the purchaser is knowledgeable and fully capable of independently evaluating the risk involved in investing in the Note. Further, should the purchaser determine, subsequent to its purchase of the Note, to sell, assign, or transfer the Note, any such sale, assignment or transfer shall be made under those same conditions constituting what is referred to as a “traveling letter.”

WHEREAS, the District and the Agency hereby agree to enter into this Lease under the terms of which (i) the Agency will purchase the Financed Project from the Developer and lease it

to the District; and (ii) the District will pledge Tax Receipts, subject to annual appropriation, to pay Rent to the Agency as set forth in Section 5.3; and

WHEREAS, pursuant to the Note Purchase Agreement, the Note shall be secured by (i) the Agency's interest in the Lease and Rent due thereunder; and (ii) the grant of a first lien (subject to the District's Option to Purchase) in the Financed Project pursuant to a Deed of Trust and Assignment of Rents in a form agreed to by the Agency and the Bank, until the Note has been fully repaid; and

WHEREAS, the issuance and delivery of the Note and the execution and delivery of this Lease have been in all respects duly and validly authorized by a resolution adopted by the Agency, and all things necessary to make this Lease and the Note, when executed and authenticated by the Agency, valid and binding legal obligations of the Agency have been done; and

WHEREAS, the execution and delivery of this Lease Agreement has been duly and validly authorized by a resolution adopted by the District, and all things necessary to make this Lease Agreement, when executed and authenticated by the District, a valid and binding legal obligation of the District and the pledge of Tax Receipts, subject to annual appropriation, to pay Rent made hereunder to the Agency and thereafter pledged by the Agency to the payment of the principal of and interest on the Note, has been done; and

NOW, THEREFORE, for and in consideration of the Financed Project and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Except where the context indicates otherwise, capitalized terms used herein shall have the respective meanings set forth on Appendix A hereto.

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by the District. Where the term or phrase "knowledge," "to the best of its knowledge" and/or "to the knowledge of the District" is used in this Section 2.1, such term or phrase refers to the actual knowledge of the current executive director and officers of the District's Board of Directors. The District hereby represents and warrants to the Agency that:

(a) The District is an independent public body politic and corporate of the State, is duly organized and existing under the laws of the State, is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder, and has duly authorized the execution and delivery of this Lease.

(b) Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and

conditions of this Lease, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District under the terms of any instrument or agreement.

(c) The financing of the Project is in furtherance of the District's governmental purposes and will enable the District to provide convention and auditorium facilities.

(d) The District has not obtained other financing for the Financed Project, except as has been disclosed in writing to the Agency.

(e) There is no fact that materially adversely affects or that will materially adversely affect (so far as the District can reasonably foresee) the properties, activities, prospects or condition (financial or otherwise) of the District or the ability of the District to make all payments required and otherwise perform its obligations under this Lease.

(f) There are no proceedings pending, or to the knowledge of the District threatened, against or affecting the District in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the District or the ability of the District to make all payments required and otherwise perform its obligations under this Lease.

(g) The consummation of the transactions provided for in this Lease and compliance by the District with the provisions of this Lease are within the District's lawful powers and have been duly authorized by all necessary action on the part of the District.

(h) No event has occurred and no condition exists that, upon execution of this Lease, would constitute an event of default by the District hereunder. The District is not in violation in any material respect, and has not received notice of any claimed violation, of any term of any agreement or other instrument to which it is a party or by which it or its property may be bound.

(i) To the best of its knowledge, the District is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, and has obtained all licenses, permits, franchises or other governmental authorizations necessary for the ownership of its property or to the conduct of its activities.

(j) The District has not sold and does not intend to sell or enter into any other obligations within fourteen days before or after the date on which the Note will be sold that were or will be (i) sold pursuant to the same plan of financing as the Note and (ii) reasonably expected to be paid from substantially the same source of funds as the Note.

(k) (i) Neither the District nor, to the knowledge of the District, any other person, has stored, disposed or released in, on or about the Financed Project any Hazardous Substances the removal or remediation of which is or could be required, or the maintenance of which is prohibited or penalized, by any applicable Environmental Laws, and any such real property is free from all such Hazardous Substances; and (ii) the District has not given any release or waiver of liability that would waive or impair any claim based on Hazardous Substances to (a) a

prior owner or occupant of the Financed Project, or (b) any party who may be potentially responsible for the presence of Hazardous Substances on any such real property.

Section 2.2 Representations and Warranties of the Agency. Where the term or phrase “knowledge,” “to the best of its knowledge” and/or “to the knowledge of the Agency” is used in this Section 2.2, such term or phrase refers to the actual knowledge of the current executive director and officers of the Board of Commissioners of the Agency. The Agency hereby represents and warrants to the District that:

(a) The Agency is an independent public body politic and corporate of the State of Idaho, is duly organized and existing under the laws of the State of Idaho, is authorized pursuant to the Urban Renewal Law to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder, and has duly authorized the execution and delivery of this Lease Agreement.

(b) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Lease Agreement, conflicts with or results in a breach of any of the terms, conditions, provisions of any restriction or any agreement or instrument to which the Agency is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the Agency under the terms of any instrument or agreement.

(c) The Agency has not made and will not make any contract or arrangement of any kind, the performance of which by either party would give rise to a lien (other than a Permitted Encumbrance) on the Financed Project.

(d) Neither the Agency nor, to the best knowledge of the Agency, any other person, has stored, disposed or released in, on or about the Financed Project any Hazardous Substances the removal or remediation of which is or could be required, or the maintenance of which is prohibited or penalized, by any applicable Environmental Laws, and, to the best knowledge of the Agency all such real property is free from all such Hazardous Substances.

ARTICLE III PURCHASE OF FINANCED PROJECT/DEMISING CLAUSE

Section 3.1 Purchase of Financed Project. As of the Effective Date, the District, pursuant to the Assignment and Assumption Agreement, has assigned the District’s right to purchase the Financed Project under the Purchase Agreement to the Agency. After issuance of the Note pursuant to Article IV hereof, and receipt of written consent from the District to proceed with the purchase of the Financed Project, the Agency shall, solely using funds from the Acquisition Fund, purchase the Financed Project from the Developer pursuant to the terms and conditions of the Purchase Agreement and the Assignment and Assumption Agreement. The closing of the purchase of the Financed Project shall take place on the date set forth in the Purchase Agreement for such closing, unless otherwise directed by the District. The Agency will

retain title to the Financed Project until such time as the District may have exercised its Option to Purchase the Financed Project pursuant to Article XI hereof.

Section 3.2 Demise of the Financed Project. Upon the closing of the purchase of the Financed Project by the Agency (the “**Commencement Date**”), the Agency leases to the District and the District leases from the Agency, the Financed Project, in accordance with the provisions of this Lease, subject to Permitted Encumbrances. Subject to the terms and conditions of this Lease and the Condominium Documents, the District shall be permitted to use the Financed Project for any lawful purpose.

Section 3.3 No Obligation to Renew or Exercise Option to Purchase. The Agency acknowledges and recognizes that this Lease will terminate at the end of the Initial Term or any applicable Renewal Term in the event that sufficient funds are not budgeted by the District specifically with respect to this Lease to pay Rent during the next occurring Renewal Term, and that the act of budgeting funds is a legislative act and, as such, is solely within the discretion of the District Board. Additionally, nothing in this Lease shall be construed to require the District to renew the Lease or to exercise its Option to Purchase the Financed Project as provided in Article XI hereof.

ARTICLE IV ISSUANCE OF THE NOTE

Section 4.1 Agreement to Issue Note. In order to provide funds to purchase the Financed Project and fund the Debt Service Reserve Account and Costs of Issuance, the Agency will, pursuant to the Note Purchase Agreement, sell and cause to be delivered the Note to the initial purchasers thereof, no later than the closing date for the purchase of the Financed Project as set forth in the Purchase Agreement, and will deposit the Net Note Proceeds as follows:

- (a) In the Debt Service Reserve Account, a sum equal to the Reserve Requirement with respect to the Note;
- (b) In the Costs of Issuance Fund, a sum equal to the Costs of Issuance of the Note;
and
- (c) In the Acquisition Fund, and the accounts created therein, the balance of the Net Note Proceeds.

Section 4.2 Disbursements from the Acquisition Fund. The Agency shall, upon satisfaction of the requirements in Section 3.1 direct payment from the Acquisition Fund to acquire the Financed Project.

Section 4.3 Costs of Issuance; Disbursements from Costs of Issuance Fund. Upon closing of the Note, Costs of Issuance shall be paid from the Costs of Issuance Fund. Each such payment shall be made upon receipt by the Bank of a requisition in the form required pursuant to the Note Purchase Agreement.

Section 4.4 Cooperation of the Parties. The District and the Agency agree to cooperate with each other in furnishing to the Bank the requisition required in Section 4.3 hereof.

Section 4.5 Investment of Moneys. Any moneys held as a part of the funds created in the Note Purchase Agreement shall be invested in investment securities in accordance with applicable law. The District shall provide the Agency with written notice setting forth the manner in which the funds shall be invested, and the Agency shall direct the Bank to so invest the funds as soon as practicable. The Agency shall send to the District a copy of any certificate sent to the Bank directing investment of the funds.

Section 4.6 Tax Covenant. The District covenants for the benefit of the Holders and the Agency that during the Lease Term it will not take any action or omit to take any action with respect to the Note, the proceeds thereof, any other funds of the District or any improvements financed with the proceeds of the Note if such action or omission (i) would cause the interest on the Note to be included in gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Note to lose its exclusion from State income taxation under State law.

ARTICLE V

EFFECTIVE DATE OF THIS AGREEMENT; DURATION OF LEASE TERM; EVENT OF NONRENEWAL; RENTAL PROVISIONS; NO SURVIVAL

Section 5.1 Effective Date of this Agreement; Duration of Lease Term; Event of Nonrenewal.

(a) This Lease is effective, and is a binding obligation of both the District and the Agency, as of the Effective Date. The Initial Term will begin on the Commencement Date as provided in Section 3.2 and will end on the November 30 following the Commencement Date, or on such sooner date as the Note shall have been fully paid and retired or provision for such payment shall have been made as provided in the Note Purchase Agreement and all other expenses or sums to which the Agency and the Bank are entitled, both under this Lease and the Note Purchase Agreement, have been paid.

(b) At any time during the Initial Term and during each Renewal Term thereafter, the District may, solely at its option, renew this Lease for the next subsequent Renewal Term by budgeting funds to pay Rent for such Renewal Term and by giving Notice of Intent to Renew to the Agency. The Notice of Intent to Renew shall be accompanied by a certified copy of the resolution or other official action of the District Board adopting its budget which includes the expenditure of funds for Rent for the Renewal Term. In the event the Agency shall not have received the Notice of Intent to Renew by November 1 of any year, the Agency will notify the District of such non-receipt, and the District shall then have until November 15 to deliver to the Agency its Notice of Intent to Renew. The budget proposals by District staff submitted to the District Board, in any year in which this Lease shall be in effect, shall timely include for consideration by the District Board an appropriation for the annual funding of all payments required for the ensuing Renewal Term under this Lease. The inclusion of Renewal Term payments in budget proposals shall not limit the sole discretion of the District Board to determine whether or not to renew the Lease.

(c) If the District does not deliver the Notice of Intent to Renew by November 15 of any year, or if the District shall at any time notify the Agency that the District has elected to not

renew this Lease for an additional Renewal Term, an Event of Nonrenewal shall be deemed to have occurred. Upon an Event of Nonrenewal, the Lease shall terminate on November 30 of the then current year and, except for the provisions of Section 8.12 herein, no provision of the Lease shall survive termination.

(d) Subject to the preceding sections, this Lease may be renewed for a total of twenty-four (24) consecutive one-year Renewal Terms commencing on December 1 and ending on November 30 of each following calendar year.

(e) It is the intention of the District Board that the decision to renew or not to renew this Lease shall be made solely by the District Board and not by any other District officer.

Section 5.2 Delivery and Acceptance of Possession. The Agency shall deliver to the District sole and exclusive possession of the Financed Project (subject to the right of the Agency to enter thereon and have access thereto pursuant to Section 8.1 hereof) on the Commencement Date, and the District agrees to accept possession of the Financed Project upon such date. The Agency covenants and agrees that after the Commencement Date it will not take any action, other than pursuant to Article X of this Lease and the Note Purchase Agreement to prevent the District from having quiet and peaceable possession and enjoyment of the Financed Project during the Lease Term (subject to the right of the Agency to enter thereon and have access thereto pursuant to Section 8.1 hereof) and will cooperate with the District for that purpose.

Section 5.3 Rent.

The obligation of the District to pay Lease Payments, Prepayments, Debt Service Reserve Payments, Rebate Fund Payments and Occupancy Expenses (collectively, “**Rent**”) begins on the Commencement Date and extends only through the Initial Term and any Renewal Term, if the Lease is so renewed at the sole option of the District pursuant to Section 5.1. The District hereby pledges, and grants a senior lien on, Tax Receipts to the payment of Rent during the Lease Term. There is no obligation to pay Rent or any other amounts for any period following an Event of Nonrenewal, and the District has no ongoing obligations for any period following an Event of Nonrenewal, except the obligation to make payments from the Lease Contingency Fund pursuant to Section 8.12. Subject to the foregoing, the District shall pay Rent during the Lease Term as provided in this Section 5.3:

(a) Lease Payments. On or before the Lease Payment Date, and subject to Section 5.3(b), the District shall promptly make payments into the Lease Payment Fund as provided on the schedule of Lease Payments attached as “**Exhibit A**” to this Lease (the “**Lease Payments**”), which payments shall be transferred to the Debt Service Account pursuant to the terms of the Note Purchase Agreement, provided however that (i) any amount in the Debt Service Account on the Lease Payment Date in excess of the aggregate amount then required to be held pursuant to this Section shall be credited against the Lease Payments due on such date, and (ii) Exhibit A shall be automatically modified, and Lease Payments reduced, to reflect reduced amounts of interest and principal that will become due on the Note as a result of a partial prepayment or defeasance of the Note pursuant to the Note Purchase Agreement and (b) below. The Agency shall provide, or cause to be provided, to the District written notice at least fifteen (15) calendar days prior to the Lease Payment Date specifying (i) the amount of monies in the Debt Service

Account, and (ii) the amount the District must deposit in the Lease Payment Fund as Lease Payments. If on the Lease Payment Date the amount held by the Agency in the Debt Service Account is insufficient to make the required payments of principal and interest on the Note, the District shall forthwith pay such deficiency as Rent hereunder to the Agency for deposit in the Lease Payment Fund.

(b) Prepayments. On or before the fifth (5th) day next preceding any prepayment date for which a notice of prepayment has been given by the District at the District's sole option pursuant to the Note Purchase Agreement, the District shall pay as Rent for deposit in the Lease Payment Fund an amount of money which, together with other moneys available therefor in the Debt Service Account, is sufficient to pay the interest and principal on the Note called for prepayment (a "**Prepayment**"). Upon such payment, Exhibit A hereto shall be revised to reflect such prepayment of the Note.

(c) Debt Service Reserve Payments. Upon the issuance of the Note, the Bank will establish a Debt Service Reserve Account equal to the Reserve Requirement. During the Lease Term, the District shall maintain the Reserve Requirement in the Debt Service Account. Accordingly, if such moneys are transferred from the Debt Service Reserve Account to the Debt Service Account during the Lease Term because of a deficiency therein, the District agrees to pay any amounts required to cause the amount in the Debt Service Reserve Account to equal the Reserve Requirement (the "**Debt Service Reserve Payments**"). In an Event of Nonrenewal, all moneys in the Debt Service Reserve Account shall be available for application to the Note.

(d) Rebate Fund Payments. The District agrees to pay to the Agency any amount required to be paid to the United States of America pursuant to Section 148(f) of the Code to the extent amounts on deposit in the Rebate Fund are insufficient for such purpose ("**Rebate Fund Payments**").

(e) Occupancy Expenses. This Lease is intended to be a net lease to the Agency, it being understood that Agency shall receive all Rent payments set forth in the foregoing paragraphs of this Section 5.3 free and clear of any and all impositions, encumbrances, charges, obligations or expenses of any nature whatsoever in connection with the ownership and operation of the Financed Project, including but not limited to those items described in Article VI hereof. Accordingly, the District shall pay, when due, to the parties respectively entitled thereto all occupancy expenses of the Financed Project typically paid by the tenant in a net lease. The District shall pay Agency Fees and Expenses and Bank Fees and Expenses within fifteen (15) days following receipt from the Agency or the Bank, as applicable, of a bill therefor. All amounts required to be paid by the District pursuant to this Section 5.3(e) shall constitute "**Occupancy Expenses.**"

The District may, at its expense, in good faith, contest any such Occupancy Expenses and, in the event of any such contest, may permit such charges contested to remain unpaid during the period of such contest and any appeal therefrom unless the Agency or the Bank shall notify the District that by nonpayment of any such items the Financed Project will be materially endangered or will be subject to loss or forfeiture, in which case, such charges shall be paid promptly or secured by posting a bond with the Agency or the Bank in form satisfactory to the Agency or the Bank. In the event that the District shall fail to pay any of the foregoing items

required by this Section to be paid by the District, the Agency or the Bank may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Agency or the Bank shall become an additional obligation of the District, payable on demand, together with interest thereon at the Advance Rate.

(f) Failure to Make Payments. During the Lease Term, in the event the District should fail to make any payment of Rent when due, the item or installment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon at the Advance Rate.

Section 5.4 Payees of Payments. The Lease Payments, Prepayments and the Debt Service Reserve Payments shall be paid directly to the Bank and shall be deposited in the Lease Payment Fund. The payments to be made pursuant to Section 5.3(d) hereof shall be paid to the Bank for deposit in the Rebate Fund. The Occupancy Expenses to be paid to the Agency and the Bank shall be paid directly to the Agency or the Bank, respectively, for their own use. All other Occupancy Expenses shall be made to the appropriate payee of such payment.

ARTICLE VI MAINTENANCE, CHARGES AND INSURANCE

Section 6.1 Maintenance and Modifications of the Financed Project. During the Lease Term, the District agrees that it will at its own expense (i) keep the Financed Project in as reasonably safe condition as its operations permit, (ii) maintain a level of quality and operation of the Financed Project that is at least comparable to the level of quality of character and operation of similar facilities, and (iii) keep the Financed Project in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. The District may also at its own expense, and subject to the requirements of the Condominium Documents and upon providing written notice to the Agency, make from time to time any additions, modifications or improvements to the Financed Project it may deem desirable for its purposes that do not adversely affect the structural integrity of the building or substantially reduce the value or impair the character of the Financed Project; provided that all such additions, modifications and improvements to the Financed Project shall comply with all applicable building code regulations and ordinances. All such additions, modifications and improvements made by the District shall become a part of the Financed Project. Other than the Permitted Encumbrances, the District will not permit any mechanics' lien, security interest or other encumbrance to be established or to remain against the Financed Project for labor or materials furnished; provided, that if the District first notifies the Agency of its intention to do so, the District may in good faith contest any mechanics' or other liens filed or established against the Financed Project. In such event, the District may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Agency notifies the District that nonpayment of any such items will materially endanger the interests of the Agency in the Lease, or that the Financed Project or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay and cause to be satisfied and discharged all such liens.

Section 6.2 Insurance Required. During the Lease Term, the District and the Agency agree to confer and work together to ensure the Financed Project and the parties are

adequately insured. During the Lease Term, the District agrees to insure the Financed Project with insurance companies licensed to do business in the State including all-risk property coverage equal to 100% replacement-cost basis and all other insurance in such amounts and in such manner and against such loss, damage and liability, including liability to third parties, as are customary for facilities of similar function and scope, taking into account liability limits provided by State law and any requirements of the Condominium Documents, and to pay the premiums with respect thereto. Such policies shall be claims occurred policies and shall include public officials liability coverage.

All policies maintained pursuant to this Section 6.2 (except for workmen's compensation insurance) shall name the District and the Agency and the Bank, as insureds as their respective interests may appear. Such policies or certificates of insurance shall (i) provide that any losses shall be payable notwithstanding any act or negligence of the District or the Agency, and (ii) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt of written notice thereof by the District, the Agency, and the Bank. Upon recommendations of an Insurance Consultant who is familiar with the Financed Project and the provisions of this Lease, the District may agree to any reduction, increase or modification, including providing for coverage of additional perils, of the insurance requirements hereunder to such as are adequate and customary for similar institutions and similar projects of like size and operation, and is reasonably obtainable. The District shall provide written notice to the Agency of any such reduction, increase or modification at least 30 days prior to the effective date of such reduction, increase or modification.

The District will deliver to the Agency promptly upon request by the Bank, but in any case within 60 days after the end of each fiscal year during the Lease Term, a certificate of an Authorized Representative of the District setting forth the particulars as to all insurance policies maintained by the District pursuant to this Section 6.2 and certifying that such insurance policies comply with the provisions of this Section 6.2 and that all premiums then due thereon have been paid.

Section 6.3 Application of Net Proceeds of Insurance. The Net Proceeds of any insurance with respect to the Financed Project carried pursuant to Section 6.2 hereof shall be applied as provided in Article VII hereof.

Section 6.4 Advances by the Agency or the Bank. During the Lease Term, in the event the District shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Financed Project in as reasonably safe condition as its operating condition will permit, or shall fail to keep the Financed Project in good repair and good operating condition, the Agency or the Bank may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Agency or the Bank shall become an additional obligation of the District to the Agency or the Bank, which amounts, together with interest thereon at the Advance Rate, the District agrees to pay on demand.

ARTICLE VII
DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage and Destruction. During the Lease Term, if the Financed Project is destroyed or damaged by fire or other casualty to such extent that the claim for loss under the insurance policies resulting from such destruction or damage is less than \$500,000, the Net Proceeds of insurance shall be paid to the District and shall be held or used by the District for such purposes as the District may deem appropriate. The District shall not by reason of the payment with respect to such destruction or damage be entitled to any reimbursement from the Agency or the Bank or any postponement, abatement or diminution of the Rent.

If the Financed Project is destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under the insurance policies resulting from such destruction or damage is \$500,000 or more, the District shall promptly give written notice thereof to the Agency and the Bank. All Net Proceeds of insurance resulting from such claims for losses of \$500,000 or more shall be paid to and held by the Bank in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by the District:

(a) The District may promptly repair, rebuild or restore the facilities damaged or destroyed to substantially the same value and condition as they existed prior to such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the District, and will not impair operating unity, or the value of the Financed Project, and the Bank will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses, as certified by the District.

Any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be transferred by the Bank, at the written request of the District, (A) to the Debt Service Account and applied to the payment of the principal of the Note on the next payment date or dates thereof, or (B) to the District to be applied to other capital costs.

(b) Alternatively, at the option of the District, all Net Proceeds of insurance resulting from claims for losses specified in the first sentence of the preceding paragraph of \$500,000 or more may be used to prepay the Note; provided (1) the Note shall be prepaid in whole in accordance with the Note Purchase Agreement upon exercise of the Option to Purchase, or (2) in the event that less than the total amount outstanding under the Note is to be prepaid, the District shall furnish to the Agency a Consulting Architect's Certificate stating (i) that the portion of the Financed Project damaged or destroyed is not essential to the District's use or occupancy of the Financed Project, or (ii) that the Financed Project has been restored to a condition substantially equivalent to its value and condition prior to the damage or destruction. Any balance of Net Proceeds after prepayment of the Note in whole shall be transferred to the District to be applied to other capital costs.

Section 7.2 Condemnation. In the event that title to, or the temporary use of, the Financed Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the District shall be obligated during the Lease Term to continue to pay

Rent. In the event the Net Proceeds from any award made in such eminent domain proceedings is less than \$500,000, all of such Net Proceeds shall be paid to the District and shall be held or used by the District for such purposes as the District may deem appropriate. In the event the Net Proceeds from any award in such eminent domain proceedings is \$500,000 or more, the District will cause the Net Proceeds received by it from such award to be paid to and held by the Bank in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by the District:

(a) The restoration of the Financed Project to substantially the same value and condition as it existed prior to such condemnation; or

(b) The prepayment of the Note; provided that no part of any such condemnation award may be applied for such prepayment unless (1) the Note shall be prepaid in whole in accordance with the Note Purchase Agreement upon exercise of the Option to Purchase, or (2) in the event that less than the total amount outstanding under the Note is to be prepaid, the District shall furnish to the Agency a Consulting Architect's Certificate stating (i) that the portion of the Financed Project taken by such condemnation proceedings is not essential to the District's use or occupancy of the Financed Project or (ii) that the Financed Project has been restored to a condition substantially equivalent to its value and condition prior to the taking by such condemnation proceedings.

In the event the District elects the option set forth in subparagraph (a) above, the Bank will apply so much as may be necessary of the Net Proceeds of such condemnation award to payment of the costs of such restoration, acquisition or construction, either on completion or as the work progresses.

In the event the Net Proceeds from any award made in any eminent domain proceedings is \$500,000 or more, within 30 days from the date of a final order in any eminent domain proceedings granting condemnation, the District shall direct the Agency in writing which of the ways specified in this Section 7.2 the District elects to have the condemnation award applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings remaining after payment of all the costs of such restoration, acquisition, construction or prepayment of the Note shall be transferred to the Debt Service Account to be applied by the Bank to the payment of the principal of the Note on the next payment date or dates thereof, or in the event of prepayment of the Note in whole, shall be transferred to the District to be applied to other capital costs.

Section 7.3 No Liens. During the Lease Term, all items acquired in the repair, rebuilding or restoration of the Financed Project shall be deemed a part of the Financed Project. The District shall confirm the interests of the Agency in order to put the Agency in a position equivalent to its positions prior to the damage, destruction or condemnation. The District hereby warrants such acquired property shall have no liens or encumbrances other than Permitted Encumbrances, subject to the District's right to contest any such liens or encumbrances pursuant to Section 6.1.

Section 7.4 Investment of Net Proceeds. Any Net Proceeds of insurance or a condemnation award held by the Bank pending restoration, repair or rebuilding of the Financed

Project shall be invested in Investment Securities. The earnings or profits on such investments shall be considered part of the Net Proceeds except to the extent required to be deposited into the Rebate Fund.

ARTICLE VIII SPECIAL COVENANTS AND PROVISIONS

Section 8.1 Right of Access. During the Lease Term, the District agrees that the Agency and the Bank and any of their duly authorized agents shall have the right, during the District's regular business hours and after providing at least 48 hours prior written notice, to enter, examine and inspect the Financed Project for any reasonable purpose. The District further agrees that, if the District is in default under this Lease, the Agency and the Bank and their duly authorized agents shall have such rights of access to the Financed Project as may be reasonably necessary for the proper maintenance thereof.

Section 8.2 No Discrimination. During the Lease Term, the District will lawfully operate the Financed Project as part of its convention and meeting facility, free of unlawful discrimination.

Section 8.3 District and Agency to Maintain Existence; Restrictions on Transfer. During the Lease Term, neither the Agency nor the District will reorganize or merge with any other entity, nor will the Agency sell or otherwise dispose of any part of the Financed Project without the prior written consent of the District and the Bank. Neither the Agency nor the District will take any action to cause its existence to be abolished. The Financed Project shall be leased by the District and operated by the District and no other person or entity shall be responsible for such management, except as provided in the Condominium Documents, and otherwise with the prior written consent of the Agency. Any agreement with an independent management firm to operate or provide management services to the District shall require the prior written approval of the Agency. No disposition of the Financed Project or agreement with regard to the Financed Project shall be approved if such disposition or agreement will adversely affect the validity of the Note, or the exclusion from gross income of interest on the Note for federal income tax purposes.

Section 8.4 Environmental Covenants.

(1) During the Lease Term, the District will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by the District, its agents, employees, contractors or invitees, in the operation and occupation of the Financed Project, unless the use or generation of the Hazardous Substance is necessary for the prudent operation thereof and no functional and reasonably economic nonhazardous substance or process which does not generate Hazardous Substances can be used in place of the Hazardous Substance or the process which generates the Hazardous Substances.

(2) During the Lease Term, the District will, with respect to the Financed Project, at all times and in all respects comply with all Environmental Laws. The District's duty of compliance with Environmental Laws includes, without limitation, the

duty to undertake the following specific actions: (i) the District will, at its own expense, procure, maintain in effect, and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including, without limitation, permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Financed Project; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, any and all Hazardous Substances to be treated and/or disposed by the District from the Financed Project will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

Section 8.5 Further Assurances. During the Lease Term, the District and the Agency agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Lease.

Section 8.6 Authority of Authorized Representative of the District. Whenever under the provisions of this Lease the approval of the District is required, or the Agency is required to take some action at the request of the District, such approval or such request shall be made by the Authorized Representative of the District unless otherwise specified in this Lease and the Bank or the Agency shall be authorized to act on any such approval or request and the District shall have no complaint against the Agency as a result of any such action taken.

Section 8.7 Covenant as to Litigation. During the Lease Term, the District and the Agency shall keep each other fully informed of any threats, claims or pending litigation relating to this Lease.

Section 8.8 No Third-Party Beneficiaries. This Lease is made for the sole benefit of the District and the Agency, and no other person or persons shall have rights or remedies hereunder except to the extent specifically provided herein and in the Note Purchase Agreement. The District and the Agency shall owe no duty to any claimant for labor performed or material furnished with respect to the Financed Project.

Section 8.9 Continuing Disclosure. During the Lease Term, the District and the Agency agree to execute and comply with the terms of any Continuing Disclosure Undertaking that may be required with respect to the Note.

Section 8.10 Additional Debt of the District. During the Lease Term, the District may not grant a senior lien on the Tax Receipts. In addition, the District may not provide a parity pledge of its Tax Receipts to any other obligation unless the most recently audited financial statements of the District provide Tax Receipts equal to at least 1.75 times maximum annual debt service coverage of the combined annual obligations under the Lease, any other outstanding parity obligations and the annual payments for the proposed obligations and no material adverse impairment of the cash flow is known or forecast.

Nothing herein contained shall prevent the District from issuing obligations which are a charge upon the Tax Receipts junior or inferior to the payment obligations required by this Lease.

Section 8.11 Financing Statements. During the Lease Term, the District shall cause financing statements and continuation statements relating to the Tax Receipts to be filed, in such manner and at such places as may be required by law to fully protect the security of the Bank and the right, title and interest of the Agency and the Bank in and to the Tax Receipts or any part thereof. From time to time, the Agency may, but shall not be required to, obtain an opinion of counsel setting forth what, if any, actions by the District or Agency should be taken to preserve such security. The District shall execute or cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Agency or the Bank, and shall furnish satisfactory evidence to the Agency and the Bank of filing and refiling of such instruments and of every additional instrument that shall be necessary to preserve the security of the Bank and the right, title and interest of the Agency and the Bank in and to the Tax Receipts or any part thereof until the principal of and interest on the Note issued under the Note Purchase Agreement shall have been paid. The Agency shall execute or join in the execution of any such further or additional instruments, if necessary, and file or join in the filing thereof at such time or times and in such place or places as will preserve such security and right, title and interest until the aforesaid principal and interest shall have been paid. In the execution or filing of any such further additional instruments, the Agency may, but shall not be required to, obtain an opinion of counsel on which the Agency shall be entitled to rely. Financing statements shall be terminated upon an Event of Nonrenewal.

Section 8.12 Lease Contingency Fund. The District hereby agrees to presently budget and restrict \$350,000 to be held by the District in a fund to be called the “**Lease Contingency Fund.**”

(a) \$250,000 of the Lease Contingency Fund shall be held as the sole source of payment for reasonable attorneys’ fees, costs and expenses of the Agency, including increased insurance premiums of the Agency resulting solely from its acquisition of the Financed Project or issuance of the Note, from its for all claims for bodily injury and property damage, other than property insured, made against the Agency that arise from the negligent acts or omissions of the District.

(b) \$100,000 of the Lease Contingency Fund shall be held as the sole source of payment for reasonable fees, costs, expenses, losses and liabilities of the Bank relating specifically to the Financed Project. The Agency and the District agree to seek and use insurance proceeds prior to use of the Contingency Fund.

(c) The Agency and the Bank shall provide to the District evidence of all expenses to be paid from the Lease Contingency Fund. The District shall pay all such amounts owed to the Agency or the Bank, as applicable, within thirty (30) days of evidence of such expenses being submitted unless the District disputes such expenses. In the event of a dispute, the Executive Director of the District and/or the Executive Director of the Agency and the President of the Bank, as applicable, shall meet and attempt to resolve the dispute. In the event the dispute is not resolved the Boards of the District and/or the Agency and applicable Bank representatives shall

meet to resolve the dispute. Any amounts due after resolution of a dispute shall be paid within thirty (30) days of such resolution.

(d) The \$250,000 held for reasonable attorneys' fees, costs and expenses of the Agency in Section 8.12(a) shall survive for five (5) years beyond the termination of this Lease, and if funds remain in the Lease Contingency Fund five (5) years after the termination of the Lease, such funds shall be released to the District. Following expiration or termination of this Lease, the District shall have no obligation to the Agency or the Bank, other than as specially provided and budgeted for in Section 8.12(a). The obligations to the Bank under Section 8.12(b) do not survive termination of this Lease.

Section 8.13 Additional Covenants. The District covenants that, during the Lease Term, it will:

(a) neither sell nor otherwise dispose of any property essential to the proper operation of the Financed Project or the maintenance of the Tax Receipts of the District, except as provided for in this Lease or the Note Purchase Agreement. This Section does not prohibit the District from selling or otherwise disposing of any property deemed to be surplus by the District. The District will not enter into any lease or agreement that impairs or impedes the operation of the Financed Project by the District or that impairs or impedes the rights of the Bank with respect to the Tax Receipts of the District;

(b) subject to the provisions of this Lease and the Condominium Documents, continue to operate the Financed Project in good repair and in an efficient and economical manner, making necessary and proper repairs and replacements so that the rights and security of the Bank will be fully protected and preserved;

(c) maintain proper accounts in accordance with generally accepted accounting principles of transactions relating to the Tax Receipts of the District; and

(d) keep or cause to be kept proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of the District in accordance with generally accepted accounting principles.

(e) provide annual audited financial statements to the Agency and the Bank within the earlier of 30 days of issuance or 270 days from fiscal year end.

(f) provide annual budget to the Agency and the Bank upon acceptance and approval by the District Board.

(g) Maintain primary operating accounts and supporting bank services with the Bank.

ARTICLE IX ASSIGNMENT, SUBLEASING, PLEDGING AND SELLING

Section 9.1 Assignment and Subleasing. The District may not assign, transfer, encumber or sublease its rights to the Financed Project or this Lease except with the prior written consent of the Agency and the Bank, and subject to each of the following conditions:

(a) No assignment or subleasing shall relieve the District from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing, the District shall continue to remain primarily liable for payment of the Rent as specified in Section 5.3 hereof and for performance and observance of the other covenants and agreements on its part herein provided.

(b) No assignment or subleasing shall impair the exemption of interest on the Note from federal income taxation or the validity of the Note under State law.

(c) The assignee or sublessee shall assume in writing the obligations of the District hereunder to the extent of the interest assigned or subleased.

(d) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Agency and the Bank a true and complete copy of each such assumption of obligations and assignment or sublease, as the case may be.

Section 9.2 Restrictions on Sale by Agency. The Agency agrees that, except as set forth in Article XI hereof or the Note Purchase Agreement, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Financed Project (or its interest therein), so long as there is no event of default that has not been cured or an Event of Nonrenewal has not occurred.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. The following shall be “events of default” under this Lease and the term “event of default” shall mean, whenever it is used in this Lease, any one or more of the following events:

(a) Failure by the District to make any payment of Rent (following appropriation of such Rent as provided in Section 5.1) when the same shall become due and payable.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease during the term hereof, other than as referred to in subsection (a) of this Section, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given to the District by the Agency or the Bank, provided, however, that in the event that such failure cannot reasonably be remedied within such 30 day period, the District has commenced such remedy during such 30 day period and diligently and continuously prosecutes the same to completion.

(c) The failure by the District promptly to commence proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Financed Project or to make any payments under this Lease, or the filing by the District of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.

(d) The District admits insolvency or bankruptcy or its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies for or consents to the

appointment of a trustee or receiver for the Financed Project or if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the District (other than bankruptcy proceedings instituted by the District against third parties), and if instituted against the District are allowed against the District or are consented to or are not dismissed, stayed or otherwise nullified within ninety days after such institution.

(e) An event of default caused by actions of the District under the Note Purchase Agreement shall have occurred and be continuing.

Section 10.2 Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have occurred and is continuing, and any applicable cure period has expired, the Agency, or the Bank, may take any one or more of the following remedial steps:

(1) The Bank may declare the Rent payable hereunder for the remainder of the Initial Term or the Renewal Term then in effect to be immediately due and payable, whereupon the same shall become due and payable. In no event shall the District be liable in an amount greater than the Rent payable for the remainder of the Initial Term or the Renewal Term then in effect.

(2) The Agency or the Bank may terminate the Lease Term and provide the District notice to vacate the Financed Project, or any portion thereof.

(3) The Agency or the Bank may reenter, repossess, lease part or all of the Financed Project to the extent permitted by law, and apply the proceeds thereof to the District's obligations hereunder.

(4) The Agency or the Bank may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of the obligations, agreements, or covenants of the District creating the Event of Default.

In the event that the District fails to make any payment required hereby, the payment so in default shall continue as an obligation of the District until the amount in default shall have been fully paid.

Any moneys received by the Agency or the Bank from the exercise of any of the above remedies, after reimbursement of any reasonable costs incurred by the Agency and the Bank in connection therewith, shall be applied to satisfy the District's obligations hereunder.

Notwithstanding the exercise of any remedy, the Agency the Bank may make any disbursements after the happening of any one or more events of default without thereby waiving their right to accelerate payment of Rent and without liability to make other or further disbursements.

Section 10.3 No Duty to Mitigate Damages. Neither the Bank nor the Agency shall be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the District if an event of default shall occur hereunder.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency or the Bank is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI OPTIONS TO PURCHASE

Section 11.1 General Option to Purchase Financed Project. The District is hereby granted the option to purchase the Financed Project and to terminate the Lease Term at any time prior to the expiration of the Lease Term (collectively, the “**Option to Purchase**”). This Option to Purchase may also survive the termination of the Lease Term, as provided in Section 11.5 below. To exercise such Option to Purchase the District shall give written notice to the Agency, which shall specify the date of closing such purchase, which date shall be not less than forty-five (45) days from the date such notice is mailed. The District shall make arrangements satisfactory to the Bank for giving any required notice of prepayment relating to the Note.

Section 11.2 Purchase Price. The purchase price payable by the District in the event of its exercise of the Option to Purchase granted in Section 11.1 shall be the sum of the following:

(a) An amount of money or Government Obligations which will be sufficient to either (at the District’s option): (i) defease or prepay the Note in whole or any instrument issued to refund the Note on the specified prepayment date, including without limitation, principal, all interest to accrue to said prepayment date and prepayment premium and expenses; or (ii) to pay the principal of and interest on the Note or any instrument issued to refund the Note to and including the maturity date or dates thereof; and

(b) An amount equal to the Agency's Fees and Expenses and the Bank Fees and Expenses accrued and to accrue until the final payment of the Note or any instrument issued to refund the Note; and

(c) The sum of \$10 for the Financed Project.

Section 11.3 Option to Purchase Following Full Payment or Defeasance of the Note. Provided that the Note and any instrument issued to refund the Note shall have been paid in full or defeased in full, the District shall have the Option to Purchase the Financed Project. The District shall provide notice to the Agency of the exercise of its Option to Purchase under this Section 11.3 within sixty (60) days of full payment or defeasance of the Note. The closing

of the Option to Purchase shall take place within thirty (30) days following such notice. The purchase price payable by the District shall be the sum of the following:

- (a) An amount equal to any unpaid Agency's Fees and Expenses; and
- (b) The sum of \$10 for the Financed Project.

Section 11.4 Conveyance on Purchase. At the closing of any purchase pursuant to this Article XI, the Agency will, upon receipt of the purchase price, deliver to the District such documents and instruments as are reasonably requested by the District conveying to the District the Financed Project, in "as is" condition, free and clear of all liens, claims and encumbrances other than the Permitted Exceptions. The Agency shall convey the Financed Project to the District by special warranty deed. Additionally, the Agency and District will execute and record a termination of this Lease Agreement in the real property records of Ada County, Idaho.

The District, the Agency, and the Bank shall cooperate in executing such documents as are reasonably necessary to accomplish the purpose of this paragraph.

Section 11.5 Survival of Option to Purchase. The Option to Purchase the Financed Project pursuant to Section 11.1 and Section 11.3 shall survive the termination of the Lease Term and this Lease for a period of ninety (90) days following the time at which the Note or any instrument issued to refund the Note ceases to be outstanding.

Section 11.6 Recording of Option. On or before the Effective Date, but prior to recording this Lease, the parties shall memorialize this Option to Purchase in a separate Option to Purchase Agreement and shall record such separate Option to Purchase Agreement in the real property records of Ada County, Idaho

ARTICLE XII COVENANTS IN EVENT OF NONRENEWAL

Section 12.1 Cooperation Regarding Easements in Event of Nonrenewal. If an Event of Nonrenewal occurs and an Option to Purchase under Article XI has not been exercised, the Agency and the District hereby agree to cooperate in granting easements, licenses or the like to ensure access by both parties and their users from the Boise Centre to all portions of the Project.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows:

If to the District: Greater Boise Auditorium District
P.O. Box 1400
Boise, Idaho 83701
Attention: Pat Rice, Executive Director
Facsimile: 208.336.8803

With a copy to: Don E. Knickrehm
Givens Pursley LLP
601 W. Bannock
Boise, Idaho 83701
Facsimile: 208.388.1300

With a copy to: Nicholas G. Miller
Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000
Boise, Idaho 83702
Facsimile: 208.9545241

If to the Agency: Urban Renewal Agency of Boise City, Idaho
aka Capital City Development Corporation
121 N. 9th Street
P.O. Box 987
Boise, Idaho 83702
Attention: John Brunelle, Executive Director
Facsimile: 208.384.4267

With a copy to: Ryan P. Armbruster
Elam & Burke, P.A.
251 E. Front Street, Suite 300
P.O. Box 1539
Boise, Idaho 83701-1539
Facsimile: 208.384.5844

If to the Bank:

The Agency, the District, and the Bank may, by notice hereunder, designate any further or different address to which subsequent notices, certificates, or other communications shall be sent.

Section 13.2 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the District and the Agency and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 13.3 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.4 Amendments, Changes. Except as otherwise provided in this Lease or in the Note Purchase Agreement, this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the District, the Agency, and the Bank.

Section 13.5 Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.6 No Offsets. The District shall pay all payments required hereunder, without abatement, deduction, offset or setoff other than those herein expressly provided. The District waives any and all existing and future claims and offsets against any payments required hereunder.

Section 13.7 Recording. The District shall cause this Lease and every assignment and modification hereof or an appropriate and sufficient memorandum thereof to be recorded in the office of the Recorder of Ada County, Idaho.

Section 13.8 Governing Law. This Lease shall be governed and construed in accordance with the law of the State.

Section 13.9 Surrender and Holding Over. At the end of, or the termination of, the Lease Term, unless one of the Options to Purchase is exercised, the District shall surrender and deliver to the Agency the possession of the Financed Project, together with all improvements constructed with Net Note Proceeds, free and clear of all liens and encumbrances other than Permitted Encumbrances, and in good condition subject to reasonable wear and tear.

The District shall be only a tenant at sufferance, whether or not the Agency accepts any Lease Payments from the District while the District is holding over without the Agency's written consent.

Section 13.10 Limitation of Liability of the District. No covenant or agreement contained in this Lease, the Note Purchase Agreement or the Note shall be deemed to be a covenant or agreement of any member, director, officer or employee of the District in an individual capacity. No recourse shall be had for any claim based on this Lease, the Note Purchase Agreement or the Note against any member, director, commissioner, officer or employee, past, present or future, of the District or of any successor body as such, either directly or through the District or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 13.11 Limitation of Liability of Agency. No covenant or agreement contained in this Lease, the Note Purchase Agreement or the Note shall be deemed to be a covenant or agreement of any member, director, commissioner, officer or employee of the Agency in an individual capacity. No recourse shall be had for any claim based on this Lease, the Note Purchase Agreement or the Note against any member, director, commissioner, officer or employee, past, present or future, of the Agency or of any successor body as such, either directly or through the Agency or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

IN WITNESS WHEREOF, the Agency and the District have caused this Lease to be executed in their respective corporate names as of the date first above written.

GREATER BOISE AUDITORIUM DISTRICT

By: _____
Chairman

**URBAN RENEWAL AGENCY OF BOISE CITY,
IDAHO AKA CAPITAL CITY DEVELOPMENT
CORPORATION**

By: _____
Chairman

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, ____ before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the Chairman of the Board of Directors of the Greater Boise Auditorium District, and the person that executed the within instrument on behalf of the Greater Boise Auditorium District, and acknowledged to me that the Greater Boise Auditorium District 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 Ada)

On this ____ day of _____, ____ before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the Chairman of the Board of Commissioners of the Urban Renewal Agency of Boise City, Idaho aka Capital City Development Corporation, and the person that executed the within instrument on behalf of the Urban Renewal Agency of Boise City, Idaho aka Capital City Development Corporation, and acknowledged to me that the Urban Renewal Agency of Boise City, Idaho aka Capital City Development Corporation executed the same.

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

Notary Public for Idaho
Residing at _____
My commission expires _____

APPENDIX A

DEFINITIONS

“Act” means Chapter 49, Title 67, Idaho Code, as amended.

“Advance Rate” means the Bank’s prime rate plus 4.00%.

“Agency” means the Urban Renewal Agency of Boise City, Idaho aka Capital City Development Corporation, an independent public body politic and corporate constituting a public instrumentality of the State, organized and operating as an urban renewal agency of the City of Boise City under the Urban Renewal Law or any public corporation succeeding to its rights and obligations as permitted under this Lease.

“Agency Board” means the Board of Commissioners of the Agency.

“Agency Fees and Expenses” means a financing fee, payable upon issuance of the Note, and only if such Note is issued, in the amount of \$40,000, less a credit for the \$5,000 pre-financing fee and for so long as the Note, or any instrument issued to refund the Note, shall be outstanding and the Lease is in effect, an annual fee payable on December 1 of each year in arrears in the amount of \$5,000, and the actual reasonable and necessary out-of-pocket expenses incurred by Agency in connection with the Note and/or the ownership of the Financed Project.

“Acquisition Fund” means the Construction Fund created by the Note Purchase Agreement.

“Assignment of Purchase Agreement” means the Assignment of Purchase Agreement entered into between the District and the Agency whereby the District assigns, and the Agency accepts the assignment of, the District’s right to purchase the Financed Project under the Purchase Agreement.

“Authorized Representative” means, in the case of the Agency, the Executive Director and the Chair, in the case of the District, the Executive Director and the Chair, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty, or execute such certificate or other document.

“Bank” means Wells Fargo Bank, N.A., being the purchaser of the Note.

“Bank Fees and Expenses” means the reasonable and necessary fees and expenses of the Bank in connection with the Note as set forth in the Note Purchase Agreement

“Boise Centre” means the District’s existing convention center facilities.

“Centre Building” means that building to be constructed by the Developer on the South Parcel, which contains the Financed Project.

“Clearwater Building” means that building to be constructed by the Developer on the West Parcel, which shall contain, among other things, meeting space and ancillary facilities to be leased or purchased by the District.

“Code” means the Internal Revenue Code of 1986, as amended, regulations thereunder and rulings and judicial decisions interpreting it or construing it.

“Commencement Date” shall have the meaning given to such term in Section 3.2.

“Condominium Documents” means the Condominium Plat and Condominium Declaration for the City Center Plaza, which will govern the Financed Project.

“Consulting Architect” means the architect or engineer as may be designated by the Agency, or the District, acting as agent of the Agency, in writing.

“Consulting Architect Certificate” means an opinion or report signed by the Consulting Architect.

“Continuing Disclosure Undertaking” shall mean a Continuing Disclosure Undertaking with respect to the Note, executed by the District, and dated the date of delivery of the Note.

“Costs of Issuance” means the fees and expenses of issuance, sale and delivery of the Note, including, but not limited to (i) expenses incurred by the Agency and the District in connection with the issuance, sale and delivery of the Note and in connection with the preparation and execution of the Lease, and the Note Purchase Agreement, the fees and expenses of the Bank in connection with the issuance of the Note, bond insurance premiums, if any, title insurance, rating agency, legal, underwriting, consulting and accounting fees and expenses and printing, photocopying and engraving costs; and (ii) any sums required to reimburse the Agency or the District for advances made by either of them for any of the above items.

“Costs of Issuance Fund” means the Cost of Issuance Fund created by the Note Purchase Agreement.

“Debt Service Account” shall have the meaning set forth in the Note Purchase Agreement.

“Debt Service Reserve Account” shall have the meaning set forth in the Note Purchase Agreement.

“Debt Service Reserve Payments” shall have the meaning given to such term in Section 5.3.

“Deed of Trust” means the Deed of Trust and Assignment of Rents from the Agency to the Bank granting a security interest in the Financed Project.

“Developer” shall mean KC Gardner Company, L.C.

“District” means the Greater Boise Auditorium District, Ada County, State of Idaho, a public body organized and operating as an auditorium district pursuant to Chapter 49, Title 67, Idaho Code.

“District Board” means the Board of Directors of the District.

“Effective Date” means the date set forth in the first paragraph of this Lease.

“Environmental Law” means any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future as such statutes, regulations and ordinances may be amended from time to time, including but not limited to the statutes listed below:

Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.

Clean Air Act, 42 U.S.C. § 7401 et seq.

Federal Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. § 1251 et seq.

Federal Insecticide, Fungicide, and Rodenticide Act (Federal Pesticide Act of 1978), 7 U.S.C. § 136 et seq.

Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.

Safe Drinking Water Act, 42 U.S.C. § 300f et seq.

“Event of Default” means any of the events specified in Section 10.1 of the Lease to be an Event of Default.

“Event of Nonrenewal” means the failure of the District to enter into a Renewal Term as provided in Section 5.1(b) of the Lease, provided that failure to enter into a Renewal Term subsequent to the exercise of an Option to Purchase shall not constitute an Event of Nonrenewal.

“Financed Project” shall mean the condominium units comprising the new ballroom facility, related kitchen and ancillary facilities, along with related soft costs and equipment to be constructed in the Centre Building.

“Funds” shall have the meaning set forth in the Note Purchase Agreement.

“Gardner MDA” shall mean the Amended and Restated Master Development Agreement between the Developer and the District, dated as of November 20, 2014, as such agreement is amended from time to time.

“Government Obligations” shall have the meaning set forth in the Note Purchase Agreement.

“Grove Plaza” means the plaza between the Project and the Boise Centre.

“Hazardous Substances” means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by Environmental Law.

“Initial Term” means the initial term of this Lease Agreement commencing on the Commencement Date and terminating on the following November 30.

“Insurance Consultant” means an independent person with recognized expertise on insurance matters selected by the District and approved by the Agency and accepted by the Bank.

“Investment Securities” shall mean any legal investments under the laws of the State of Idaho for moneys held hereunder.

“Lease or Lease Agreement” means this Lease Agreement and any amendments and supplements hereto made in conformity with the requirements hereof and of the Note Purchase Agreement.

“Lease Payment Fund” shall have the meaning set forth in the Note Purchase Agreement.

“Lease Payments” means the payments required to be made by the District pursuant to Section 5.3 of this Lease Agreement, and shown on Exhibit A.

“Lease Payment Date” means the annual payment date occurring in the first month of the District’s fiscal year and no later than December 31, as agreed to between the Agency, the District and the Bank in accordance with Section 5.3 of this Lease Agreement, and as further described on Exhibit A to the Lease Agreement.

“Lease Term” means the Initial Term and any applicable Renewal Term, subject to the provisions of this Lease Agreement, no one of which shall exceed one District fiscal year in length.

“Net Note Proceeds” means the Net Note Proceeds as defined in the Note Purchase Agreement.

“Net Proceeds” means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in collection of such gross proceeds.

“Note” means the Urban Renewal Agency of Boise City, Idaho aka Capital City Development Corporation Lease Revenue Note (Centre Building Project) issued pursuant to the Note Purchase Agreement.

“Note Purchase Agreement” means the Note Purchase Agreement providing for the issuance of the Note to be prepared in accordance with the Bank term sheet dated November 20, 2014.

“Notice of Intent to Renew” means the District’s notice of intent to renew the Lease for a Renewal Term, as required by Section 5.1(b) of this Lease Agreement.

“Occupancy Expenses” shall have the meaning given to such term in Section 5.3.

“Option to Purchase” means the Option to Purchase described in Article XI of this Lease Agreement and to be recorded pursuant to a separate option purchase agreement between the District and the Agency pursuant to which the District is granted an option to purchase the Financed Project.

“Payment Date” shall have the meaning set forth in the Note Purchase Agreement.

“Permitted Encumbrances” means, as of any particular time, (i) liens for taxes and special assessments on the Financed Project not then delinquent, (ii) this Lease Agreement and the Note Purchase Agreement, (iii) the Condominium Documents; (iv) purchase money security interests (except with respect to the equipment purchased with proceeds of the sale of the Note), (v) utility, access and other easements and rights of way, mineral rights, restrictions and exceptions that will not materially interfere with or impair the use of the Financed Project, (vi) mechanics’ liens, security interests or other encumbrances to the extent permitted in Section 6.1 of this Lease Agreement, (vii) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to properties similar in character to the Financed Project and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Agency or the District, including the exceptions to title attached as Exhibit B to this Lease Agreement, or binding agreements to remove such easements or encumbrances have been executed, and (viii) other encumbrances approved in writing by the District and the Agency prior to the delivery of the Note.

“Project” means (i) renovation of the District’s existing convention center facilities, (ii) construction of a ballroom facility and related kitchen, meeting space, ancillary facilities, and an elevated concourse attaching the District’s existing facilities to the ballroom facility, and (iii) purchase of related furniture and equipment. The total estimated cost of the Project is \$38,000,000.

“Purchase Agreement” means the Purchase and Sale Agreement for the Centre Facilities, which is an agreement for the purchase and sale of the Financed Project entered into by and between the District and the Developer; as such agreement has been amended from time to time.

“Rebate Fund” shall mean the Rebate Fund created in the Note Purchase Agreement.

“Rebate Fund Payments” shall have the meaning given to such term in Section 5.3.

“Prepayments” shall have the meaning given to such term in Section 5.3.

“Renewal Term” means any renewal of this Lease Agreement by the District commencing on December 1 following the Initial Term or on any subsequent December 1, and terminating on the following November 30. Each Renewal Term shall be for no more than one year in duration. The final Renewal Term, if renewed by the District, shall commence December 1, 20__ and terminate November 30, 20__, unless this Lease Agreement shall be terminated earlier as provided in the Lease.

“Rent” means Lease Payments, Prepayments, Debt Service Reserve Payments, Rebate Fund Payments and Occupancy Expenses, all as defined in Section 5.3.

“Reserve Requirement” shall mean the lesser of (i) Maximum Annual Debt Service with respect to the Note, calculated as of the date of issuance of the Note, (ii) 125% of average annual Debt Service on the Note, calculated as of the date of issuance of the Note or (iii) 10% of the aggregate principal amount of the Note upon original issuance thereof; provided that the Reserve Requirement shall not exceed the amount permitted to be capitalized from the proceeds of the

Note under then applicable provisions of federal tax law in order to protect the tax-exempt status of interest on the Note.

“Revenue Fund” shall have the meaning set forth in the Note Purchase Agreement.

“South Parcel” means the real property upon which the Centre Building will be constructed.

“State” means the State of Idaho.

“Tax Receipts” means the amounts representing collections by the Idaho State Tax Commission of the hotel/motel room sales tax levied by the District in accordance with Idaho Code Section 67-4917B.

“Urban Renewal Law” means the Urban Renewal Law of 1965, constituting Chapters 20 and 29, Title 50, Idaho Code, inclusive, as amended.

“West Parcel” means the real property upon which the Clearwater Building will be constructed.

EXHIBIT A
LEASE PAYMENTS

EXHIBIT B
PERMITTED ENCUMBRANCES

December 10, 2014

TO: Capital City Development Corp. ("CCDC") Board of Commissioners:
RE: Centre Building Financing Proposals
FROM: Eric Heringer, Piper Jaffray & Co.

BACKGROUND

On behalf of CCDC and the Greater Auditorium District (the "District"), Piper Jaffray circulated a Request for Proposal for a Direct Placement of Notes to finance the Centre Building (the "Bank RFP"). The expectation was that CCDC and the District could identify a financial institution that could: 1) provide financing under the anticipated terms and conditions of a Lease Agreement between the District and CCDC; and 2) work together with CCDC and the District to finalize the relevant financial terms and covenants (other than final interest rates) contained in the financing documents so that they can be submitted as part of the Petition for Judicial Confirmation.

The Bank RFP was sent to five commercial banks that had either expressed interest in financing the project and/or who were known to us as capable of providing the size and type of financing requested. We received a proposal from Wells Fargo to provide a direct purchase/placement of the proposed Note. The other four banks cited the following reasons for not submitting a response for a direct purchase/placement:

- Length of financing at 20 years was too long for a direct bank placement (all)
- Size of transaction was too large (1)
- Not in primary service area (1)
- Sector risk- meaning concern of convention center financings generally (1)

One of the banks did respond with a written proposal to provide underwriting services on a capital markets bond sale which is a substantially different sale process and proposal than what we had requested. The capital markets bond underwriting proposal provided indicative rates and terms that were consistent with Piper Jaffray's expectation of interest rate levels for a capital markets financing.

We reviewed the two proposals with the CCDC Board of Commissioners on November 10, 2014 and received direction to: 1) follow up with Wells Fargo to clarify some of the specific provisions of their proposal; and 2) prepare a comparison of the Wells Fargo proposal to a capital markets bond underwriting.

FOLLOW UP ON FINANCING METHODS

The two financing methods being considered are summarized below:

Wells Fargo Proposal

- Only proposal for direct bank placement
- Indicative 7-Year fixed rate of 2.25% with mandatory tender at the end of fixed rate term (7 years)
- Indicative 10-year fixed rate of 2.65% with mandatory tender at end of fixed rate term (10 years)
- Mandatory tender requires the Note to be renewed with Wells Fargo (or a replacement lender) or the Notes (lease) paid in full
- Closing fee to bank of 0.20% of par amount payable at closing. Estimated at \$47,000
- Estimated Bank Counsel fees of \$20,000 to \$30,000
- During fixed rate term- the rate is subject to adjustment to maintain a certain tax equivalent yield (event of taxability, adverse change in government regulatory and/or legislative requirements related to the banks internal capital requirements and cost of funds)
- Notes (lease) can be prepaid (in whole or in part) after 3 years without penalty
- Lease Payment Reserve Fund equal to one year's lease payment obligation (would be financed)
- Continuance of the District's current banking relationship with Wells Fargo to include all primary operating accounts and supporting traditional banking services of the District
- **Security to include Deed of Trust and Assignment of Rents from CCDC to the Bank which shall (a) assign annually appropriated Lease revenues paid by the District to CCDC under the Lease, and (b) grant a first lien on the Financed Project, until the Note has been fully repaid. Deed of Trust shall be junior and subject to an option by the District to purchase the Financed Project for \$10.00 at the time the Note has been fully satisfied, which option will be fully assignable by the District.**
- **Clarification that all obligations and covenants of the District under the lease would terminate in an event of non-appropriation including:**
 - **Senior lien on District's Room Tax revenues**
 - **Annual Lease payment due in the first month of District's Fiscal Year upon renewal of the Lease**
 - **Additional Notes Parity Test: 1.75 times coverage from District Room Tax**
 - **Indemnification up to a maximum amount of \$100,000**
 - **District timely include a request for appropriation of the annual funding of the Lease payments in preparation of the District's proposed budget**
 - **No additional liens on the pledged property allowed**
 - **Maintain appropriate insurance including business interruption insurance**

Capital Market Underwriting

- Bonds marketed and sold to multiple investors (not direct bank placement)
- Allow interest rate to be fixed for 20 years or more and no mandatory tender
- Note could be prepaid (in whole or in part) after 10 years without penalty
- Lease Payment Reserve Fund equal to one year's lease payment obligation (would be financed)
- **Specific terms, conditions and covenants will be more difficult to establish prior to the Judicial Confirmation Petition**
- Indicative 20-year fixed rate of 3.73% for "BBB" rated financing
- Indicative 20-year fixed rate of 3.38% for "A" rated financing
- Underwriting and additional Cost of Issuance for a capital markets bond underwriting estimated at \$200,000.

FINANCING COST COMPARISON

Attachment A includes a comparison of the "budget" (use of funds) for the two financing methods. The capital markets bond underwriting requires approximately

Attachment B includes a comparison of the lease payments and "All-In" True Interest Cost for the two financing methods. This comparison required some assumptions which are detailed and discussed below:

- In both scenarios we added 1.125% to the indicative interest rates recognizing that the financing will likely not take place until 2016. This shouldn't change the comparison, but provides a more conservative picture of the potential lease payments.
- Wells Fargo direct purchase assumes the interest rate is reset at 3.00% increase over the initial 10- year interest rate.

Cc: Mr. John Brunelle, CCDC
Mr. Todd Bunderson, CCDC
Mr. Ross Borden, CCDC
Mr. Ryan Armbruster, Elam & Burke
Mr. Patrick Rice, Greater Boise Auditorium District
Ms. Anne Marie Downen, Greater Boise Auditorium District
Ms. Kimberly Maloney, Givens Pursley
Mr. Nick Miller, Hawley Troxell Ennis & Hawley
Mr. Michael Keith, Piper Jaffray & Co.
Mrs. Jacque McVey, Piper Jaffray & Co.

Appendix A

Centre Building Financing Budget Summary

November 15, 2014

1	Centre Building Acquisition	19,091,084	Per Exhibit F (project budget) Master Development Agreement (Gardner/District)
2	Centre Building FF&E	2,145,316	Per Section 1(d) of Amended and Restated Development Agreement (CCDC/District) - identifies \$21,236,400 has Centre Building Costs plus soft costs and equipment
3	Costs of Issuance (CCDC)	123,000	Per Section 5 of Amended and Restated Development Agreement (CCDC/District) - Does not include Bond Counsel Fees
4	CCDC Financing Fees	40,000	Per Section 5(a)(ii) of Development Agreement (CCDC/District)
5	Bond Counsel Fees	50,000	Estimate - Not included in item 3
6	Other Closing Fees	60,000	Title, Appraisal, Etc.
7	Judicial Confirmation Legal Fees		Unknown - not included in Development Agreements
8	Underwriting Fees	185,000	Only if Capital Markets Deal (includes U/W, rating and trustee)
9	Bank Fees	75,000	Only if Bank Placement (includes Bank Fee and Bank Counsel)
10	Reserve		One year's bond/lease payment (will depend on U/W or PP)

If Capital Markets UW	21,694,400	Total Uses B4 Reserve (1-8)
Plus Reserve	1,808,625	Estimate
Total	23,503,025	Total Uses w estimate of Reserve

If Private Placement w/ Wells	21,584,400	Total Uses B4 Reserve (1-7, 9)
Plus Reserve	1,644,900	Estimate
Total	23,229,300	Total Uses w estimate of Reserve

Appendix B

Centre Building Financing Comparison Summary November 15, 2014

	Wells Fargo (Bank Placement)	Capital Markets Underwriting
Indicative Interest Rate	2.65% (10 year with mandatory tender) 20-year amortization	3.38%
Interest Rate Assumption for comparison ⁽¹⁾	3.775% for 10 years Renewed for last 10 years at 6.775%	4.50% ("A" rated financing)
Use of Funds		
Acquisition	19,091,084	19,091,084
FF&E	2,145,316	2,145,316
Total Costs of Issuance	348,000	458,000
Reserve Deposit	1,644,900	1,808,625
Total Proceeds of Financing	23,229,300	23,503,025
Total Repayment (net of reserve) ⁽²⁾	33,243,408	34,315,906
Annual Lease Payment	1,644,900 thru 2025 1,843,930.98 thru 2035	1,806,227
All-In True Interest Cost	4.46%	4.73%

(1) Interest rates have been increased by 1.125% from original proposals to provide for potentially higher interest rates in June of 2016

(2) Reserve applied to final payment. Does not include interest earnings on Reserve

Appendix B (page 2)

NET DEBT SERVICE

Great Boise Auditorium District
Wells Fargo Direct Placement Notes, Ser 2016 (W/ Reset)
Scenario 2 - Wells Fargo (Plus 1.125%)
Interest 6/1/2016 - 12/1/2025 3.775%
Interest 12/1/2026 - 12/1/2035 = 6.125%

Date	Total Debt Service	Debt Service Reserve Fund	Net Debt Service	Annual Net D/S
12/01/2016	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2017	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2018	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2019	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2020	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2021	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2022	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2023	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2024	1,644,899.75		1,644,899.75	1,644,899.75
12/01/2025	1,644,899.76		1,644,899.76	1,644,899.76
12/01/2026	1,843,930.98		1,843,930.98	1,843,930.98
12/01/2027	1,843,930.98		1,843,930.98	1,843,930.98
12/01/2028	1,843,930.98		1,843,930.98	1,843,930.98
12/01/2029	1,843,930.97		1,843,930.97	1,843,930.97
12/01/2030	1,843,930.97		1,843,930.97	1,843,930.97
12/01/2031	1,843,930.98		1,843,930.98	1,843,930.98
12/01/2032	1,843,930.97		1,843,930.97	1,843,930.97
12/01/2033	1,843,930.97		1,843,930.97	1,843,930.97
12/01/2034	1,843,930.98		1,843,930.98	1,843,930.98
12/01/2035	1,843,930.98	1,644,899.76	199,031.22	199,031.22
	34,888,307.27	1,644,899.76	33,243,407.51	33,243,407.51

Appendix B (page 3)

NET DEBT SERVICE

Great Boise Auditorium District
Capital Markets Underwriting, Ser 2016 (Fixed Bond Rates)
Scenario 3 - Capital Markets Underwriting (Plus 1.125%)
Assumes 'A' Rated Interest Rate Scale

Date	Total Debt Service	Debt Service Reserve Fund	Net Debt Service	Annual Net D/S
12/01/2016	617,478.13		617,478.13	
06/01/2017	1,187,478.13		1,187,478.13	1,804,956.26
12/01/2017	602,871.88		602,871.88	
06/01/2018	1,202,871.88		1,202,871.88	1,805,743.76
12/01/2018	587,496.88		587,496.88	
06/01/2019	1,217,496.88		1,217,496.88	1,804,993.76
12/01/2019	571,353.13		571,353.13	
06/01/2020	1,236,353.13		1,236,353.13	1,807,706.26
12/01/2020	554,312.50		554,312.50	
06/01/2021	1,254,312.50		1,254,312.50	1,808,625.00
12/01/2021	532,875.00		532,875.00	
06/01/2022	1,272,875.00		1,272,875.00	1,805,750.00
12/01/2022	510,212.50		510,212.50	
06/01/2023	1,295,212.50		1,295,212.50	1,805,425.00
12/01/2023	486,171.88		486,171.88	
06/01/2024	1,321,171.88		1,321,171.88	1,807,343.76
12/01/2024	460,600.00		460,600.00	
06/01/2025	1,345,600.00		1,345,600.00	1,806,200.00
12/01/2025	433,496.88		433,496.88	
06/01/2026	1,373,496.88		1,373,496.88	1,806,993.76
12/01/2026	404,709.38		404,709.38	
06/01/2027	1,399,709.38		1,399,709.38	1,804,418.76
12/01/2027	374,237.50		374,237.50	
06/01/2028	1,434,237.50		1,434,237.50	1,808,475.00
12/01/2028	341,775.00		341,775.00	
06/01/2029	1,466,775.00		1,466,775.00	1,808,550.00
12/01/2029	307,321.88		307,321.88	
06/01/2030	1,497,321.88		1,497,321.88	1,804,643.76
12/01/2030	270,878.13		270,878.13	
06/01/2031	1,535,878.13		1,535,878.13	1,806,756.26
12/01/2031	232,137.50		232,137.50	
06/01/2032	1,572,137.50		1,572,137.50	1,804,275.00
12/01/2032	191,100.00		191,100.00	
06/01/2033	1,616,100.00		1,616,100.00	1,807,200.00
12/01/2033	147,459.38		147,459.38	
06/01/2034	1,657,459.38		1,657,459.38	1,804,918.76
12/01/2034	101,215.63		101,215.63	
06/01/2035	1,706,215.63		1,706,215.63	1,807,431.26
12/01/2035	52,062.50		52,062.50	
06/01/2036	1,752,062.50	1,808,625	(56,562.50)	(4,500.00)
	36,124,531.36	1,808,625	34,315,906.36	34,315,906.36

NICHOLAS G. MILLER
ADMITTED TO PRACTICE LAW IN IDAHO, CALIFORNIA AND NEW YORK
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DIRECT FAX: 208.954.5241

December 11, 2014

PRIVILEGED AND CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION

Board of Directors
Greater Boise Auditorium District
PO Box 1400
Boise, ID 83701-1400

Board of Commissioners
Capital City Development Corporation
PO Box 987
Boise, ID 83701-0987

Re: *Analysis of Wells Fargo Term Sheet*

Ladies and Gentlemen:

A. Introduction

As Eric Heringer of Piper Jaffray reported to you at prior meetings, the Greater Boise Auditorium District (the "District") and Capital City Development Corporation (the "Agency") jointly issued a request for qualifications for private placement lenders for the proposed lease revenue bonds to be issued by the Agency to finance the project generally known as the "Center Project" in the Gardner development. As Eric reported, only one proposal was received that proposed a private placement. This proposal was submitted by Wells Fargo Bank, Boise Office (the "Bank"), and is dated October 31, 2014 (the "Original Proposal"). The District directed staff and counsel to meet with the Bank to seek certain changes to the Original Proposal. After several meetings and exchanges of drafts, the Bank submitted a revised proposal on November 20, 2014 (the "November 20 Proposal").

The District approved the November 20 Proposal at its meeting on November 20, 2014, finding that it was suitable for the needs of the District.

After November 20, 2014, the District negotiated some additional changes with the Bank, resulting in the Bank's proposing a further version of the term sheet dated December 11, 2014 (the "Final Term Sheet"). The Final Term Sheet incorporates the District's requested changes,

and the District expects to approve the Final Term Sheet at its upcoming regular meeting on December 18, 2014.

You have asked that we summarize the significant changes made from the Original Proposal to the Final Term Sheet.

The revisions fall into three categories: (1) business terms requested by the District to be more favorable to the District, (2) terms requested by the District that would enhance the likelihood of success in the judicial validation proceeding, and (3) other. A copy of the Final Term Sheet redlined to show changes from the Original Proposal is attached to this Letter.

B. Business Terms

Three principal business terms were discussed; two were changed to the District's benefit and one was not.

1. Term. The RFP requested up to a 20-year term. The Original Proposal offered no more than a 10-year term. Despite several overtures, the Bank was unwilling to change this provision to allow for more than a 10-year term. The District concluded that the 10-year term was manageable given the likely ability to refinance at the 10-year point and the likely ability of the District to accumulate sufficient funds to retire the Note if necessary.

2. Amortization. The Original Proposal offered an amortization plan of 10 equal principal payments of 5% of the principal amount of the loan (*i.e.*, a 20-year amortization but due in 10 years) plus interest. The District requested, and the Bank agreed to, level amortization payments based on a 20-year amortization.

3. Taxable Conversion. The Original Proposal provided that the loan would be callable if there was an event that made the loan taxable. The District requested, and the Bank agreed, that in the event of taxability the loan would not be called but would convert to a rate that was a taxable equivalent yield to the Bank.

C. Terms Affecting Judicial Validation

The Judge Moody decision dated August 27, 2014 led the District and the Agency to modify the Development Agreement between the Agency and the District to change contractual provisions that appear to have no limit on the District's obligation, or that survive beyond the District's decision to exercise its right of non-renewal. Judge Moody found these provisions detrimental to the District's legal theory that the Lease is not an indebtedness because no obligation of the District extends beyond a single year. The Original Proposal contained several provisions of this type – provision for payment of expenses and provision for indemnification. Similar to the changes to the Development Agreement, the District requested, and the Bank

agreed, to eliminate these potentially troubling provisions. The Bank agreed that (i) none of the obligations of the District survive termination of the Lease, (ii) the District's exposure for indemnification while the Lease is in effect is limited to \$100,000, and (iii) the District's exposure for costs of preparation of legal documents prior to signing the Lease are limited to \$60,000.

D. Other

1. Confidentiality. The Bank requested that the Term Sheet be confidential. The Final Term Sheet provides that upon signature, the Bank recognizes that the Term Sheet will become a public record, and the Bank agrees that the Term Sheet may be used as a document in the judicial validation proceeding.

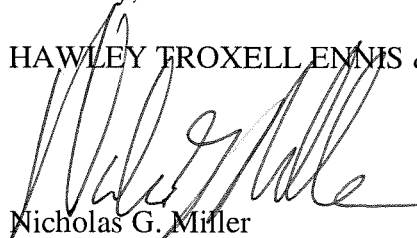
2. Contingent Nature of the Term Sheet. As expected, the Bank retains the right to review the credit prior to loan funding, conduct due diligence and approve the legal documents. Although the more certainty the better for the judicial validation, the District recognized that these qualifiers are standard for any loan proposal in this circumstance. The Final Term Sheet enunciates this reservation in a single paragraph. The Original Proposal had this language redundantly in a number of places. This was the principal change from the November 20 Proposal to the Final Term Sheet.

E. Summary

In sum, the Bank has accommodated the District's request for changes to make the Final Term Sheet suitable to the District's needs.

Sincerely,

HAWLEY TROXELL ENNIS & HAWLEY LLP



Nicholas G. Miller

NGM:tjon
Enclosure



AGENDA BILL

<p>Agenda Subject: Consider Resolution Nos. 1371, 1372, and 1373 authorizing the Chair, Vice-Chair, or Executive Director and Secretary to execute the following agreements:</p> <ol style="list-style-type: none"> 1. Memorandum of Understanding Between Boise City and CCDC 2. Commercial Office Lease for 500 S. 8th Street 3. Business Entrepreneurship Management Agreement between CCDC and Actuate Boise, Inc. 	<p>Date: 12-15-2014</p>
---	---

<p>Staff Contact: John Brunelle</p>	<p>Attachments: Resolution No. 1371, including by way of attachment the Memorandum of Understanding Resolution 1372, including by way of attachment the Business Entrepreneurship Management Agreement Resolution 1373, including by way of attachment the Commercial Office Lease</p>
---	--

Action Requested:
 Approve Resolution Nos. 1371, 1372, and 1373 authorizing CCDC Chair, Vice-Chair, or Executive Director and Secretary to execute the Memorandum of Understanding, the Commercial Office Lease, and the Business Entrepreneurship Management Agreement.

Fiscal Notes:
 The Commercial Office Lease (“Lease”) is a lease of approximately 14,800 square feet of rentable space in a building located at 500 S. 8th Street, Boise, Idaho, and will obligate CCDC to pay rent and operating costs under the terms of the lease. The Lease is a triple net lease and has a 5 year term. Monthly minimum rent under the Lease is \$10,792.00 for the first year, with annual increases of 2.5% each subsequent year. Operating costs are estimated to be approximately \$17,000 per year. The total minimum rent owed under the lease for the 5 year term is \$659,145.67.

Pursuant to the Memorandum of Understanding (“MOU”), Boise City (the “City”) will pay one-half of the minimum rent.

Pursuant to the Business Entrepreneurship Management Agreement (“Management Agreement”), Actuate Boise, Inc. (“Actuate”) will pay all other amounts owed under the terms of the lease. In the event Actuate fails to pay any such amounts, CCDC will be obligated to pay such amounts. Pursuant to the MOU, the City may terminate its obligations if funds are not appropriated for such obligations in the City’s annual budget.

Background:

CCDC staff and City staff have been working with Actuate on the operation of a business entrepreneurship center as a means of spurring economic growth within the Downtown Boise area by fostering the creation of successful small businesses. Actuate was formed by successful business entrepreneurs that have a strong track record of mentoring small business owners.

The site selected for the location of the Center is located within the heart of Downtown Boise in close proximity to Boise State University and the to-be constructed Clearwater Analytics building within the project being constructed by the Gardner Company adjacent to the Grove Plaza. This building is anticipated to house Boise State University's computer science and technology programs. The addition of a business entrepreneurship center will assist in fostering the continued focus on high-tech jobs in the Downtown core and creation and fostering of small businesses to stimulate economic development on a broader scale.

Actuate is a non-profit corporation. The entrepreneurship center will be operated by Actuate and will be called "Trailhead". Actuate will market Trailhead as the place where ideas begin, a bricks-and-mortar gathering place and inspiration space, and the starting point for innovation and collaboration in Boise.

Actuate will be an independent contractor of both the City and CCDC. The Management Agreement's term matches the term of the Lease. Actuate will provide regular reports to the City and CCDC demonstrating the success of the Center based on metrics developed by the parties, which will include information on successful businesses launched, jobs created, and participation in the programs offered by the Center. The parties have the ability to tailor reporting as the Center is more established.

The Center will provide a public benefit in fostering job creation and increasing the economic activity within the Downtown Boise area, which will stimulate economic growth and in turn provide taxing districts with additional tax base.

Staff Recommendation:

CCDC staff and recommend approval of Resolution Nos. 1371, 1372, and 1373.

Suggested Motion:

I move to approve Resolution Nos. 1371, 1372, and 1373 authorizing CCDC Chair, Vice-Chair, or Executive Director and Secretary to execute the Memorandum of Understanding, the Commercial Office Lease, and the Business Entrepreneurship Management Agreement.

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BOISE AND CAPITAL CITY DEVELOPMENT CORPORATION; AND AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID MEMORANDUM OF UNDERSTANDING SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE MEMORANDUM OF UNDERSTANDING AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE MEMORANDUM OF UNDERSTANDING SUBJECT TO CERTAIN CONDITIONS, INCLUDING SUBSTANTIVE CHANGES; AND PROVIDING AN AFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, 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, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, a public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, for the purpose of financing the undertaking of any urban renewal project (collectively the "Act");

WHEREAS, the City, after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on

November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings;

WHEREAS, Agency and City (collectively the “Parties”) have been working together to provide a benefit to the citizens of Boise, Idaho by encouraging private investment within urban areas by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise, Idaho.

WHEREAS, to accomplish the above, the Parties have determined that leasing space for a consultant (“Consultant”) in a building (“Building”) located within one of the Agency’s urban renewal plan areas furthers the above and other public purposes.

WHEREAS, the Parties cooperate to locate a suitable leasable space for use by Consultant to provide services to promote the formation and success of local businesses, entrepreneurs, and companies (“Business Assistance Services”);

WHEREAS, upon location of a suitable space by mutual consent of the Parties (such consent to be exercised in the sole discretion of each Party), Agency agrees to enter into a lease for the Building, subject to the terms of the Memorandum of Understanding;

WHEREAS, representatives of the Parties have negotiated the terms of a Memorandum of Understanding (“MOU”), a copy of which is attached hereto as Exhibit A and incorporated herein by reference, whereby, among other things, the City agrees to pay to Agency one-half of the rent, security deposit, and any other costs or fees incurred by Agency under the terms of the a lease for the Building;

WHEREAS, the Agency hereby finds and determines that this MOU enables the Parties to cooperate to their mutual advantage in a manner that will best accord with the needs and development of the Parties;

WHEREAS, the ability for the Parties to cooperate and jointly benefit each other is expressly allowed pursuant to Idaho Code Section 50-2015;

WHEREAS, Agency staff has reviewed the MOU and recommends approval of the MOU subject to certain conditions;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the MOU and to authorize the Chair, Vice-Chair, or Executive Director to execute and attest the MOU, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

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

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

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

Section 3. That the Chair, Vice-Chair, or Executive Director of the Agency are hereby authorized to sign and enter into the MOU and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the MOU subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the MOU or other documents are acceptable upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the MOU and the comments and discussions received at the December 15, 2014, Agency Board meeting, including any substantive changes discussed and approved at that meeting.

Section 5. This Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the city of Boise, Idaho, on December 15, 2014. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 15, 2014.

APPROVED:

By _____
Chair of the Board

ATTEST:

By _____
Secretary

4847-7029-9680, v. 1

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (“Agreement”) is by and between the City of Boise, an Idaho municipal corporation (“City”), and Capital City Development Corporation, an Idaho urban renewal agency (“CCDC”). City and CCDC may be referred to herein as the “Parties” or a “Party” as the case may be. The “Effective Date” of this Agreement shall be the date last signed by both Parties.

RECITALS

- A. CCDC and the City of Boise have been working together to provide a benefit to the citizens of Boise, Idaho, by encouraging private investment within urban areas by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise, Idaho.

- B. To accomplish the above, CCDC and the City have determined that leasing space for a consultant (“Consultant”) in a building (“Building”), located within one of CCDC’s urban renewal plan areas furthers the above and other public purposes.

- C. CCDC and the City shall cooperate to locate a suitable leaseable space for use by Consultant to provide services to promote the formation and success of local businesses, entrepreneurs, and companies (“Business Assistance Services”).

- D. Upon location of a suitable space by mutual consent of both Parties (such consent to be exercised in the sole discretion of each Party), CCDC agrees to enter into a lease for the Building, subject to the terms of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, which constitute good and valuable consideration, the Parties do mutually undertake, promise, and agree as follows:

I. PAYMENT OF RENT

CCDC agrees that after the Parties have mutually agreed to the selection of the Building and the financial and substantive terms of a lease agreement (“Lease”), it shall enter into the Lease for the Building. City agrees that it will pay to CCDC one-half (½) of the rent, security deposit, and any other costs or fees incurred by CCDC under the terms of the Lease, provided the City shall not pay CCDC for any rent, costs, or fees incurred by CCDC to the extent of the following: (i)

such rent, costs, or fees are reimbursed by Consultant or another third party, (ii) such costs or fees are non-routine and were not approved by the City prior to CCDC incurring such cost or fee, and/or (iii) any costs or fees associated with a default of the Lease under the control of CCDC.

CCDC shall annually send an itemized invoice to the City for its one-half payment obligation due hereunder. The City shall pay CCDC within thirty (30) days after receipt of the invoice.

If CCDC incurs additional costs or fees during the year for which the City is responsible for a one-half payment obligation under this Agreement, CCDC will send an itemized invoice to the City. The City shall pay CCDC within thirty (30) days after receipt of the invoice.

II. ADDITIONAL AGREEMENTS

2.1 **Lease Terms.** City and CCDC shall mutually agree to the terms of the Lease. Once the Lease has been approved by the City and executed by CCDC, CCDC shall not amend, negotiate, terminate and/or modify any Lease terms and/or conditions without the prior written consent of the City, such consent not to be unreasonably withheld.

2.2 **Use.** CCDC represents and warrants to the City that the use of the Building shall solely be for the public purposes stated above. CCDC shall permit no other use in the Building without written consent by the City, such consent not to be unreasonably withheld.

2.3 **Transfer and/or Vacation.** No portion of the Building shall be utilized by an entity other than Consultant for the purpose of operating an entrepreneurship resource center, including, but not limited to, any assignment, sublease, or encumbering for financial purposes, without the prior written consent of the City, such consent not to be unreasonably withheld. In the event Consultant ceases to provide Business Assistance Services in the Building, CCDC and the City shall work together to find a new consultant to provide Business Assistance Services. Any such consultant shall be approved by both CCDC and the City. Provided that, in the event CCDC and the City cannot locate a consultant to provide Business Assistance Services, CCDC and the City shall mutually agree on an appropriate alternate use of the Building for the then remaining term of the Lease.

2.4 **Default Notices.** CCDC agrees it will promptly provide the City with copies of any default notices received from the owner of the Building. If CCDC or Consultant fail to cure such default, the City shall have the right, but not the obligation, to cure such default.

2.5 **Termination.** Prior to the execution of either the Lease or Consulting Agreement (defined below), either Party may terminate this Agreement without penalty for any reason. Upon execution of the Lease, this Agreement shall automatically be null and void upon the expiration or earlier termination of the Lease. Additionally, if the Boise City Council fails to appropriate sufficient funds in any fiscal year for payments due hereunder, this Agreement shall terminate

commencing the following fiscal year and the City shall not be obligated to make any payments described herein beyond last fiscal year for which appropriations were made.

2.6 Coordinated Publicity and Marketing. CCDC and the City shall work together and cooperate with each other to coordinate and give mutual credit in any publicity and/or marketing efforts relating to this Agreement, the Lease, and Consultant's use of the Building. This provision is not a requirement to participate in either Party's marketing efforts and/or Party's costs of publicity and/or marketing.

2.7 Selection of Consultant. The Parties shall mutually consent to the selection of Consultant. Each Party retains sole discretion to consent or reject Consultant candidates. Upon selection of a Consultant, CCDC shall execute a consulting agreement with Consultant on a form approved by the City, which approval shall not be unreasonably withheld or delayed.

III. NOTICES

Any notice, demand, or payment given under the terms of this Agreement shall be deemed given and delivered on the date when personally delivered, or, if mailed, the date the same is deposited in the United States mail, in a sealed envelope, by registered or certified mail, return receipt requested, with postage prepaid and properly addressed. Until changed by notice in writing, all notices, demands, and written communications shall be to the following:

City:

City of Boise
Attorney's Office
150 N. Capitol Blvd.
P.O. Box 500
Boise, Idaho 83701-0500
Ph. (208) 377-3529

CCDC:

Capital City Development Corporation
121 N. 9th St., Suite 501
Boise, Idaho 83702
Ph. (208) 384-4264

IV. MISCELLANEOUS

This Agreement shall constitute the full and entire understanding and agreement between the Parties with regard to the responsibilities set forth herein, and no Party shall be liable or bound to the other in any manner by any representations, warranties, covenants, and agreements except as specifically set forth herein. Any amendment to this Agreement shall be in writing and signed by both Parties. In the event of any demand, claim and/or litigation based on this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and costs to be paid by the non-prevailing Party. The Parties represent and warrant to each other that the person signing below has the authority to sign and bind his or her respective Party to the terms and conditions of this Agreement.


EXECUTED EFFECTIVE as of the Effective Date.

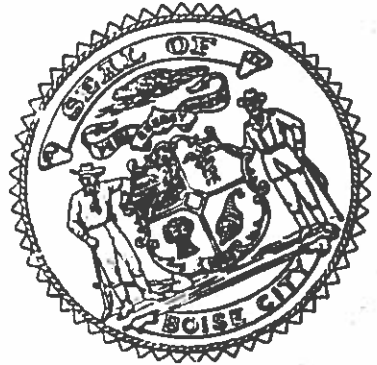
CITY OF BOISE



By: David H. Bieter, Mayor

Date: 12-9-14

Attest: 
Lynda Lowry
EX-OFFICIO CITY CLERK



Date: 12-9-14

CAPITAL CITY DEVELOPMENT CORPORATION

By: John Brunelle, Executive Director

Date: _____

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE ENTREPRENEURSHIP CONSULTING AGREEMENT BETWEEN CAPITAL CITY DEVELOPMENT CORPORATION, THE CITY OF BOISE, AND ACTUATE BOISE, INC.; AND AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS, INCLUDING SUBSTANTIVE CHANGES; AND PROVIDING AN AFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, 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, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, a public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, for the purpose of financing the undertaking of any urban renewal project (collectively the "Act");

WHEREAS, the City, after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings;

WHEREAS, Agency and City have been working together to provide a benefit to the citizens of Boise, Idaho by encouraging private investment within urban areas by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise, Idaho.

WHEREAS, to accomplish the above, Agency and City have determined that obtaining space to provide entrepreneurship consulting services within the River-Myrtle Project Area (hereinafter referred to as the Premises”), furthers the above and other public purposes;

WHEREAS, the Agency and City desire to hire a consultant (“Consultant”) to be responsible for the daily operation and management of the Premises, perform routine maintenance, provide staff, which will screen prospective users and provide continuous counseling and support for the users, provide users with access to appropriate funding resources under its management, and include users in other entrepreneurial activities it sponsors;

WHEREAS, the Agency, City, and Actuate Boise, Inc. (collectively the “Parties”) share a commitment to helping grow new technology-based businesses in Boise, Idaho;

WHEREAS, the Parties desire to describe basic parameters for the Entrepreneurship Program, as described in the Entrepreneurship Consulting Agreement, including Exhibit A (“Program Guidelines”);

WHEREAS, to assist and in consideration of the Entrepreneurship Program, the Agency has agreed to enter into that certain Office Lease for a 14,800 square foot building located at 500 S. 8th Street, Boise, Idaho, attached to the Entrepreneurship Consulting Agreement as Exhibit B (“Lease”), with such obligations as more particularly described in the Lease, and pay the minimum rent for the Premises as an office for the Entrepreneurship Program, based on the terms and conditions contained herein;

WHEREAS, the Parties have negotiated the terms of an Entrepreneurship Consulting Agreement, a copy of which is attached hereto as Exhibit A and incorporated by reference;

WHEREAS, Agency staff has reviewed the Entrepreneurship Consulting Agreement and recommends approval of the Entrepreneurship Consulting Agreement subject to certain conditions;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Entrepreneurship Consulting Agreement and to authorize the Chair, Vice-Chair, or Executive Director to execute and attest the Entrepreneurship Consulting Agreement, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

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

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

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

Section 3. That the Chair, Vice-Chair, or Executive Director of the Agency are hereby authorized to sign and enter into the Entrepreneurship Consulting Agreement and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Entrepreneurship Consulting Agreement subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the Entrepreneurship Consulting Agreement or other documents are acceptable upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Entrepreneurship Consulting Agreement and the comments and discussions received at the December 15, 2014, Agency Board meeting, including any substantive changes discussed and approved at that meeting.

Section 5. This Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the city of Boise, Idaho, on December 15, 2014. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 15, 2014.

APPROVED:

By _____
Chair of the Board

ATTEST:

By _____
Secretary

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE OFFICE LEASE BETWEEN CAPITAL CITY DEVELOPMENT CORPORATION AND RIM VIEW, LLC; AND AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID LEASE SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE LEASE AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE LEASE SUBJECT TO CERTAIN CONDITIONS, INCLUDING SUBSTANTIVE CHANGES; AND PROVIDING AN AFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, 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, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, a public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, for the purpose of financing the undertaking of any urban renewal project (collectively the "Act");

WHEREAS, the City, after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan");

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings;

WHEREAS, Agency and City have been working together to provide a benefit to the citizens of Boise, Idaho by encouraging private investment within urban areas by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise, Idaho.

WHEREAS, to accomplish the above, Agency and City have determined that obtaining space for a group known as Actuate Boise, Inc. (“Actuate”) in that certain building located at 500 S. 8th Street, Boise, Idaho (“Building”), furthers the above and other public purposes.

WHEREAS, Agency is considering entering into that certain Office Lease between Agency and Rim View, LLC (“Landlord”) for the lease of the Building (“Lease”), a copy of which is attached hereto as Exhibit A and incorporated by reference

WHEREAS, Agency staff has reviewed the Lease and recommends approval of the Lease subject to certain conditions;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Lease and to authorize the Chair, Vice-Chair, or Executive Director to execute and attest the Lease, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

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

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

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

Section 3. That the Chair, Vice-Chair, or Executive Director of the Agency are hereby authorized to sign and enter into the Lease and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Lease subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the Lease or other documents are acceptable upon advice from the Agency’s legal counsel that said changes are consistent with the provisions of the Lease and the comments and discussions received at the December 15, 2014, Agency Board meeting, including any substantive changes discussed and approved at that meeting.

Section 5. This Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the city of Boise, Idaho, on December 15, 2014. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 15, 2014.

APPROVED:

By _____
Chair of the Board

ATTEST:

By _____
Secretary

4837-9035-6769, v. 1

OFFICE LEASE
500 S. 8th Street, Boise, Idaho

THIS OFFICE LEASE is made and entered into as of the ____ day of _____, 2014, by and between RIM VIEW LLC, an Idaho limited liability company (“**Landlord**”), and CAPITAL CITY DEVELOPMENT CORPORATION, a public body, politic and corporate, of the State of Idaho, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of the State of Idaho, title 50, chapter 20, Idaho Code, and the Local Economic Development Act, title 50, chapter 29, Idaho Code (“**Tenant**”). Landlord and Tenant may be referred to herein as the “parties” or a “party” as the case may be. The “**Effective Date**” of this Lease shall be the date signed by both parties (last date signed);

W I T N E S S E T H:

FOR AND IN CONSIDERATION of the respective covenants, agreements and obligations hereinafter set forth, Landlord and Tenant do hereby agree as follows:

ARTICLE I. PREMISES.

Section 1.1 Leased Premises. Landlord owns and hereby leases to Tenant and Tenant hereby leases from Landlord that certain premises (“**Premises**”) situated in the County of Ada, State of Idaho, which consists of approximately 7,600 rentable square feet of ground floor space in the building (“**Ground Floor**”), and 7,200 of unfinished basement space in the building (“**Basement**”) for a total of 14,800 rentable square feet, located at 500 S. 8th Street, Boise, Idaho (“**Building**”). The Ground Floor and Basement are shown as the **Premises** on the Floor Plans attached hereto as Exhibit “A”.

Section 1.2 Tenant Improvements. Landlord is providing the Premises’ upon a “**Turnkey**” basis based upon the Floor Plans (Exhibit “A”) which is attached to this Lease and with the Tenant Improvements on Exhibit “B”, attached hereto. All additional Tenant Improvements will be done at the Tenant’s sole cost and, pursuant to Section 14.1, all alterations, other than standard repair and maintenance, will require the prior approval of the Landlord, which such approval shall not be unreasonably withheld.

ARTICLE II. LEASE TERM.

Section 2.1 Lease Term. The term of this Lease shall be for sixty (60) months, beginning upon February 1, 2015 (the “Lease Commencement Date”) and with rent commencing two (2) months thereafter (the “Rent Commencement Date”). .

ARTICLE III. RENT.

Section 3.1 Minimum Monthly Rent. Commencing upon the Rent Commencement Date, Tenant shall pay minimum monthly rent to Landlord as follows (the stated rent amounts factor in a 2.5% rent increase annually); provided, however, Tenant shall prepay its first month’s minimum rent in the amount of \$10,792.00 at lease execution:

Ground Floor (7,600 SF)			
Months	Minimum Rent / SF	Monthly	Annually
1-2	\$0.00	\$ 0.00	\$ 0.00
3-12	\$13.25	\$ 8,392.00	\$ 83,916.67
13-24	\$13.58	\$ 8,600.67	\$103,208.00
25-36	\$13.92	\$ 8,816.00	\$105,792.00
37-48	\$14.27	\$ 9,037.67	\$108,452.00
49-60	\$14.63	\$ 9,265.67	\$111,188.00
Basement Floor (7,200 SF)			
1-2	\$0.00	\$ 0.00	\$ 0.00
3-12	\$4.00	\$ 2,400.00	\$ 24,000.00
13-24	\$4.10	\$ 2,460.00	\$ 29,520.00
25-36	\$4.20	\$ 2,520.00	\$ 30,240.00
37-48	\$4.30	\$ 2,586.00	\$ 31,032.00
49-60	\$4.42	\$ 2,646.00	\$ 31,752.00

Total Monthly Minimum Rents are as follows:

Months 1-2

Ground Floor	\$ -0-	
Basement Floor	\$ -0-	
Total Monthly Minimum Rent Months 1-2		\$ -0-

Months 3*-12

Ground Floor	\$ 8,392.00	
Basement Floor	\$ 2,400.00	
Total Monthly Minimum Rent Months 3-12		\$10,792.00
*Month 3 pre-paid at Lease execution		

Months 13-24

Ground Floor	\$ 8,600.67	
Basement Floor	\$ 2,460.00	
Total Monthly Minimum Rent Months 13-24		\$11,060.67

Months 25-36

Ground Floor	\$ 8,816.00	
Basement Floor	\$ 2,520.00	
Total Monthly Minimum Rent Months 25-36		\$11,336.00

Months 37-48

Ground Floor	\$ 9,037.67	
Basement Floor	\$ 2,586.00	
Total Monthly Minimum Rent Months 37-48		\$11,623.67

Months 49-60

Ground Floor	\$ 9,265.67	
Basement Floor	\$ 2,646.00	
Total Monthly Minimum Rent Months 49-60		\$11,911.67

Such minimum monthly rent is payable, in advance, on the first day of each month during the term of this Lease. Minimum monthly rent for any partial month shall be prorated at the rate of 1/30th of the minimum monthly rent per day. All rent shall be paid to Landlord at the address to which notices to Landlord are given.

Section 3.2 Tenant's Share of Operating Costs. Commencing on the Lease Commencement Date, Tenant agrees to pay Landlord as additional rent, Tenant's proportionate share (hereinafter "**Proportionate Share**") of Landlord's operating costs (as hereinafter defined).

Subsection 3.2.1 Operating Costs. For the purposes of this Lease, Tenant's Proportionate Share of operating costs shall be one hundred percent (100%) (determined by dividing the number of leasable square feet in Tenant's Premises (- 14,800 square feet) by the total number of leasable square feet within the Building (- 14,800 square feet). For the purposes of this Lease, the term "operating costs" shall include all of Landlord's costs of operation and maintenance of the Building (including common areas as hereinafter defined), determined by Landlord in accordance with generally accepted accounting principles, and shall include (unless it is a Landlord obligation at its cost and expense pursuant to Section 10.2) the cost of the following (by way of illustration and not by limitation), only to the extent the same is not a Tenant obligation under this Lease: real property and improvement taxes, assessments, and insurance premiums (including plate glass insurance) required to be paid by Landlord in this Lease; cleaning and sweeping exterior and grounds; snow removal benefitting the Building; purchase or lease of refuse receptacles; planting, landscaping and re-landscaping; a property management fee of \$4600 per calnder year; exterior window cleaning; roof repair and maintenance; and supplies, labor, and materials utilized in connection with the operation of the Building. The Tenant's Proportionate Share of operating costs shall include that portion of Capital Improvements or Capital Replacements, amortized over the useful life thereof and only the applicable portion thereof shall be included in Tenant's Proportionate Share of operating costs each year. Capital Improvements and Capital Replacements include, by example and not by way of limitation, HVAC and plumbing. Operating costs shall not be a profit center for Landlord and, accordingly, shall not include the following or any similar expenses: salaries of Landlord's officers and executives; interest on indebtedness affecting the Building or Property in which the Premises is located; leasing fees or commissions, leasing advertising, promotion or enforcement expenses; the Landlord's income tax, inheritance tax, gift tax, franchise tax and excise tax; any Tenant leasehold improvement costs; casualty repair costs to the extent covered by insurance Landlord is required to maintain or would have been covered had Landlord not failed to maintain such insurance; and ground rent.

Landlord estimates the combined current operating costs for the 2015 calendar year, and administrative and overhead charge, at \$17,000 per year or \$1.15 per square foot (based on 14,800 square feet being leased). Landlord agrees that Tenant's Proportionate Share of actual controllable operating costs will not increase by more than 5% over Tenant's actual Proportionate Share of the previous calendar year's actual operating costs. This NNN expense, ($\$1.15 \times 14,800 = \$17,020.00$) equals \$1,418.00 per month and is paid with the rent payments but not included in the rent total. Tenant shall, during the Months 1 and 2 of the lease term (free rent period), pay on a monthly basis its NNN expenses as well as all utility charges for the Premises. Free rent pertains only to payment of Minimum Rent during Months 1 and 2.

Operating costs do not include utilities, insurance or maintenance, repairs or replacement costs which are the sole responsibility of the Tenant as provided in Articles VII through XI herein, or unless otherwise stated as a Landlord obligation herein.

This is intended to be a NNN Lease, with Tenant responsible for all costs of the building, unless specifically excluded herein. Tenant is responsible for all costs of the building either through reimbursement of operating costs under Subsection 3.2.1 or through direct payment of all insurance, utilities and maintenance/repair/replacement costs under Articles VII through XI herein, unless otherwise stated as a Landlord obligation herein.

Subsection 3.2.2 Payment; Accounting. All charges payable by Tenant under this Article III as reimbursement of operating costs shall be estimated by Landlord (subject to annual accountings, as hereinafter provided). Tenant's Proportionate Share of the total estimated costs shall be paid in equal monthly installments, in advance, at the same time and place as provided herein for payment of the minimum monthly rent; provided that Landlord shall provide sufficient notice of any increase in costs. Such payment shall initially be equal to one-twelfth (1/12th) of the total of Landlord's reasonable estimate of such charges for the present calendar year. Within one hundred twenty (120) days after the end of each calendar year, Landlord shall determine the actual amount of such charges and expenses for the immediately preceding year and furnish Tenant with a copy of such computation, including a computation of Tenant's Proportionate Share. If the amount paid by Tenant for that year exceeds Tenant's Proportionate Share, Tenant shall be given a credit towards the next Proportionate Share payment(s) due from Tenant, or if the term of the Lease has expired a refund within fifteen (15) days thereof. If the amount paid by Tenant for that year is less than Tenant's Proportionate Share, then Tenant shall pay to Landlord the deficit within thirty (30) days of receipt of the computation. Appropriate adjustment shall be made for any period of less than a full year.

Section 3.3 Late Payment; Liquidated Damages. Tenant acknowledges that late payment of any rent or other amount due and payable hereunder shall cause Landlord to incur costs and expenses not contemplated by this Lease, the exact amount of which cannot be ascertained. Accordingly, if any installment of rent or other amount due under this Lease is not received by Landlord within ten (10) days after its due date, without the requirement of Landlord to make demand therefore, Tenant shall pay to Landlord liquidated damages equal to five percent (5%) of such overdue rent or other amount. The parties agree that said liquidated damages and the amount thereof represent a fair and reasonable estimate of the costs and expenses Landlord will incur by reason of such late payment. Landlord's acceptance of a late payment and the liquidated damages shall not constitute a waiver by Landlord of Tenant's default with respect to such overdue rent or other payment due, nor prevent Landlord from exercising any other rights and remedies provided in this Lease.

Section 3.4 General. As used in this Lease, the term "rent" shall mean minimum monthly rent and any additional amounts to be paid by Tenant hereunder except that "free rent" for the first two months of the Lease Term shall not excuse payment of Operating Costs. All rent to be paid by Tenant to Landlord shall be in lawful money of the United States of America.

Failure of Tenant to pay any of the charges herein required to be paid shall constitute a default under the terms hereof in like manner as failure to pay rent when due.

ARTICLE IV. SECURITY DEPOSIT.

Concurrent with the Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit in the amount of \$10,792.00. Said sum shall be held by Landlord as security for Tenant's faithful performance of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant. If Tenant defaults with respect to any provisions of this Lease, including (but not limited to) the provisions relating to the payment of rent and any of the monetary sums due herewith, Landlord may (but is not required to) use, apply, or retain all or any portion of the security deposit for payment of the same or any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within 10 days after receipt of written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; and Tenant's failure to do so is a material breach of this Lease. Landlord is not required to keep the security deposit separate from Landlord's general funds, and Tenant is not entitled to interest on such deposit. If Tenant faithfully and fully performs every provision of this Lease to be performed by Tenant, the security deposit or any balance thereof will be refunded to Tenant within fifteen (15) days after the expiration or termination of this Lease, after any accrued charges for which Tenant is responsible (such as utility charges and Tenant's share of operating costs) have been determined and paid in full. In the event of termination of Landlord's interest in the Building, Landlord shall transfer the security deposit to Landlord's successor in interest, whereupon Rim View LLC shall be relieved from all liability to Tenant for the return of such deposit to Tenant.

ARTICLE V. USE OF PREMISES.

Section 5.1 Use. Except as approved by Landlord at such time as Tenant requests consent to sublet or assign its rights hereunder (as provided below), Tenant shall use the Premises solely for general office and storage use. Tenant shall not use or permit the Premises to be used for any other purpose or purposes without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall have access to the Premises seven days a weeks, twenty-four hours a day.

Section 5.2 Compliance with Laws. Tenant shall comply with all laws concerning the Premises or Tenant's use of the Premises, including, without limitation, the obligation to alter or maintain the Premises in compliance and conformity with all present and future laws relating to the condition, use, or occupancy of the Premises; provided, however, that Tenant shall not be responsible for any non-compliance that exists at the time of execution of this Lease. Landlord agrees to comply with all requirements and be wholly responsible for any accommodations required of the Americans with Disabilities Act (Public Law-101-36 (July 26, 1990)) ("ADA") applicable to the exterior of the Building during the term of the Lease to accommodate Tenant's employees, invitees and customers. Tenant agrees to comply with all requirements and be wholly responsible for any accommodations required of the ADA applicable to the interior of the Building during the term of the Lease to accommodate Tenant's employees, invitees and

customers. Each party shall hold the other harmless from any and all expenses, liabilities, costs or damages suffered by the other as a result of such party's failure to fulfill its responsibility as set forth herein. No provision in the Lease should be construed in any manner as permitting, consenting to or authorizing either party to violate the requirements under such Act and any provision of the Lease which might be construed as authorizing a violation of the Act shall be interpreted in a manner which requires compliance with such Act. Each party shall cooperate fully with the other to enable the other to timely comply with the provisions of such Act and each agree to inform the other immediately of any notice received by it regarding complaints, inquiries or claims by anyone alleging a violation of such Act.

Section 5.3 Effect on Insurance. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Building. If the rate of any insurance to be carried by Landlord is increased as a result of Tenant's use for any purpose other than as set forth in Section 5.1 above, Tenant shall pay to Landlord within ten (10) days before the date Landlord is obligated to pay a premium on the insurance, or within ten (10) days after Landlord delivers to Tenant a certified statement from Landlord's insurance carrier stating that the rate increase was caused solely by an activity of Tenant on the Premises, whichever date is later, a sum equal to the difference between the original premium and the increased premium.

Section 5.4 Waste; Nuisance. Tenant shall not do anything on the Premises that will cause damage to the Premises or the Building; nor shall Tenant use the Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to occupants of other portions of the Building, including, without limitation, the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises.

Section 5.5 Electrical Requirements. If Tenant installs on the Premises any electrical equipment which causes an overload on the electrical service to the Premises, Tenant shall, at Tenant's own cost and expense, make whatever changes are necessary to comply with the requirements of insurers, the utility company supplying said electrical service, and any governmental authorities having jurisdiction thereover, but nothing herein contained shall be deemed to constitute Landlord's consent to such overloading.

Section 5.6 Disposal of Refuse. Subject to Landlord's obligations set forth in Section 10.2 below, Tenant shall, at all times, keep the Premises and adjacent walkways, loading areas, and service entrances clean and clear of obstacles. Tenant shall store all trash and garbage within the Premises or in an area designated by Landlord as appropriate therefor.

Section 5.7 Suitability. Except as otherwise provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representations or warranty with respect to the premises or with respect to the suitability of the Premises or the Building for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration, or improvement to the Premises except as provided in this Lease. Tenant's taking possession of the Premises shall conclusively establish that the Premises were, at such time, in satisfactory condition, unless, within ten (10) days after such date, Tenant gives Landlord written notice specifying in reasonable detail the respects in which the Premises or the Building were not in satisfactory condition.

Section 5.8 Prohibited Sales. Tenant shall not use, or permit any person or persons to use, the Premises, or any part thereof, for conducting therein an auction, liquidation sale, distress or fire sale, bankruptcy sale, or going-out-of-business sale.

Section 5.9 Rules and Regulations. Tenant shall comply with any reasonable Building or parking rules and regulations of Landlord as may now exist or may hereafter be established or from time to time be amended by Landlord, provided that no such reasonable rules or amendments shall materially increase Tenant's obligations under this Lease. Landlord shall not be liable to Tenant for any violation of such rules and regulations by any other tenant or for failure to enforce such rules and/or regulations.

Section 5.10 Exclusive. No exclusive rights are granted under this Lease.

ARTICLE VI. COMMON AREAS.

Section 6.1 Definition. As used in this Lease, the term "**common areas**" means the land and improvements which, at the time in question, have been designated by Landlord for common use by or for the benefit of more than one tenant, including, without limitation, any land and facilities used for or as service corridors, stairways, landscaped areas, exterior walls (except those abutting the Premises), elevators, interior corridors, rest rooms, drinking fountains, outside areas and other public facilities. Landlord is not providing any parking associated with the Premises.

Section 6.2 Access; Management. Tenant shall have a nonexclusive right during the term of this Lease to use for common areas for itself, its employees, agents, customers, invitees, and licensees, in common with other tenants and their customers. However, all common areas shall be subject to the exclusive control and management of Landlord or such other persons or nominees to whom Landlord may have delegated or assigned the right to exercise such management or control, in whole or in part, in Landlord's place and stead, and Landlord and Landlord's nominees and assignees shall have the right to establish, modify, amend and enforce reasonable rules and regulations with respect to the common areas. Tenant agrees to abide by and conform with such reasonable rules and regulations, to cause its concessionaires, and its and their employees and agents, so to abide and conform, and to use its best efforts to cause its customers, invites and licensees to so abide and conform. It shall be Tenant's duty to keep all of said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation, and in no event shall Tenant have the right to sell or solicit in any manner in any of the common areas without the prior written consent of Landlord. If any common area expenses are increased by reason of Tenant's operation of its business on a 24-hour basis, Tenant shall, immediately upon demand, reimburse Landlord for such increased expenses.

Note: If the exterior doors are rekeyed by Tenant, Landlord shall be provided keys for all exterior doors at Tenant's expense

Section 6.3 Closure. Except as otherwise provided in this Lease, Landlord shall have the right to close, if necessary, all or any portion of the common areas to such extent as may, in the opinion of Landlord's counsel, be legally necessary to prevent a dedication thereof or the accrual of any rights of any person or of the public therein; to close temporarily all or any portion of the common areas to discourage noncustomer use; to use portions of the common areas while

engaged in making additional improvements, repairs or alterations to the Building; and to do and perform such other acts in, to and with respect to the common areas as in the use of good business judgment Landlord shall determine to be appropriate to the Building; provided that no such work shall materially affect access to the Premises.

Section 6.4 Changes. Except as otherwise provided in this Lease, Landlord shall have the right to increase or reduce the common areas, to rearrange improvements on the common areas, and to make such changes therein and thereto from time to time which, in Landlord's opinion, are deemed to be desirable and for the best interest of all persons using said common areas, in Landlord's sole and absolute discretion, provided, however, that Landlord shall give Tenant sixty (60) days advance written notice of any such changes and that no such changes shall materially affect the Premises.

Section 6.5 Deliveries. Tenant agrees that Tenant and Tenant's concessionaires and their respective officers, agents, employees, vendors, suppliers, and other independent contractors will use such access points and will operate trucks and trailers in delivering merchandise to and from the Premises (a) upon and over such access points as are designated therefor by Landlord as a means of ingress to and egress from the Premises, and (b) at such times of the day that deliveries do not unreasonably interfere with the business of other tenants.

ARTICLE VII. UTILITIES.

Section 7.1 Utility Charges; Hookup Fees. Tenant covenants to promptly, and as the bills therefore become due and payable, pay for any and all heat, air conditioning, water, light, power and/or other utility service, including garbage, trash removal and sewage disposal, and all hookup fees or charges in connection therewith, used by Tenant in or about the Premises during the term of this Lease, whether such bills be presented before or after termination of the occupancy of said Premises by Tenant. Landlord shall not be liable for any interruption or failure in the supply of any utility to the Premises unless caused by Landlord's negligence or intentional act.

Section 7.2 Reimbursement to Landlord. Intentionally Omitted.

Section 7.3 Common Utility Facilities. Tenant recognizes that certain facilities may be provided which will serve and be used by more than one tenant. The payment to companies for such services and expenses of maintenance, repair and replacement of such equipment and services is to be borne by each such tenant proportionately in the ratio that the square footage of the Premises bears to the total square footage leased and occupied which is served by such facilities and utilities; the amount due shall be billed by Landlord to Tenant on a regular basis and shall be due and payable upon demand.

ARTICLE VIII. AIR CONDITIONING AND HEATING.

Landlord shall provide Tenant with – adequate heating and air conditioning fixtures as may be required for the use and occupancy of the Premises as office and storage space in order to

maintain the temperature within the Premises in a range reasonably comfortable for human occupation, and represents and warrants to Tenant that they are, and will be, in good working order as of the day Tenant takes possession. Tenant covenants to maintain the air conditioning and heating system serving the Premises at appropriate temperatures for the convenience of its occupants. Tenant shall be responsible for the costs of maintenance, quarterly servicing, and repair of the heating and air conditioning system in accordance with the provisions of Section 10.1.

ARTICLE IX. TAXES AND OTHER ASSESSMENTS.

Section 9.1 Personal Property Taxes. Tenant shall pay, before delinquency, all taxes, assessments, license fees and public charges levied, assessed, or imposed upon or measured by the value of its business operation, including but not limited to the furniture, fixtures, leasehold improvements, equipment and other property of Tenant at any time situated on or installed in the Premises by Tenant. Tenant shall also pay any Downtown Business Association charges, fees or assessments for the Tenant's use, the Premises, or the Building, should the Downtown Business Improvement District be expanded to include the Building. If at any time during the term of this Lease any of the foregoing are assessed as a part of the real property of which the Premises are a part, Tenant shall pay to Landlord, upon demand, the amount of such additional taxes as may be levied against said real property by reason thereof. For the purpose of determining said amount, figures supplied by the County Assessor as to the amount so assessed shall be conclusive.

ARTICLE X. MAINTENANCE AND REPAIR OF PREMISES.

Section 10.1 Tenant's Obligation. Tenant shall at all times keep the Premises in good order, condition and repair. Except as provided in Section 10.2 below, Tenant shall maintain, repair, and service all portions of the Premises, including but not limited to the interior of abutting walls; interior entrances, interior doors, and interior glass; interior walls (including the interior walls which separate the Premises from adjoining tenant space); utility meters; all fixtures and equipment, including lighting, heating, ventilation and air conditioning facilities, electrical, plumbing (including all pipes, wiring and other items within, above, below or exclusively serving the Premises); floor covering; ceilings; all interior portions of the Premises; and all exterior glass (and any deductible portion of Landlord's plate glass insurance to the extent it is not covered by Landlord's plate glass insurance), windows and exterior doors. Tenant agrees to keep sidewalks and service areas adjacent to the Premises clear of Tenant's rubbish and refuse.

Section 10.2 Landlord's Obligation. Subject to the foregoing provisions, Landlord shall keep and maintain in good and tenantable condition and maintain, repair and replace the roof, exterior walls, exterior plate glass (to the extent of proceeds from plate glass insurance), , fire sprinklers, and structural parts of the Premises and structural floor (except all floor covering), and replacements not covered in Article 8 and/or Section 10.1 above at Landlord's cost without reimbursement as an operating cost. Landlord shall additionally be obligated for any items Landlord is charging as an "operating cost" except as provided in Sections 3.2.1 for that portion of capital improvements that are amortized over the useful life of the equipment and payable by Tenant over the term of its lease, pursuant to Section 3.2.1 with the Landlord being reimbursed per Section 3.2.1. Except for the foregoing, Landlord shall be under no obligation to make any

repairs, alterations, renewals, replacements, or improvements to and upon the Premises; nor shall Landlord be required to make repairs necessitated by reason of the negligence of Tenant or anyone claiming under Tenant, or by reason of the failure of Tenant to perform or observe any conditions or agreements contained in this Lease, or caused by alterations, additions, or improvements made by Tenant or anyone claiming under Tenant. Tenant shall, at its sole cost and expense, repair any and all damage to the roof and exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents or Tenant's employees. Landlord shall not in any way be liable to Tenant for failure to make repairs as herein specifically required of Landlord unless Tenant has previously notified Landlord in writing of the need for such repairs and Landlord has failed to commence and complete said repairs within a reasonable period of time following receipt of Tenant's written notification.

Section 10.3 Failure to Repair. If Tenant refuses or neglects to make repairs and/or maintain the Premises or any part thereof in a manner reasonably satisfactory to Landlord, Landlord shall have the right, upon giving Tenant ten (10) days written notice of Landlord's election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event, such work shall be paid for by Tenant as additional rent and shall be due promptly upon receipt of a bill therefor. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent.

ARTICLE XI. INSURANCE.

Section 11.1 Tenant's Obligation. During the term of this Lease, Tenant shall obtain and maintain, or cause to be obtained and maintained, at Tenant's sole cost and expense, the following types of insurance in the amounts specified and in the form hereinafter provided:

Subsection 11.1.1 Public Liability and Property Damage. Tenant shall obtain and maintain comprehensive public liability insurance with coverage of not less than \$2,000,000.00 (combined single limit), insuring against claims for bodily injury, death or property damage founded upon Tenant's use of the Premises and other portions of the Building, or arising out of or relating to Tenant's maintenance, use and occupancy thereof. All such bodily injury liability insurance and property damage liability insurance shall specifically insure the performance by Tenant of the indemnity agreement(s) contained in this Lease as to liability for injury to or death of persons and injury or damage to property, and shall name, as additional insureds, Landlord and Landlord's lenders as designated by Landlord from time to time.

Subsection 11.1.2 Plate Glass. Landlord shall obtain and maintain full coverage plate glass insurance for all plate glass on the Premises. Any replacement plate glass will be of like kind and quality. The cost of said plate glass insurance shall be included in Operating expenses reimbursed by Tenant to Landlord in accordance with Subsection 3.2.1 of this Lease.

Subsection 11.1.3 Premises Facilities Furnished and Installed by Tenant and Personal Property. Tenant shall obtain and maintain insurance covering all of the items comprising Tenant's leasehold improvements, trade fixtures, equipment and personal

property from time to time in, on or upon the Premises in an amount not less than ninety percent (90%) of their full replacement cost, providing protection against any period included within the classification of "fire and extended coverage," together with insurance against sprinkler damage, vandalism and malicious mischief. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed, unless this Lease shall cease and terminate under the provisions hereof dealing with destruction of the Premises.

Section 11.2 Landlord's Obligation. Landlord shall at all times during the term hereof maintain in effect a policy or policies of insurance covering the Premises and the Building, in an amount not less than ninety percent (90%) of the full replacement cost (exclusive of the cost of excavations, foundations and footings), and providing protection against any peril generally included within the classification of "fire and extended coverage." In addition, Landlord shall have the right to purchase and keep in force rent insurance to protect Landlord against loss of rent during the period of repair or replacement of all or a portion of the Building in the event of loss or damage thereto, at Landlord's sole cost and not as an "operating expense". The insurance provided for in this Section may be bought within the coverage of a blanket policy or policies of insurance carried and maintained by Landlord. Tenant shall reimburse Landlord for a pro rata share of Landlord's cost of providing the insurance described in this Section. Tenant's pro rata share shall be determined by multiplying Landlord's cost thereof for the Building by Tenant's Proportionate Share. Tenant shall pay the amount due hereunder as additional rent, pursuant to Section 3.2, above.

Section 11.3 Policy Form. All policies of insurance provided for herein shall be issued by insurance companies qualified to do business in the State of Idaho. Each policy and the issuing company shall be satisfactory to Landlord and any lender holding a security interest in the Building. Landlord and Tenant shall be a named insured or additional insured on all such policies. Such policies shall be for the mutual and joint benefit and protection of Landlord and Tenant, and or certificates thereof shall be delivered to Landlord within ten (10) days prior to the commencement date of the term of this Lease, and thereafter within thirty (30) days prior to the expiration of the term of each policy. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. To the extent commercially reasonable, all policies of insurance procured by Tenant shall contain a provision that the company writing said policy shall give Landlord thirty (30) days' written notice in advance of any cancellation, lapse or reduction in the amounts of insurance. All public liability, property damage and other casualty policies required of Tenant to be purchased and maintained shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry.

Section 11.4 Adjustment of Coverage. Not more frequently than every three (3) years during the term of this Lease, if, in the opinion of Landlord based on industry and local standards, the amount of public liability and property damage insurance required to be carried by Tenant is at that time not adequate, Tenant shall increase insurance coverage as reasonably determined by Landlord to be adequate.

Section 11.5 Failure of Tenant to Insure. In the event that Tenant shall fail to purchase and keep in force any of the insurance required of Tenant in this Article XI, Landlord may (but

shall not be required to) purchase and keep in force the same, in which event Tenant shall reimburse Landlord as an operating expense. Landlord's election to purchase said insurance on behalf of Tenant shall not constitute a curing of the default occasioned by Tenant's failure nor be an election of remedies otherwise available to Landlord.

ARTICLE XII. DAMAGE TO PREMISES.

Section 12.1 Fully Tenantable. If the Premises are damaged by fire or other casualty (hereinafter "occurrence"), but are not thereby rendered untenable, in whole or in part, Landlord shall cause such damage to be repaired within a reasonable period of time not to exceed 120 days after the occurrence, and the rent shall not be abated.

Section 12.2 Partially Untenable. If the Premises shall be rendered partially untenable by reason of such occurrence, Landlord shall cause the damage to be repaired within a reasonable period of time not to exceed 120 days after the occurrence, and the minimum monthly rent for the portion of the Premises rendered untenable shall be abated proportionately on a square footage basis so long as said portion remains untenable.

Section 12.3 Totally Untenable. If the Premises shall be rendered totally untenable by reason of such occurrence, Landlord shall cause such damage to be repaired within a reasonable period of time not to exceed 120 days after the occurrence, and all rent meanwhile shall be abated. In such event, Landlord shall have the right to elect not to reconstruct the Premises, which right may be exercised by written notice delivered to Tenant within sixty (60) days after such occurrence, and in which case this Lease and the tenancy hereby created shall cease as of the date of said occurrence and all rent shall abate as of that date.

Section 12.4 Uninsured Casualty. If damage to the Premises or to the Building is caused by a casualty for which there is no insurance and the cost of repairing such damage exceeds twenty percent (20%) of the then replacement value of the Premises, Landlord or Tenant shall have the right to cancel and terminate this Lease, which right shall be exercised by written notice delivered to the other party within sixty (60) days from the date of the occurrence. Upon the giving of such notice, the terms of this Lease shall expire upon the third day after such notice is given, after which Tenant shall promptly vacate and surrender the Premises to Landlord.

Section 12.5 Destruction of Building. In the event that fifty percent (50%) or more (in value or square footage) of the entire Building shall be damaged or destroyed by fire or other cause, Landlord or Tenant shall have the right to elect to cancel and terminate this Lease by serving written notice on the other party within sixty (60) days from the occurrence. Upon giving of such notice, the term of this Lease shall expire on the third day after such a notice is given, after which Tenant shall promptly vacate and surrender the Premises to Landlord.

ARTICLE XIII. CONDEMNATION.

Section 13.1 Entire or Substantial Taking. If the entire Premises, or so much thereof as to make the remainder not reasonably adequate for the conduct of Tenant's business (notwithstanding restoration by Landlord as hereinafter provided) shall be taken under the power

of eminent domain, this Lease shall automatically terminate as of the date of which the condemning authority takes title or possession, whichever shall first occur.

Section 13.2 Partial Taking. In the event of any taking under the power of eminent domain which does not so result in a termination of this Lease, the minimum monthly rent payable hereunder shall be reduced by an amount that is in the same ratio to the minimum monthly rent as the value of the portion of the Premises taken bears to the total value of the Premises immediately before the taking. Landlord shall promptly, at Landlord's expense, restore the portion of the Premises not so taken to as near its former condition as is reasonably possible, and this Lease shall continue in full force and effect.

Section 13.3 Awards. Any award for any taking of all or any part of the Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of fee title. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or for damage for cessation or interruption of Tenant's business, or for relocation.

Section 13.4 Sale Under Threat of Condemnation. A sale by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes under this Article XIII.

ARTICLE XIV. ALTERATIONS AND FIXTURES.

Section 14.1 Installation; Removal. Tenant shall not make any alterations or additions to the Premises over \$5,000 annually without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld and Tenant shall provide notice to Landlord of any alterations or additions, including painting, regardless of the costs. All alterations, additions and improvements made by Tenant to or upon the Premises, except trade fixtures which may be removed without damaging walls, ceilings or floors (such as removable light fixtures, signs, electrical equipment, cases, or counters), shall remain on and be surrendered with the Premises upon expiration or termination of the term; provided, however, that if, within thirty days after the expiration of the term or earlier termination of this Lease Landlord so directs by written notice to Tenant, Tenant shall within ten days after such notice is served remove the additions, improvements, fixtures, trade fixtures, floor covering, and installations which were placed in the Premises by Tenant and which are designated in said notice, and in such event Tenant shall repair any damage occasioned by such removal, reasonable wear and tear excepted; and if Tenant fails to do so, Landlord may effect said removal and repairs at Tenant's expense. Upon the expiration or termination of the Lease Term or agreed upon holdover period, if requested by Landlord, Tenant shall at its expense remove Tenant's cabling, goods and effects and those of all persons claiming under Tenant provided it repairs all damage arising from such removal. In furtherance of the foregoing, it is specifically agreed between Landlord and Tenant that upon expiration or termination of the term of this Lease, Tenant shall be permitted to remove only those improvements and fixtures which are listed on Exhibit E attached hereto, provided that Tenant shall repair any damage occasioned by such removal.

Section 14.3 Protection of Others. All work with respect to any alterations, additions or improvements undertaken by Tenant shall be performed in such a manner as not to cause dust outside the Premises or be a nuisance to any other tenant or cause inconvenience to patrons of the Building.

Section 14.4 Security System. Subject to the provisions of this Article XIV, Tenant shall have the right to install security systems in the Premises.

ARTICLE XV. SIGNS.

Section 15.1 Tenant's Sign. Tenant may provide at its sole expense exterior signs. Such signs shall conform with the Building's theme and be subject to Landlord's approval as set forth below.

Section 15.2 Approval of Signs. Notwithstanding anything to the contrary herein, Landlord agrees that Tenant shall be able to place a sign on the northwest corner of the Building, facing the intersection of 8th St. and Myrtle Street, up to the maximum size allowed by Boise City, subject also to approval by the agency having jurisdiction. No other exterior signs shall be erected or installed by Tenant without the prior written consent of Landlord, and any signs so permitted shall be of such design, size and type as shall be specifically approved by Landlord, it being understood and agreed that Landlord intends to cause uniformity and standardization with respect to all exterior signs located on the Building of which the premises is a part. Prior to the installation of any exterior sign, Tenant shall submit to Landlord such plans, specifications and other information concerning the proposed sign as required by Landlord, approval of which Landlord shall not unreasonably withheld or delayed. For the purposes of this section, the term "exterior sign" means any sign installed on the exterior of the Premises. In addition, prior to installation of any exterior signs, Tenant must obtain approval therefore from the City of Boise.

Section 15.3 Maintenance. After installation of any approved exterior sign(s), Tenant shall maintain the same in good condition and repair at all times and, upon expiration or earlier termination of this Lease, Tenant shall remove the same and repair all damage caused by such erection, installation, maintenance or removal. Any power needed to serve such sign(s) shall be metered to and paid for by Tenant.

ARTICLE XVI. LIENS.

Section 16.1 Liens Prohibited. Tenant shall pay or cause to be paid all costs and expenses for the work done by Tenant or caused to be done by Tenant on the Premises, and Tenant shall keep the Premises free and clear of all liens of whatever kind or nature including, but not limited to, mechanics and materialmen's liens ("prohibited lien"). Tenant shall indemnify, save and hold Landlord harmless against any liability, loss, damage, cost, attorney's fees and all other expenses on account of any such lien.

Section 16.2 Release of Lien. Within fifteen (15) days after the filing of any prohibited lien for record, Tenant shall fully pay and discharge such lien, or cause the release thereof, and Tenant shall reimburse Landlord, upon demand, for any and all loss, damages and expense, including reasonable attorney fees, which Landlord may suffer or incur by reason thereof.

Section 16.3 Failure to Pay or Release Lien. If Tenant shall fail to discharge or cause the release of a prohibited lien and a suit to foreclose the same is filed, Landlord may (but shall not be required to) pay the lien and any costs, and the amounts so paid, together with reasonable attorney's fees incurred in connection therewith, shall be immediately due and payable by Tenant to Landlord.

ARTICLE XVII. LIABILITY OF PARTIES FOR DAMAGE OR LOSS.

Section 17.1 Waiver of Subrogation. Tenant and Landlord hereby mutually waive their respective rights of recovery against each other for any loss insured against under any insurance policies existing for the benefit of the respective party. Each party shall cause each insurance policy obtained by it to provide that the insurer waives all rights of recovery by way of subrogation against either Landlord or Tenant.

Section 17.2 Non-Liability of Landlord. Landlord shall not be liable for injury or damage to property resulting from fire, explosion, sprinklers, falling plaster, steam, gas, electricity, water, rain, snow, or leaks from the pipes, appliances, plumbing, street or subsurface, or from any other place, or from dampness, or for loss, by theft or otherwise, of property of Tenant or others, except as may be caused by the negligence or intentional act of Landlord. Subject to the prior sentence, Tenant assumes the risk of all property kept or stored on the Premises and shall hold Landlord harmless from any claims arising out of damage to the same. Tenant shall give immediate notice to Landlord in case of fire or accidents on or in the Premises or defects thereon or therein.

ARTICLE XVIII. INDEMNITY.

Section 18.1 Indemnification of Landlord. Subject to Section 18.2 and to the extent permitted by law, Tenant shall defend, indemnify, protect and hold Landlord harmless from and against any and all claims arising from Tenant's use of the Premises or the conduct of Tenant's business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or the Building, and Tenant shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, claims by Tenant's guests, invitees, customers or any of Tenant's agents, contractors or employees, and from and against all costs, attorney fees, expenses and liabilities incurred as a result of such claims or any action or proceeding brought thereon. In the event any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause, and, subject to Section 18.2, Tenant hereby waives all claims in respect thereto against Landlord, except those claims covered by Landlord's insurance.

Section 18.2 Indemnification of Tenant. Landlord hereby agrees to defend, indemnify, protect, and hold Tenant harmless from and against any and all expenses, liabilities, claims, and lawsuits (including reasonable attorney's fees) for bodily injuries (including death resulting therefrom) or property damage suffered by Tenant, Tenant's agents, employees, contractors, and invitees, which arise from Landlord's breach of this Lease and/or the negligent or intentional acts of Landlord, Landlord's agents or employees. In the event any action or proceeding is brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably satisfactory to Tenant.

ARTICLE XIX. ASSIGNMENT, SUBLEASING OR TRANSFER.

Section 19.1 Assignment Restricted. Except as specifically approved below, Tenant may not assign or sublet its interest under this Lease without the prior written approval of Landlord, which approval shall not be unreasonably withheld; provided that Landlord is aware of, and hereby approves subject to Landlord's review and approval of the sublease documents, which approval shall not be unreasonably withheld, the following: (i) Tenant's sublease or license, and/or agreement with the entity currently known "Actuate Boise, Inc." and/or its members, invitees, guests, and/or licensees however it may be named in such agreement; and/or (ii) any assignment or sublease to the City of Boise. Except as approved above, Landlord reserves the right to review and approve the form of sublease documents proposed by Tenant, which approval shall not be unreasonably withheld. In addition, Tenant shall provide Landlord with executed copies of any sublease(s) proposed, which shall require Landlord's written consent, which consent shall not be unreasonably withheld. Any assignment of this Lease shall not operate to relieve Tenant of any of its obligations hereunder. Any attempt to sublet, mortgage, assign or otherwise transfer or encumber this Lease or Tenant's interest herein without Landlord approval under this Article shall constitute a default under this Lease. Landlord shall respond to Tenant's request for consent within fifteen (15) days of Landlord's receipt of such request and all information reasonably required by Landlord to evaluate such request as set forth herein.

Section 19.2 Mortgage Prohibited. Tenant is prohibited from mortgaging all or any part of its interest under this Lease.

Section 19.3 Request for Consent. In the event Tenant requests Landlord's consent for an assignment or sublease (other than as previously identified in Section 19.1 above), Landlord shall have the right, in its reasonable discretion, to deny such request unless the following conditions are met:

The nature, quality or type of use proposed to be conducted on the Premises must not be in conflict with the letter or spirit of any use or exclusivity clause in any other lease, loan document or other agreement relating to the Building of which Landlord has provided previous notice or, in Landlord's judgment, otherwise be detrimental to other businesses in the Building Notwithstanding the above, Landlord agrees and acknowledges the Premises' use as office and/or storage on the Ground Floor and storage in the Basement for Tenant and/or the City of Boise is hereby deemed approved and not in conflict with the above.

Section 19.4 No Implied Release or Waiver. Subletting or assignment by Tenant, even if approved by Landlord, shall not relieve Tenant of Tenant's obligation to pay the rent owing hereunder and to perform all of the other obligations to be performed by Tenant hereunder, nor shall Landlord be required under any condition to consent to the assignment or subletting of Tenant's option(s) to extend, if any, unless agreed by Landlord in writing. The acceptance of rent by Landlord from any other person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transaction; any such waiver or consent shall not be effective unless it is in writing.

Section 19.5 Included Transactions. For the purposes of this Article XIX, an assignment of this Lease shall be deemed to have occurred in the following cases:

- (a) if Tenant is a corporation, in the event of a merger, consolidation or liquidation, or in the event of any change in the ownership of, or power to vote, the majority of its outstanding voting stock;
- (b) if Tenant is a partnership or other entity, any change in the ownership of, or power to vote, the majority of its ownership interests.

An assignment shall not be deemed to have occurred as a result of the transfer of stock or ownership interest among the Tenant's owners existing as of the date of execution hereof.

ARTICLE XX. SUBORDINATION AND ATTORNMENT.

Section 20.1 Subordination. At Landlord's option, this Lease shall be subject and subordinate to the lien of any mortgages or trust deeds in any amount or amounts whatsoever now or hereafter placed on or against the Premises or the Building, or any part thereof, or on or against Landlord's interest or estate therein, provided that Tenant receives and signs a reasonable nondisturbance and subordination agreement. If any mortgagee, trustee or trust deed beneficiary shall elect to have this Lease prior to the lien of its mortgage or trust deed, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage or trust deed, whether this Lease is dated prior to or subsequent to the date of such mortgage or trust deed or the date of the recording thereof. Tenant covenants and agrees to execute and deliver, upon demand, without charge therefor, such further reasonable instruments evidencing such subordination of this Lease to such mortgage or trust deed as may be desired by any lender or any title company.

Section 20.2 Attornment. In the event of foreclosure of any mortgage or trust deed covering the Premises, Tenant shall, if requested by the purchaser at any foreclosure sale, attorn to and recognize such purchaser as the landlord under this Lease.

ARTICLE XXI. DEFAULT

Section 21.1 Events of Default. Time is expressly made of the essence of this Lease. At any time during the term of this Lease, and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings in law, in equity or before any administrative tribunal which has or may have the effect of preventing Tenant from complying

with the terms of this Lease, the occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

- (a) Failure to pay any installment of rent or any other sum herein specified to be paid by Tenant upon the due date, upon ten (10) days after written notice is served upon Tenant of such failure to pay, which notice shall specify the sum then due;
- (b) Failure to timely observe or perform Tenant's other covenants, agreements or obligations hereunder within thirty (30) days following written notice delivered to Tenant, which notice shall specify the matter(s) then in default; provided that additional time reasonably required to cure the matter(s) in default shall be allowed so long as Tenant is diligently pursuing all actions required to cure the matter(s) for which a default is claimed under this subparagraph (b);
- (c) Filing or having filed against Tenant in any court pursuant to any statute, either in the United States or of any other state, a petition in bankruptcy or insolvency, or for reorganization or for appointment of a receiver or trustee of all or a substantial portion of the property owned by Tenant, or if Tenant makes an assignment for the benefit of creditors, or any execution or attachment shall be issued against Tenant of all or a substantial portion of Tenant's property, whereby all or any portion of the Premises covered by this Lease or any improvements thereon shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant, except as may herein be otherwise expressly permitted, and such adjudication, appointment, assignment, petition, execution or attachment shall not be set aside, vacated, discharged or bonded within thirty (30) days after the determination, issuance or filing of the same.

Section 21.2 Effect of Notice of Default. If a written notice of default is required by law to be given to Tenant prior to commencing an action against Tenant, any notice given under this Lease shall be deemed to be such written notice. No such notice shall be deemed to effect a forfeiture or termination of this Lease.

Section 21.3 Remedies. In the event of a default by Tenant, Landlord shall have the right to exercise one or more of the following remedies, without terminating Tenant's obligation to pay rent or Tenant's other obligations hereunder:

Subsection 21.3.1 Reentry. Landlord shall have the right, with or without process of law, to reenter the Premises and remove all persons and property from the Premises.

Subsection 21.3.2 Reletting.

- (a) Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a term as Landlord deems reasonable or necessary, and Landlord may take any action necessary to accomplish such rental or to maintain or preserve the Premises, including removal of all persons and property from the Premises and/or the alteration

or repair of the Premises in order to make the same available for reletting, all without being deemed to have elected to terminate Tenant's obligations under this Lease.

- (b) In the event any reletting occurs, Tenant's right to possession of the Premises shall automatically and permanently terminate upon the execution of a lease with the new tenant, but Tenant's liability hereunder shall not be terminated thereby; rather, Tenant shall remain liable for damages, including (but not limited to) all rent and other sums then due with interest as provided herein, leasing commissions incurred by Landlord in obtaining a new lease, alteration costs to restore the Premises to standard vanilla condition, the difference in rental rates between this Lease and such new lease if the reletting is at lesser rates than provided for in this Lease, any other rent deficiency occurring during the remaining term hereof, any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations hereunder or which, in the ordinary course of events, would be likely to result therefrom, plus, at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law.
- (c) In the event of a reletting of the Premises after Tenant's default, Tenant shall, upon demand, reimburse Landlord for any damages incurred as hereinabove provided, and Tenant shall pay any deficiency in rental each month as the amount thereof is ascertained by Landlord. Suit or suits for the recovery of any such deficiency or damages, or for a sum equal to any installment or installments of rent or charges payable hereunder, may be brought by Landlord from time to time at Landlord's election; and nothing herein contained shall be deemed to require Landlord to await the date this Lease would have expired by the terms hereof had there been no such default by Tenant.

Subsection 21.3.3 Acceleration. Intentionally Omitted.

Subsection 21.3.4 Subtenant Security Deposits. Intentionally Omitted.

Subsection 21.3.5 Other Remedies. Landlord shall have the right to exercise any other remedy, at law or in equity, now or hereafter available to Landlord under Idaho law.

Section 21.4 Mitigation. In effecting any remedy provided for hereunder, Landlord shall reasonably mitigate its damages.

Section 21.5 Landlord Default. Landlord shall not be in default unless Landlord fails to perform the obligations required of Landlord within a reasonable time, but in no event later than 30 days after written notice from Tenant to Landlord specifying the nature of such default; provided, however, that if the nature of Landlord's obligation is such that more than 30 days are

reasonably required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion. In the event of any default by Landlord Tenant at its election, may terminate this lease upon written notice to Landlord.

ARTICLE XXII. LANDLORD'S ENTRY ON PREMISES.

Section 22.1 Right of Entry. Landlord and Landlord's authorized representatives shall have the right to enter the Premises at all reasonable times and with prior notice to Tenant for any of the following purposes:

- (a) to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;
- (b) to make any necessary repairs or perform any maintenance with respect to the Premises or the Building, which repairs or maintenance are the obligations of Landlord as provided in this Lease;
- (c) to serve, post, and keep posted any notices required or allowed under the provisions of this Lease or applicable law;
- (d) to post "for sale" signs at any time during the term of this Lease and to post "for rent" signs during the last three (3) months of the term of this Lease, or during any period while Tenant is in default; and
- (e) to show the Premises to prospective brokers, agents, buyers or tenants at any time during the term of this Lease.

Section 22.2 No Liability. Landlord shall conduct its activities on the Premises as allowed herein in a manner that will cause the least possible inconvenience, annoyance or disturbance to Tenant; provided, however, Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other similar damage (collectively "damage") arising out of Landlord's entry on the Premises as allowed herein, unless any such damage arises out of Landlord's negligent or willful misconduct.

ARTICLE XXIII. WAIVER.

Landlord's waiver of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of this Lease. Landlord's acceptance of rent hereunder shall not be construed to be a waiver of any term of this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than shall be due according to the terms of this Lease shall be deemed or construed to be other than a part payment on account of the earliest rent due, nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

ARTICLE XXIV. NOTICES.

Section 24.1 Service of Notice. Any notice or demand given under the terms of this Lease shall be deemed given and delivered on the date when personally delivered or, if mailed, the date the same is deposited in the United States mail, in a sealed envelope, by registered or certified mail, return receipt requested, with postage prepaid, and properly addressed.

Section 24.2 Landlord's Address. Until changed by notice in writing, all notices, demands and communications to Landlord shall be addressed as follows:

Rim View LLC
1301 S. Vista Ave
Boise, Idaho 83705
(208)345-3505

With copy to:

Fredric V. Shoemaker
Greener Burke Shoemaker Oberrecht
950 W. Bannock Street, Ste. 950
Boise, ID 83702
(208)319-2600

Section 24.3 Tenant's Address. Until changed by notice in writing, all notices, demands and communications to Tenant shall be addressed as follows:

Capital City Development Corporation
121 N. 9th St., Suite 501
Boise, Idaho 83702
() -

With copy to:

Ryan Armbruster
Elam & Burke
251 E. Front Street
Suite 300
Boise, Idaho 83701

Landlord additionally agrees to provide a copy of any notices to Tenant to the City of Boise, Boise City Attorney's Office, 150 N. Capitol Blvd., Boise, Idaho 83702-1649; Attention Amanda K. Schaus.

Section 24.4 Change of Address. Either party shall have the right to change its address by notice in writing delivered to the other party in accordance with the provisions of this Article.

ARTICLE XXV. HOLD OVER.

Section 25.1 Month-to-Month Tenancy. If Tenant, with Landlord's written consent, remains in possession of all or any part of the Premises after the expiration of the term hereof, such possession shall be deemed to be a month-to-month tenancy terminable upon thirty (30) days' written notice given at any time by either party. During any such month-to-month tenancy, rent and other monetary sums due hereunder shall be payable in the amount and at the time specified in this Lease. If Tenant remains in possession of all or any portion of the Premises after the expiration of the term hereof, without Landlord's written consent, then rent shall be payable monthly in an amount equal to one hundred fifty percent (150%) of the rent for the last month of the expired lease term, without prejudice to Landlord's right to evict Tenant at any time, to seek damages for inability to deliver the Premises to a successor tenant, or to pursue any other remedy available at law or in equity. Except as provided in this subsection, any holdover tenancy shall be subject to every other term, covenant and provision contained herein (except that Tenant shall not have the right to exercise any option or preemptive right granted to Tenant by Landlord). The inclusion of this subsection shall not be construed as Landlord's permission for Tenant to hold over after the expiration of this Lease.

ARTICLE XXVI. ATTORNEY FEES AND COSTS.

Section 26.1 General Default. If either party shall default in the payment to the other party of any sum of money specified in this Lease to be paid, or if either party shall default with respect to any other of its obligations contained in this Lease, and said sum is collected or the default is cured with the assistance of any attorney for the other party and before the commencement of a suit thereon, reasonable attorney's fees incurred by the other party shall be added to the balance due (and paid as a condition of curing such default) or, in the case of a nonmonetary default, shall be reimbursed to the other party upon demand.

Section 26.2 Litigation. In the event of any litigation between the parties to this Lease (including any proceedings in bankruptcy court), the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's, accountant's and appraiser's fees incurred therein by the prevailing party, including all such costs and expenses incurred with respect to an appeal, and such may be included in the judgment entered in such action.

ARTICLE XXVII. SURRENDER OF PREMISES.

Section 27.1 Condition. Upon the expiration or earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order and condition as the same are at the commencement of the term or as may be improved by Landlord or Tenant, reasonable wear and tear, damage by fire or other casualty excepted. Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris, rubbish, furniture, equipment, business and trade fixtures, freestanding cabinetwork, movable partitions, and other articles of personal property owned by Tenant (exclusive of any items described in Section 27.3 below) and all similar items of any other persons claiming under Tenant; and Tenant shall, before expiration or termination, repair all damage to the Premises resulting from such removal and otherwise restore the Premises, reasonable wear and tear, damage by fire or other casualty excepted.

Section 27.2 Abandoned Property. Any property of Tenant not removed by Tenant upon the expiration of the term of this Lease and within forty-eight (48) hours after Landlord has provided written notice to Tenant of Landlord's intention to declare said property abandoned, shall be considered abandoned, and Landlord may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant; and if Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may sell any or all of such property at public or private sale in such manner and at such times and places as Landlord, in Landlord's sole discretion, may deem proper, without notice to or demand upon Tenant, for payment of all or any part of such charges and the costs of removing such property. The proceeds of such sale shall be applied as follows: first, to the costs and expenses of such sale, including reasonable attorney's fees incurred; second, to payment of the costs of or charges for storing any such property; third, to payment of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant. The provisions hereof shall be without prejudice to Landlord to exercise any other rights over Tenant's property on the Premises as provided elsewhere in this Lease or as allowed by law.

Section 27.3 Permanent Property. All fixtures, equipment, alterations, additions, improvements and/or appurtenances attached to or built into the Premises prior to or during the term of this Lease, whether by Landlord at its expense or by Tenant at its expense, or both, shall be and remain part of the Premises and shall not be removed by Tenant at the end of the term of this Lease, except as provided in Section 14.1 hereinabove. Such fixtures, equipment, alterations, additions, improvements and/or appurtenances shall include but not be limited to: all floor coverings, drapes, paneling, molding, doors, vaults, plumbing systems, electrical systems, lighting systems, insulation, silencing equipment, communication systems, all fixtures and outlets for the systems mentioned herein, and for all telephone, radio, telegraph, and television purposes, and any special flooring or ceiling installations.

Section 27.4 No Implied Surrender. No surrender or termination of this Lease as a matter of law shall be deemed to have occurred in the absence of a written instrument executed by Landlord accepting such surrender or acknowledging such termination. Notwithstanding anything to the contrary contained herein, no repossession of the Premises or other action or

conduct of Landlord (such as reletting or alteration of the Premises) shall be construed as evidence that such surrender or termination has occurred in the absence of such written instrument executed by Landlord. No surrender shall work a merger; at the option of Landlord, a surrender shall terminate all existing subleases or subtenancies, if any, or operate as an assignment to Landlord of any and all such subleases and subtenancies.

ARTICLE XXVIII. MISCELLANEOUS.

Section 28.1 Quiet Enjoyment. Landlord covenants that Tenant, upon paying the rent and performing the covenants, terms and conditions of this Lease required of Tenant to be kept and performed, may quietly have, hold and enjoy the Premises during the term hereof.

Section 28.2 Estoppel Certificate. Tenant shall, at any time upon not less than ten (10) days' prior written notice from Landlord, execute, acknowledge, and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if they are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or the Building. Tenant's failure to deliver such statement within said time shall be conclusive upon Tenant (a) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (b) that there are no uncured defaults in Landlord's performance, and (c) that not more than an amount equal to one (1) month's rent has been paid in advance (exclusive of any security deposit held by Landlord under the provisions of this Lease).

Section 28.3 Transfer of Landlord's Interest. In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises and/or the Building (other than a transfer for security purposes only), Landlord shall be relieved from all obligations and liabilities accruing thereafter on the part of Landlord, provided that Landlord shall, at the time of such transfer, deliver to its successor in interest any funds in which Tenant has an interest. This Lease shall not be affected by any such transfer of Landlord's interest, and Tenant agrees to attorn to Landlord's successor in interest.

Section 28.4 Severability. If any term or provision of this Lease shall to any extent be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law; and it is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall be interpreted to have the meaning which renders it valid.

Section 28.5 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, court orders, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall

excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to rent and other charges to be paid by Tenant pursuant to this Lease.

Section 28.6 Interest on Past Due Obligation. Except as expressly herein provided, any amount due to Landlord and not paid within ten (10) days of the due date shall bear interest from the due date at the rate of one percent (1.0%) per month. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

Section 28.7 Covenants. Intentional Omission.

Section 28.8 Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of such corporation represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the corporation's board of directors, and that this Lease is binding upon said corporation in accordance with its terms.

Section 28.9 No Recording. Neither party shall record this Lease or any memorandum hereof, it being agreed that Tenant's possession of the Premises shall be adequate notice of Tenant's interest therein.

Section 28.10 Article Headings. The article headings, section headings, subsection headings, titles, and captions used in this Lease are for convenience only and are not part of this Lease.

Section 28.11 Entire Agreement. This Lease supersedes all prior agreements between the parties hereto, whether in writing or otherwise and any such prior agreement shall have no force or effect upon and after the date of this Lease. This Lease is integrated and contains the entire agreement of the parties; no representations, inducements, promises or agreements, oral or otherwise, not embodied herein shall be of any force or effect, except to the extent that the same are contained in any document executed by the parties hereafter or contemporaneously herewith.

Section 28.12 Amendments. This Lease may not be amended, modified or changed in any way, except by a written document signed by both Landlord and Tenant.

Section 28.13 Governing Law; Venue. This Lease shall be construed, interpreted and applied, and the rights and obligations hereunder determined, in accordance with the laws of the State of Idaho. Any litigation between the parties shall be commenced in Ada County, Idaho.

Section 28.14 Counterparts. This Lease may be executed in counterparts, in which event all of such counterparts, taken together, shall constitute a binding agreement (even though no single counterpart contained the signatures of both Landlord and Tenant).

Section 28.15 Succession. This Lease, and all obligations contained herein, shall be binding upon and shall inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto; provided, however, that any assignment or transfer

of this Lease, or any estate hereunder, shall be subject to any applicable restrictions set forth herein.

Section 28.16 Broker. Each party represent warrant to the other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease, and shall indemnify, defend, protect and hold harmless the other party against any loss, cost, liability or expense incurred as a result of any claim asserted by any other broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of such party.

Section 28.17 Guaranty. Intentionally Omitted.

IN WITNESS WHEREOF, This Lease Agreement has been executed as of the day and year first hereinabove written.

LANDLORD: RIM VIEW, LLC

By _____

TENANT: CAPITAL CITY DEVELOPMENT CORPORATION

By _____

EXHIBIT A

FLOOR PLAN—BUILDING

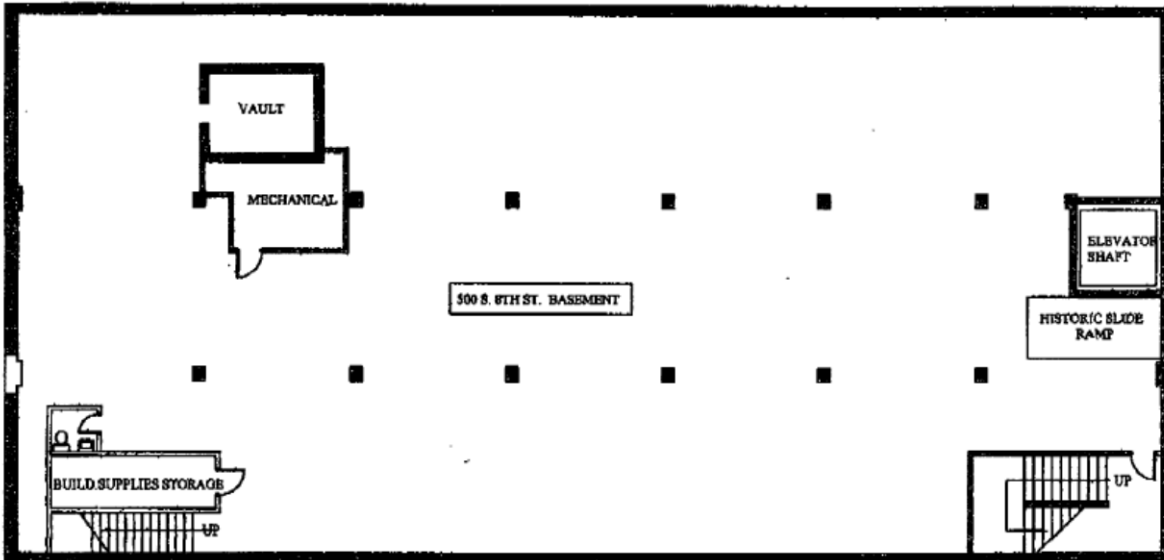
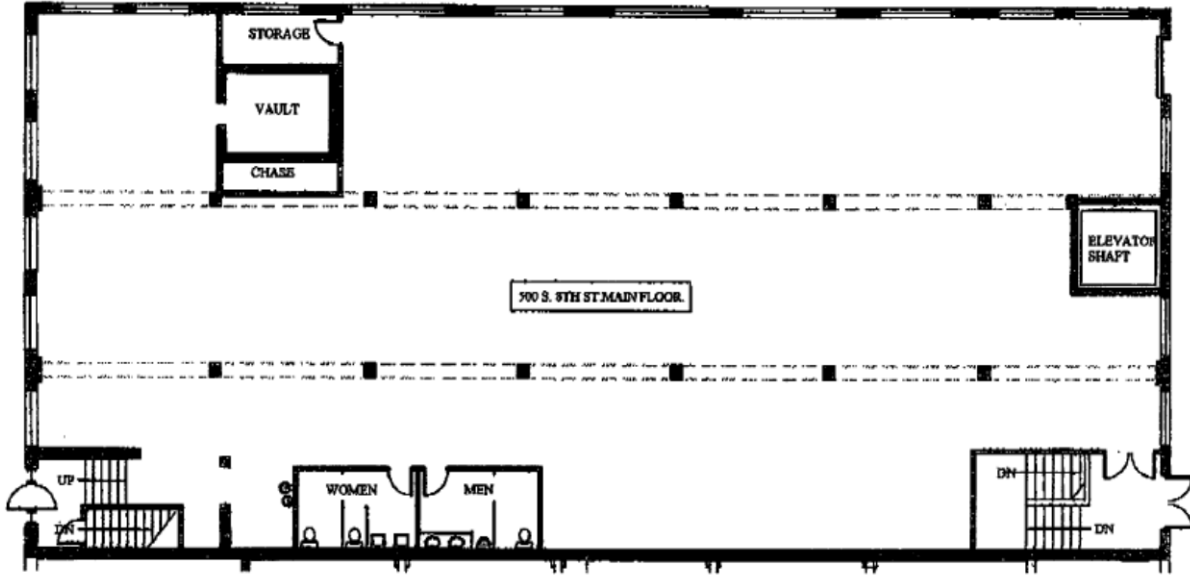


EXHIBIT B

TENANT IMPROVEMENTS

Landlord will make the following improvements to the Premises and Building prior to the lease commencement date at Landlord's sole cost and expense:

- *Painting exterior stucco on the Building on west and north elevations. (Completed)
- *Replace large insulated glass units on the west elevation. (Completed)
- *Repair and paint wood window frames. (Completed)
- *Glaze and restore for interior use the northwest exterior display space. (Completed)
- *Replace or repair all broken or cracked windows.
- *Removal of all items in the Premises unless Tenant notifies Landlord which items Tenant wants to keep in the Premises prior to January 1, 2015.
- *Install roof drain across 8th Street sidewalk from roof.

EXHIBIT C

LEASE COMMENCEMENT AGREEMENT

INTENTIONALLY OMITTED

EXHIBIT D

UNCONDITIONAL PERSONAL GUARANTY

INTENTIONALLY OMITTED

EXHIBIT E

**IMPROVEMENTS/FIXTURES TENANT IS AUTHORIZED TO REMOVE
AT LEASE EXPIRATION**

Need a Specific List, Per Section 14.1. (See Section 27.1 for articles Tenant is authorized to remove and Section 27.3 for items Tenant may not remove.)

4821-8725-48164841-8953-5776, v. 1



AGENDA BILL

Agenda Subject: Approve Organizational Approach Boise Wayfinding System	Date: December 15, 2014
---	-----------------------------------

Staff Contact: Doug Woodruff	Attachments: Exhibit A – Sign Family Design Exhibit B – City Council Recommendation
--	--

Action Requested:
Authorize staff to proceed with finalizing the wayfinding system design, utilizing the proposed downtown directional areas and the proposed sign family design.

Fiscal Notes:
\$100,000 has been budgeted for the design of the wayfinding system. To date, \$44,000 has been spent. The remainder of the design budget is intended for production of fabrication manuals and technical plans for use in bidding the project.

The FY2015 budget includes funds for installation of the wayfinding system:
 Boise Central District - \$200,000
 River-Myrtle Old Boise District - \$150,000
 Westside District - \$100,000
 30th Street District (West End) - \$50,000

Background:
The downtown wayfinding system is an economic development focused infrastructure project to help drive business and development downtown. CCDC has hired Sea Reach LTD to review existing downtown wayfinding signs and develop a new wayfinding system design. The information you will see has been vetted through a stakeholder group representing more than a dozen different organizations, including: ITD, ACHD, City of Boise, DBA, VRT, and BSU.

The information was also presented to City Council in the December 4, 2014 work session. The City’s recommendations have been taken into account.

The process is at a point where a couple of final decisions need to be made in order to complete the system’s design. Staff is requesting direction on two items: 1) final decision on the organizational approach of the wayfinding system (AKA the downtown areas map), and 2) preliminary direction on the sign family design.

With the Board’s direction on how to organize the wayfinding system, Sea Reach will be

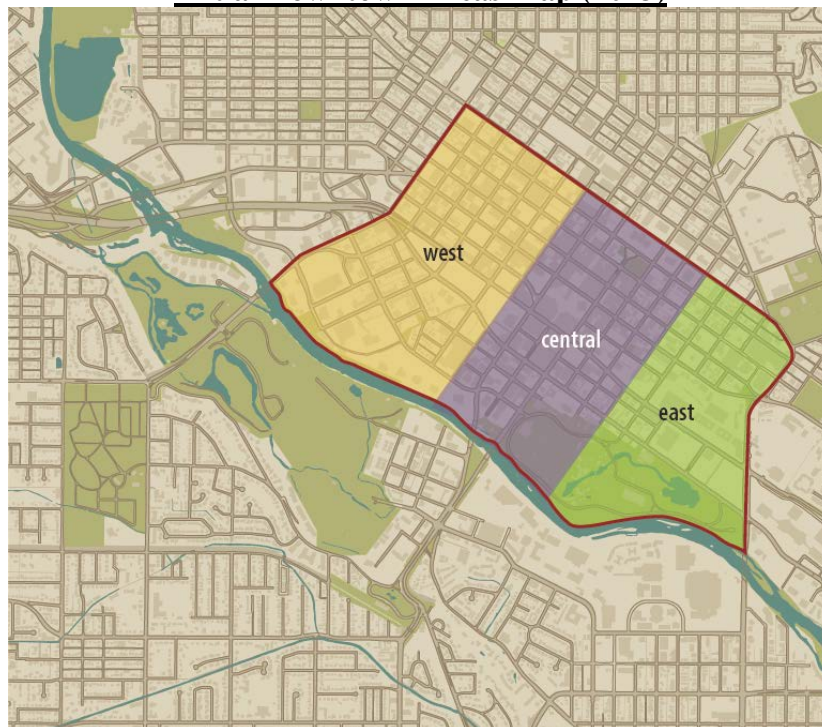
able to finalize the design. Staff intends to bring the final sign family design to the board for approval in January. Once the design is approved, fabrication manuals and technical plans will be produced and the project will be put out to competitive bid. Current timelines indicate fabrication beginning in August, 2015.

Wayfinding System Organizational Approach – Downtown Areas

Sea Reach was provided with all of the documents governing the downtown area. They researched the different districts put together through CCDC, DBA, City of Boise and neighborhoods that have been created in the Downtown Planning Area. When looking at all that information put together we find there is no one consistent way to which we all refer to the downtown.

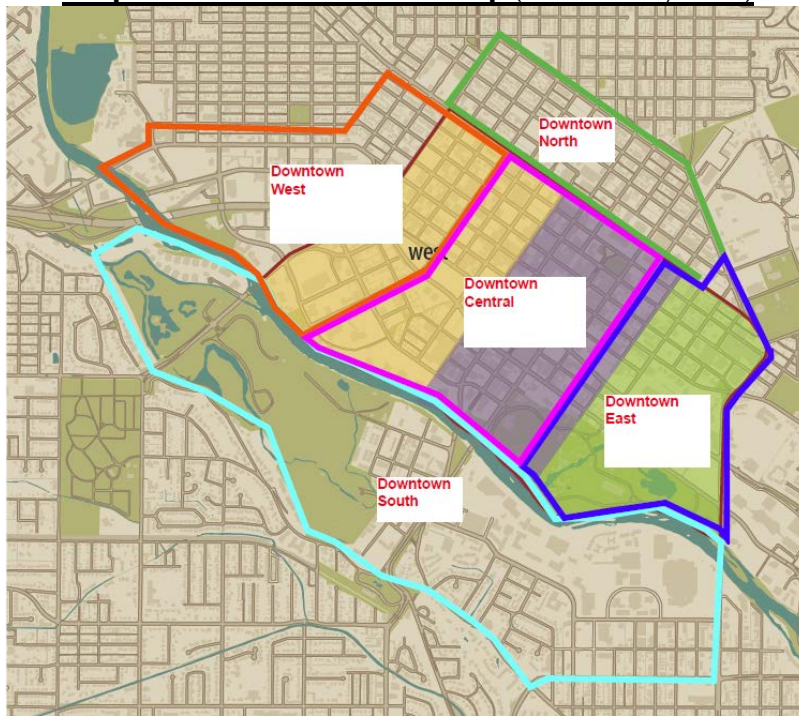
Sea Reach is proposing a system that divides the downtown into directional areas. These are not districts nor are they attempts to rebrand downtown. They are strictly to orient visitors in finding their destination (and parking) efficiently and safely. Using directional areas also reduces the list of destinations necessary on each sign.

Initial Downtown Areas Map (2013)



The initial boundaries of the areas were proposed by Seareach in 2013. They were vetted and agreed to by the stakeholder group. The initial approach focused on the core of downtown, where the majority of destinations are located, and where funding is readily available to install a wayfinding system. This approach organizes downtown according to the three major routes into downtown: Broadway (East), Vista (Central) and the Connector/Americana (West). This will help visitors know how they are entering the downtown and give some direction as to where their destination is located.

Proposed Downtown Areas Map (December, 2014)



Recent stakeholder group input and feedback from the City Council has informed the updated Downtown Areas map. The boundary has been expanded to align the downtown planning area established in the Build Boise Initiative. In addition to the east and west directional areas, north and south directional areas are now included. Also note that the west area has been expanded to include the West End district. Staff recommends these changes for the following reasons:

- The original intent of the organizational approach is still met.
- It better aligns with Boise's vision of downtown.
- It accounts for future expansion of the wayfinding system. The system can now grow in tandem with downtown.

The expansion of the boundary does not represent an expansion of wayfinding project. These adjustments merely allow us to account for future growth. Staff recommends that primary focus and initial installation efforts of the wayfinding system should, as intended from project onset, still occur in the downtown core area.

Navigation

The listing of the north, west, central, east and south is to utilize cardinal direction as a navigational method. This type of naming works well for several reasons.

- The proposed names utilize directional cues in order to embed another layer of navigational information for visitors, residents, and merchants. It builds upon existing knowledge of cardinal directions that will be further emphasized in wayfinding materials.
- The downtown directional areas also highlight the different characteristics of downtown. Central Downtown has the classic look and feel of a downtown with a mix of historic and modern buildings while the Western Downtown and Eastern Downtown are sites of future growth and have their own unique characteristics.
- Each downtown area can also be accessed by at least 2 (two) major travel routes, such as Americana, Vista Ave., Hwy 26, and I-184.
- With directional areas called out as part of the wayfinding system, directional signs can be smaller, listing only the destinations in the immediate area and directing visitors to other areas of the downtown. Otherwise every sign bears the burden of listing as many destinations as is viable. (Generally 3-4 destinations is best, more than five (5) makes the sign ineffective)
- One of the goals of the wayfinding system is to make the city's public parking garages more visible and easier to access. With the downtown divided into areas, information about parking can be tied more closely with a destination, making it easier for visitors to choose a convenient place to park.
- The addition of south Downtown. In previous presentations, Sea Reach asked stakeholders to consider the advantages in designating the west, central, and east areas of the downtown. In recent discussions, the inclusion of a "south area" would add the university.
- In addition to the vehicular arterials entering the downtown in the east, west and center, there are major pedestrian connections with the Greenbelt. This is particularly significant, because one of the goals of the wayfinding system, both for the Downtown and for Boise Parks and Rec, is to connect the river more closely with the downtown. There are three bridge crossings which enter into the three area of downtown: the Friendship Bridge at the University, the crossing at Anne Frank Memorial, and the pedestrian bridge connecting Ann Morrison Park with Pioneer Street.

To further emphasis the desire to make navigation of downtown easier, Sea Reach is also proposing an embedding this medallion into the sidewalks throughout the downtown streetscape network.



Pedestrian Navigation Medallion
(Embed in sidewalks throughout downtown)

Sign Design

A family of signs is designed for the system to bring people into downtown from the interstate and to keep them informed as to where they are and their destinations. Attached you will find the design of the signs. The example attached shows how the directional areas would be used on the signs. The final color palette for the sign family is still being determined. The CCDC Commissioners will be invited to view the temporary installation when it takes place.

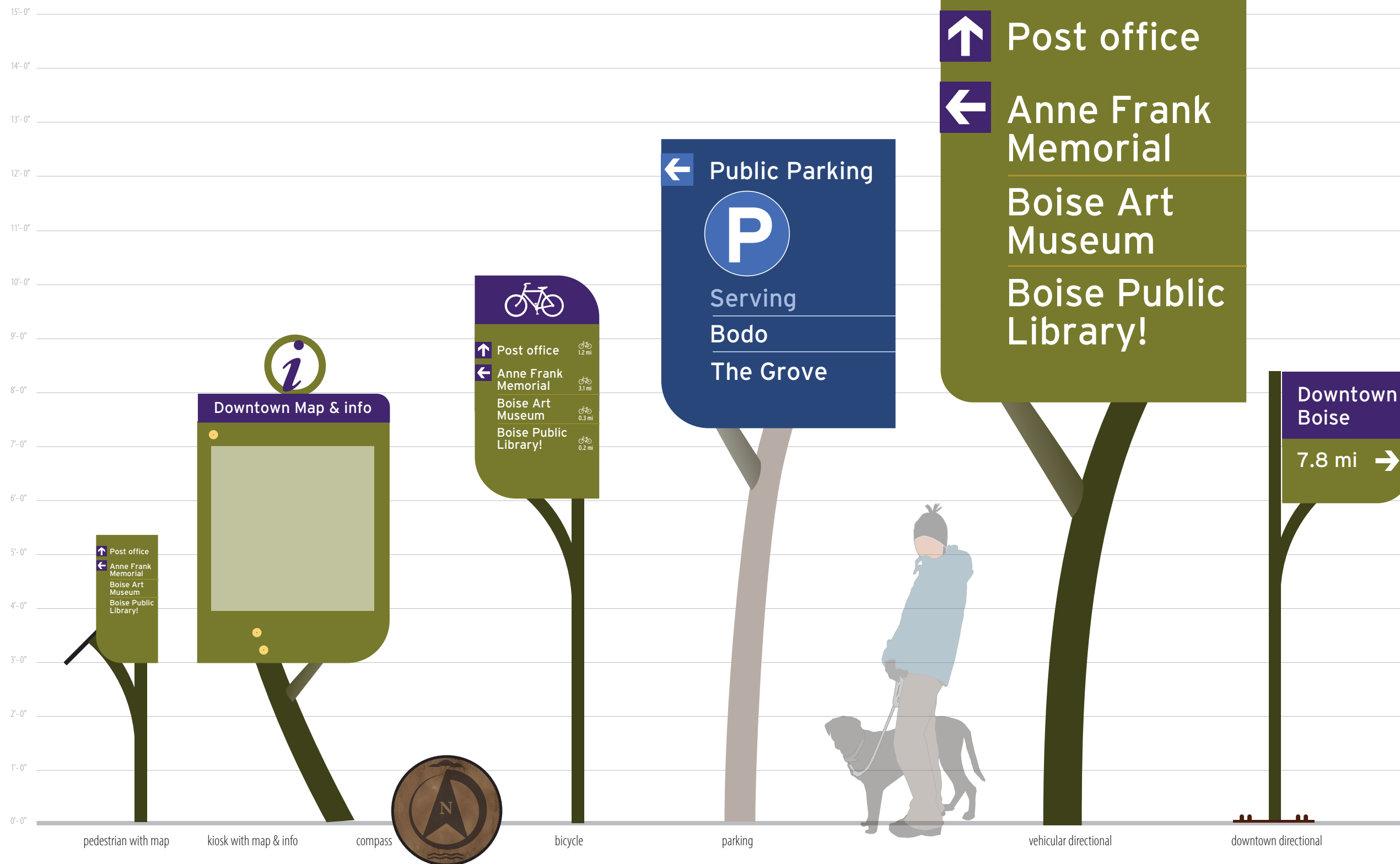
Staff Recommendation:

Staff recommends in accordance with the City Council recommendations to use the proposed downtown directional areas to organize the wayfinding system.

In addition, staff recommends proceeding with finalizing the wayfinding sign family design concept and style.

Suggested Motion:

I move to approve to use of the proposed downtown directional areas to organize the wayfinding system, and authorize staff to proceed with finalizing the proposed sign family design concept and style.



client	downtown boise association
contact	karen sander, executive director
	720 w idaho st.
	boise ID 83702
phone	208.472.5250
email	ksander@downtownboise.org
project	boise downtown wayfinding
code	BOI-001

notes

typical sign types

scale	0.5" = 1'-0"
by	pr
date	11.01.14
revisions	

1 family of signs
 scale: 0.5" = 1'-0"

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project boise downtown wayfinding

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notes

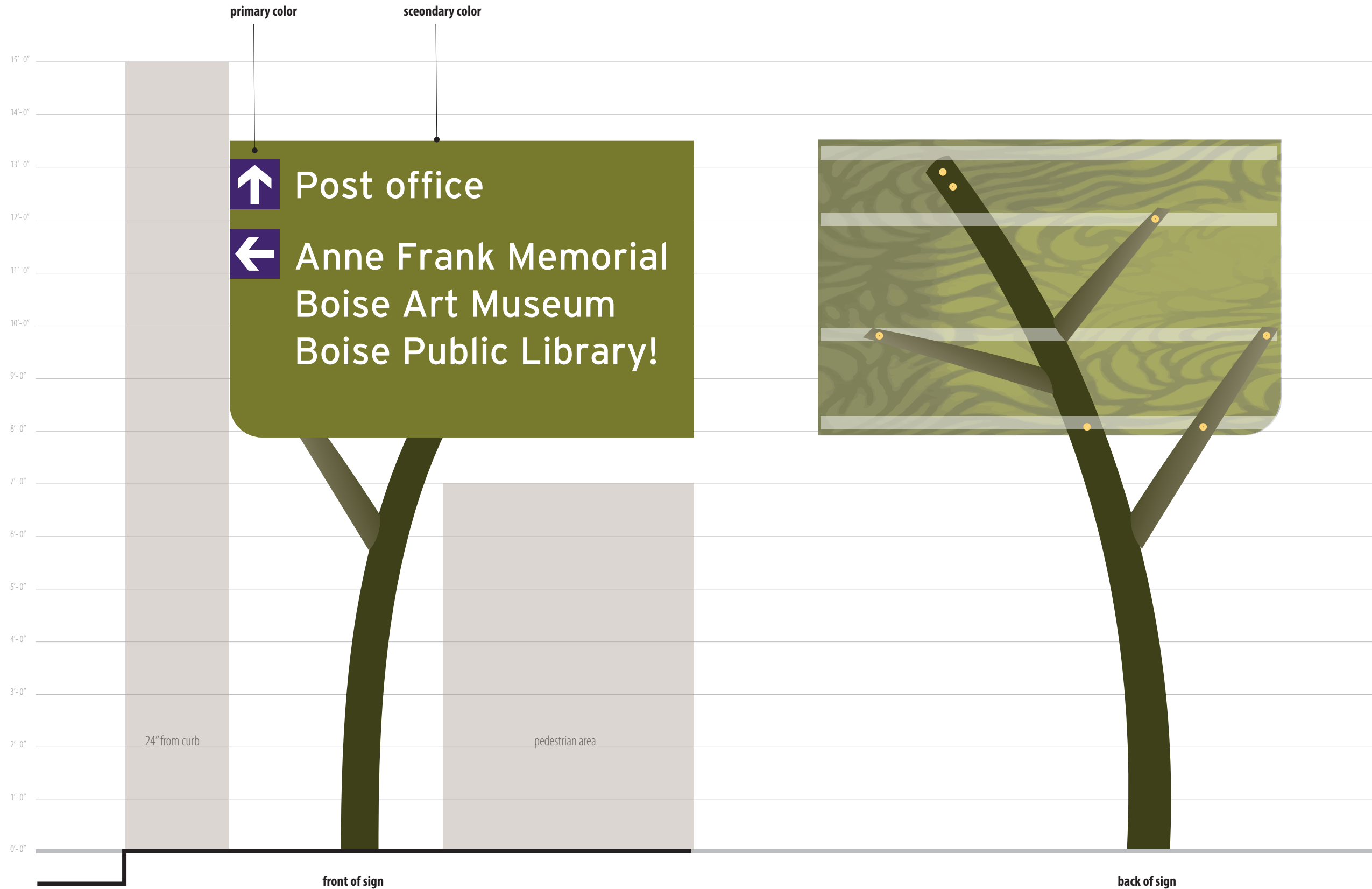
vehicular directional

scale 0.5" = 1'-0"

by pr

date 11.01.14

revisions



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project boise downtown wayfinding

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notes

Horizontal lines for notes.

color options

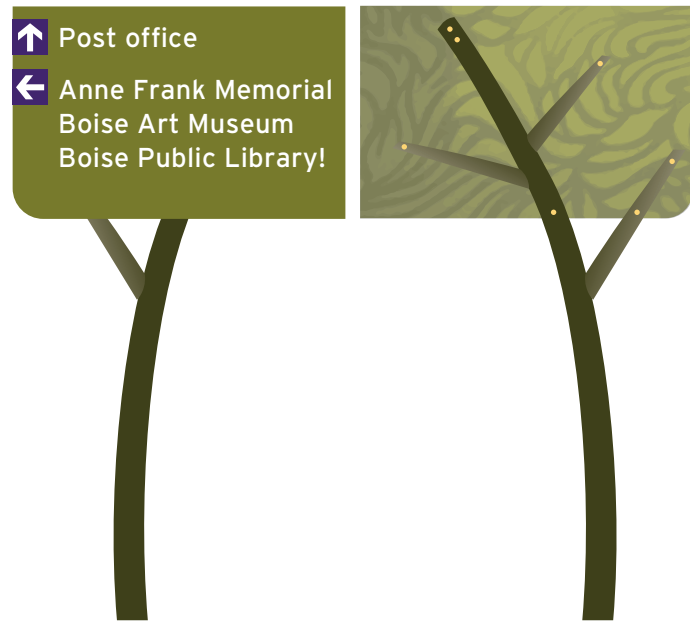
scale nts

by pr

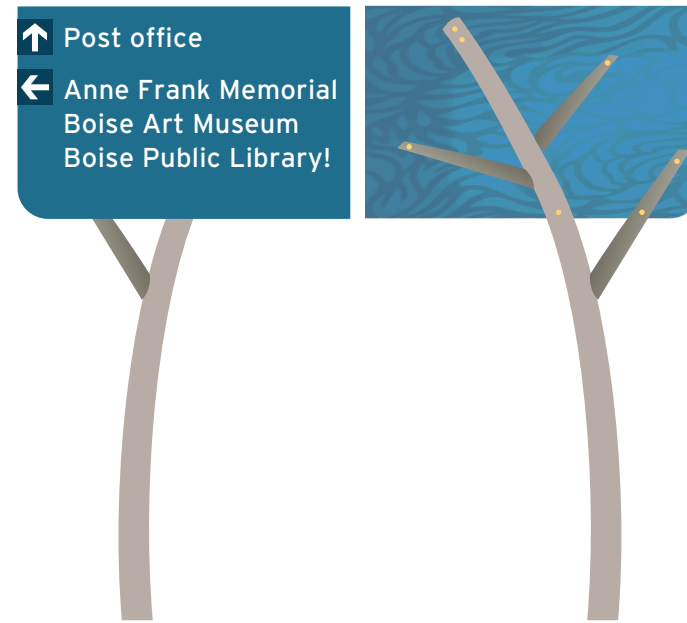
date 11.01.14

revisions

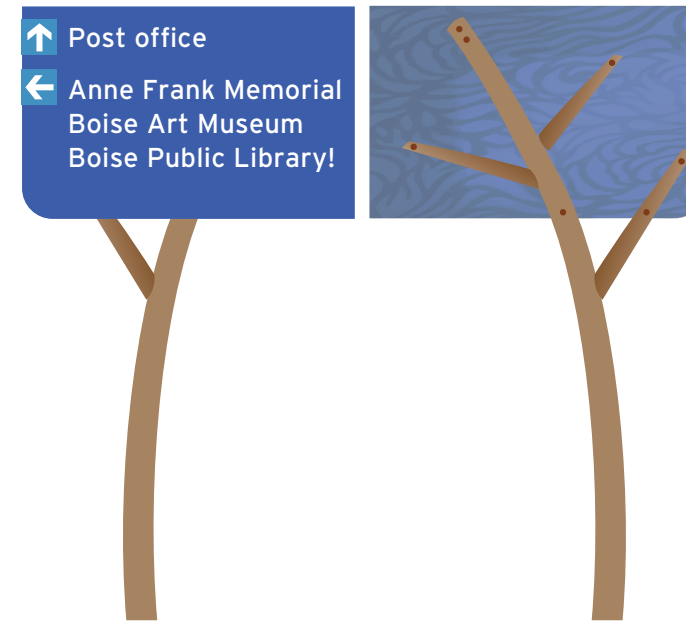
Horizontal lines for revisions.



color scheme 1



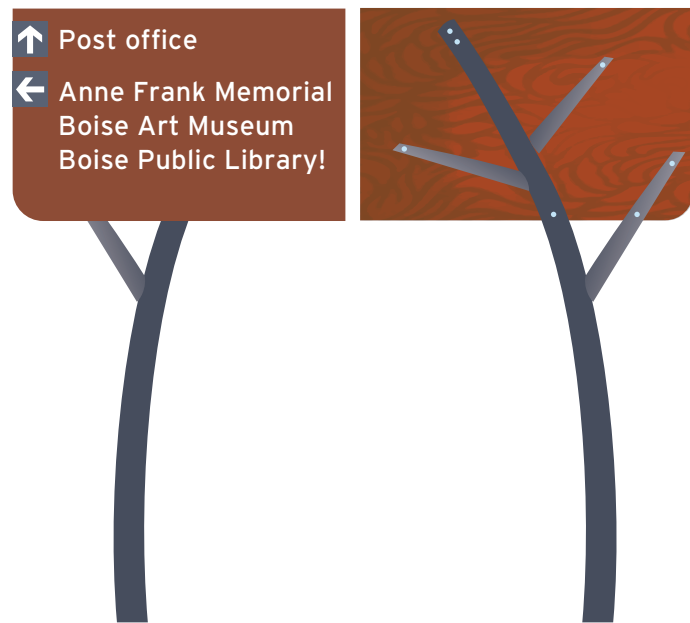
color scheme 2



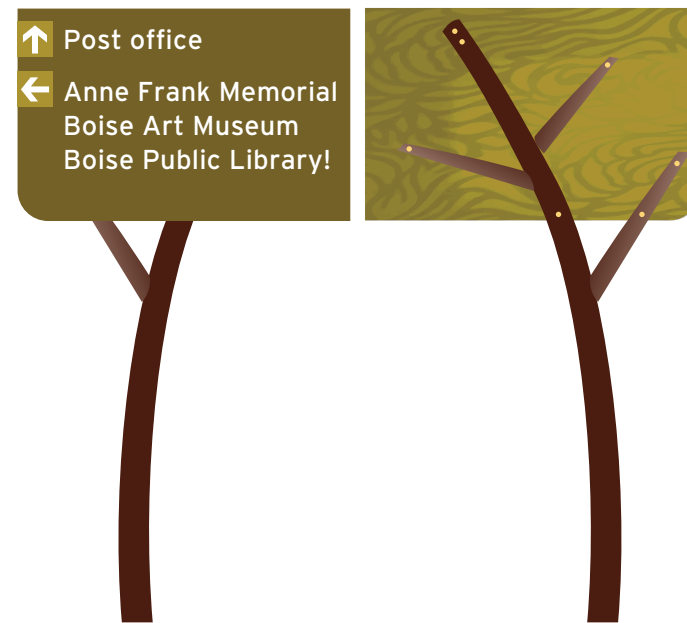
color scheme 2



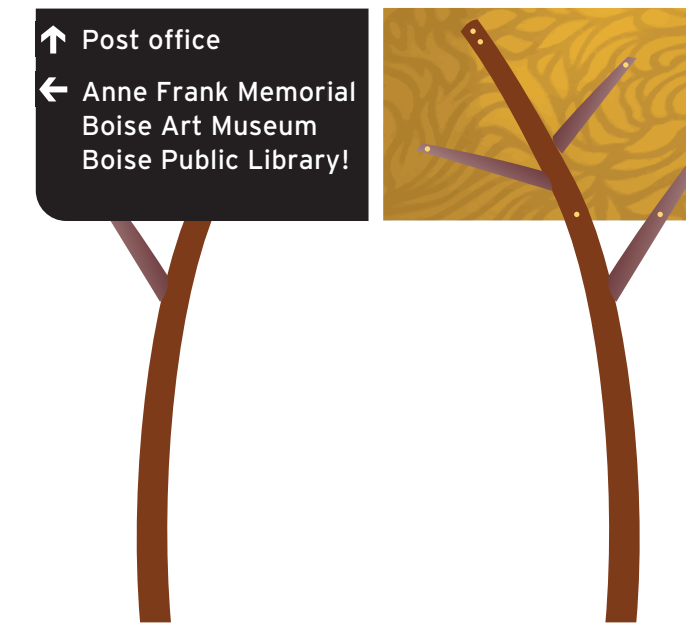
**STAKEHOLDER GROUP
PREFERRED COLOR SCHEMES**



color scheme 3

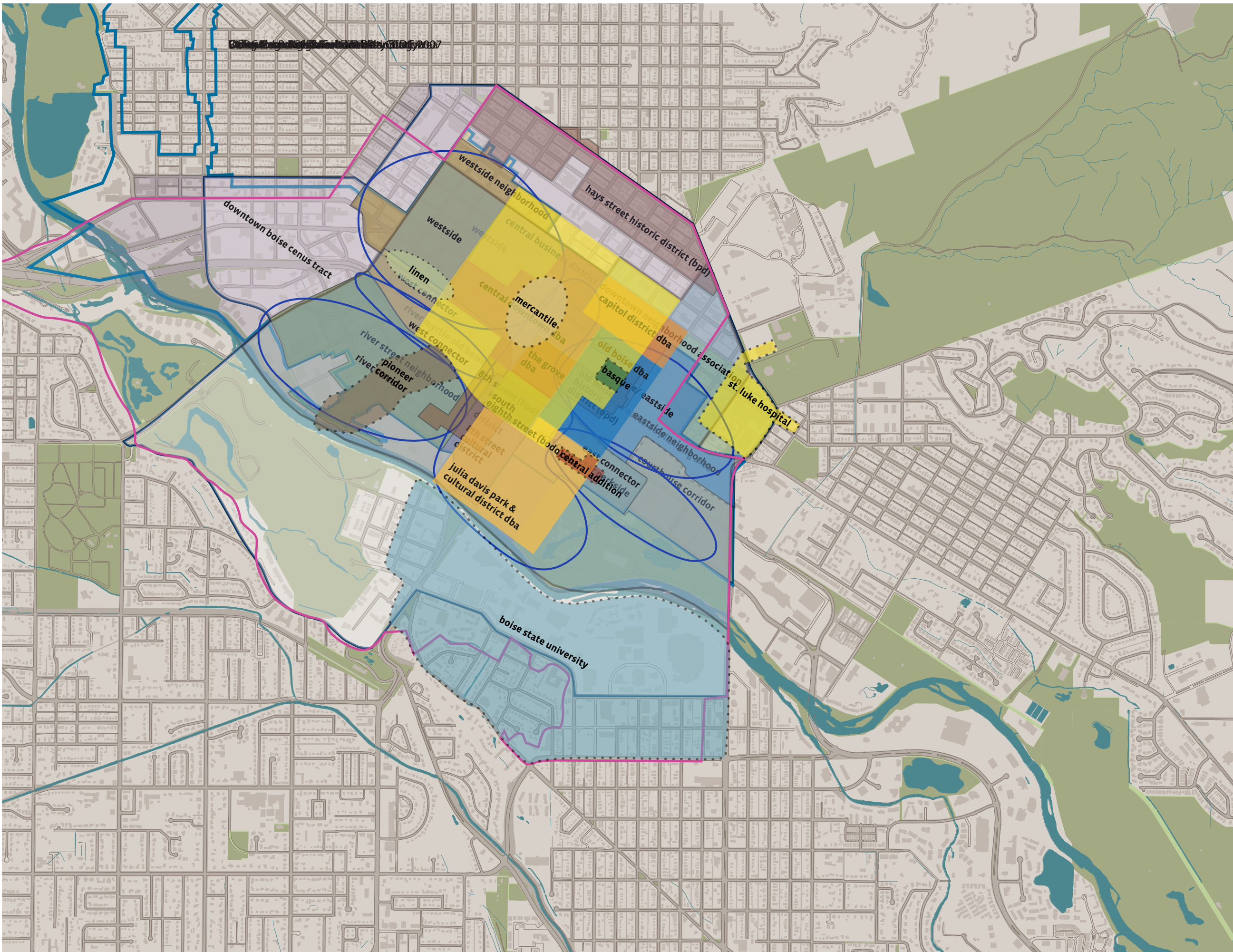


color scheme 4



color scheme 4





client **downtown boise association**

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project boise downtown wayfinding

code BOI-001

notes

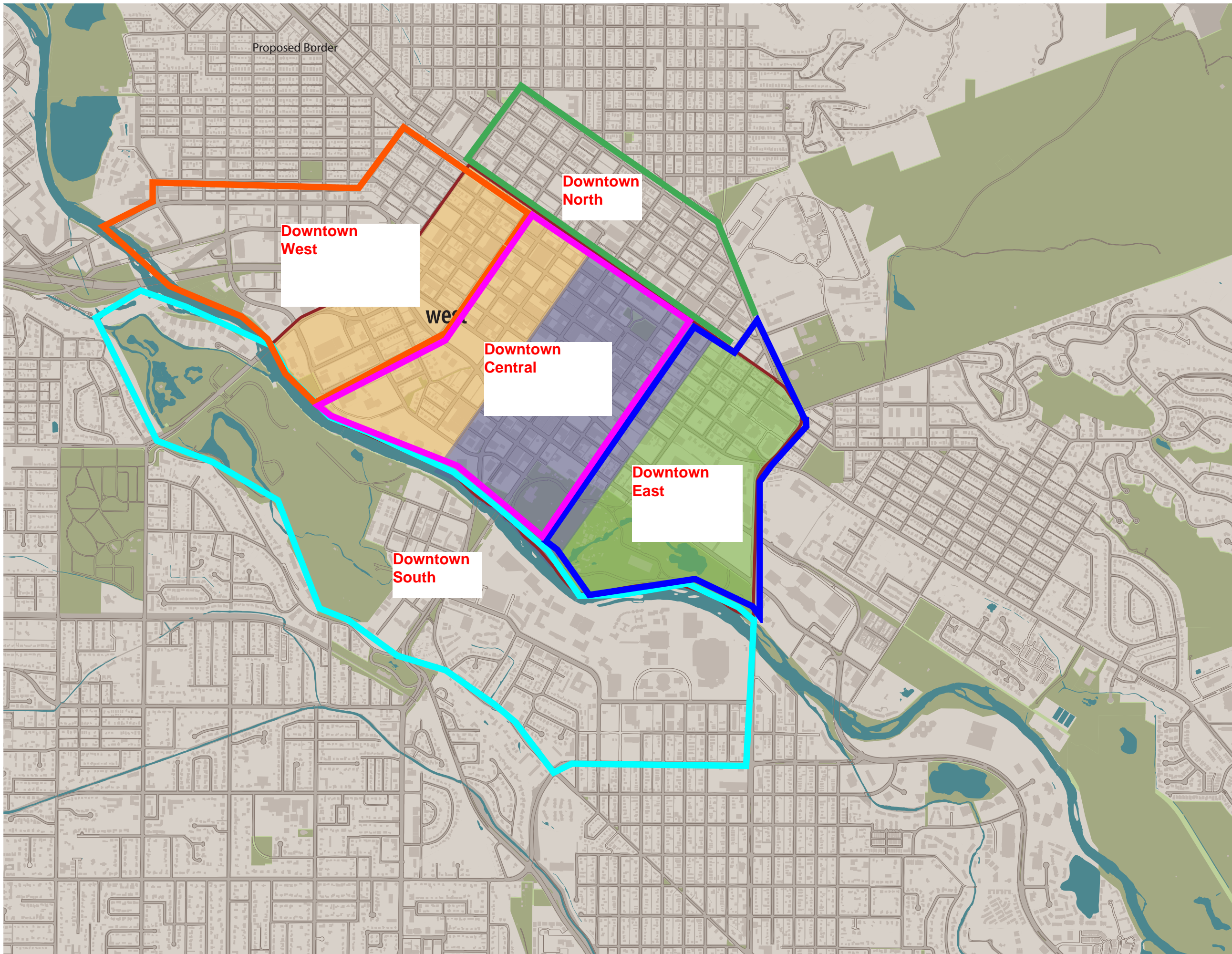
existing districts

scale 3/4" = 1' - 0"

by pr

date 11.01.14

revisions



client	downtown boise association
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project	boise downtown wayfinding
code	BOI-001

notes

proposed areas

scale	3/4" = 1' - 0"
by	pr
date	11.01.14
revisions	

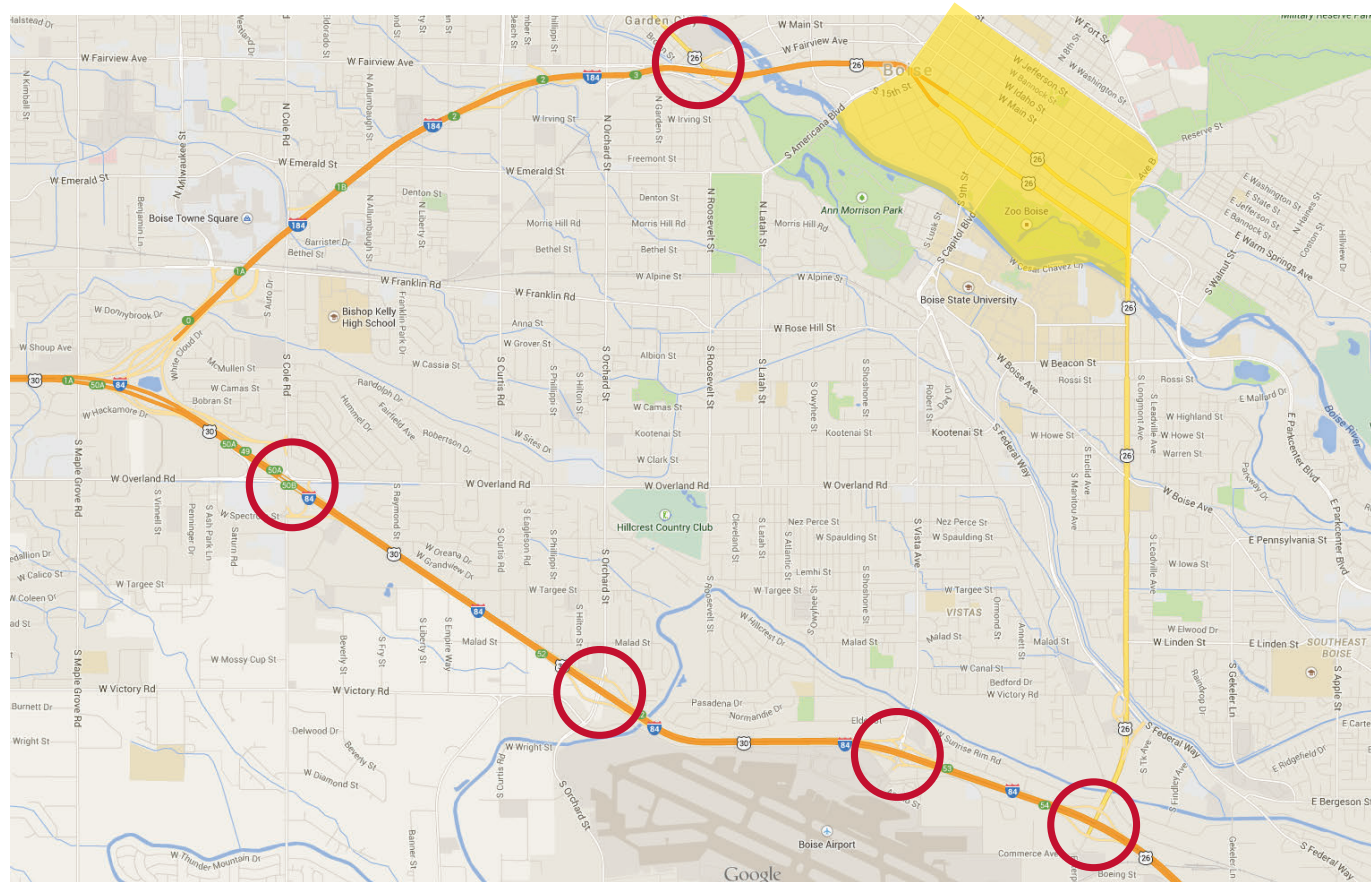
DOWNTOWN BOISE NEXT 3 EXITS

DOWNTOWN →
EAST

DOWNTOWN →
CENTRAL

DOWNTOWN →
WEST

1 freeway signage. option 2
 scale: 3/4" = 1'-0"



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project	boise downtown wayfinding
code	BOI-001
notes	

downtown separation

scale	3/4" = 1'-0"
by	pr
date	11.01.14
revisions	

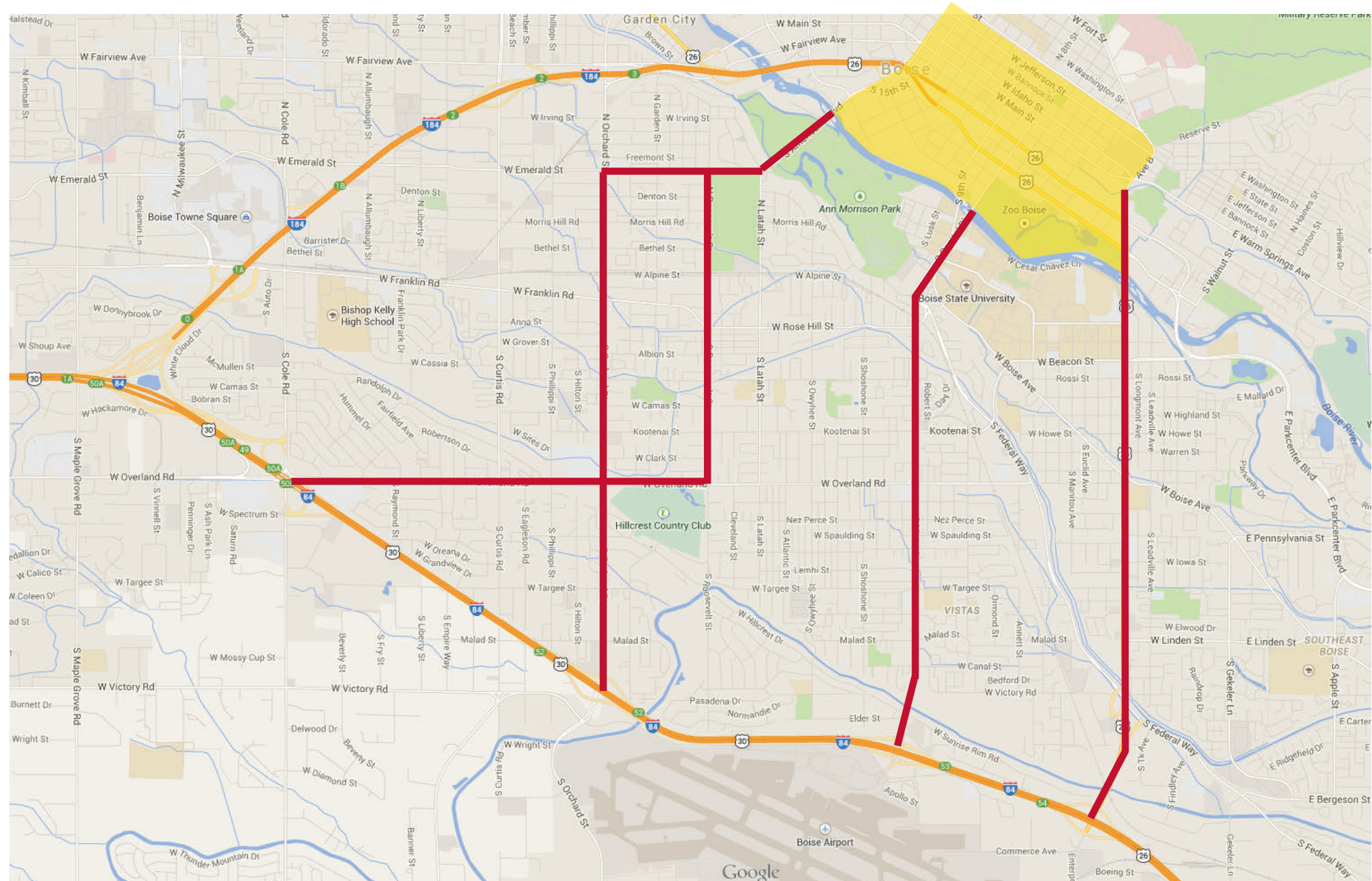
146 ne yamhill street telephone 503.843.2005
sheridan facsimile 503.843.2744
oregon 97378 email info@seareach.com

Downtown East
2.4 mi →

Downtown Central
7.8 mi →

Downtown West
↑ 3.6 mi

1 freeway signage, option 1
scale: 3/4" = 1' - 0"



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email *ksander@downtownboise.org*
project boise downtown wayfinding
code BOI-001

notes

downtown separation

scale 3/4" = 1' - 0"
by pr
date 11.01.14
revisions

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project boise downtown wayfinding

code B01-001

notes

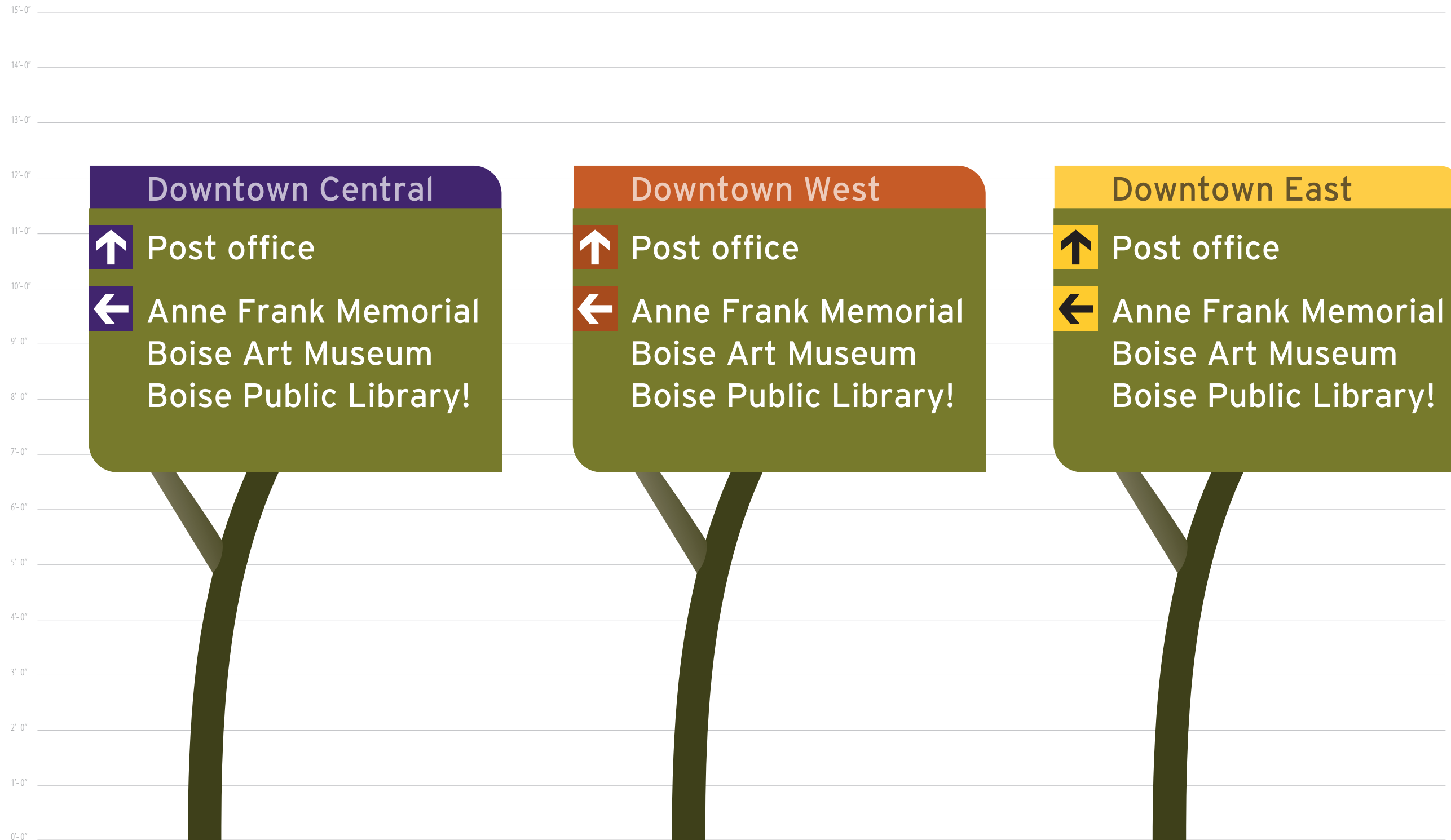
sign type VD6, vehicular directional

scale 0.5" = 1'-0"

by pr

date 11.01.14

revisions



1 sign type VD6-01 vehicular directional with 6" letters, front view
scale: 0.5" = 1'-0"

client **downtown boise association**

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notes

sign type VD6, vehicular directional

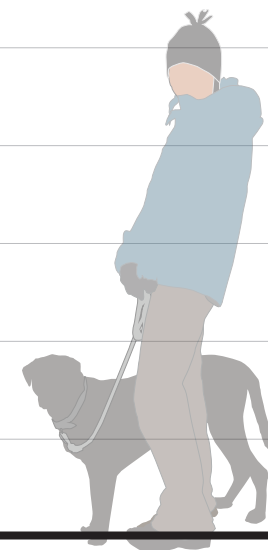
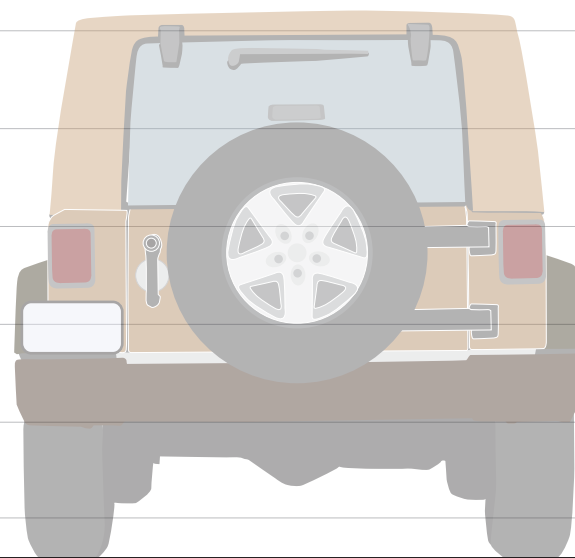
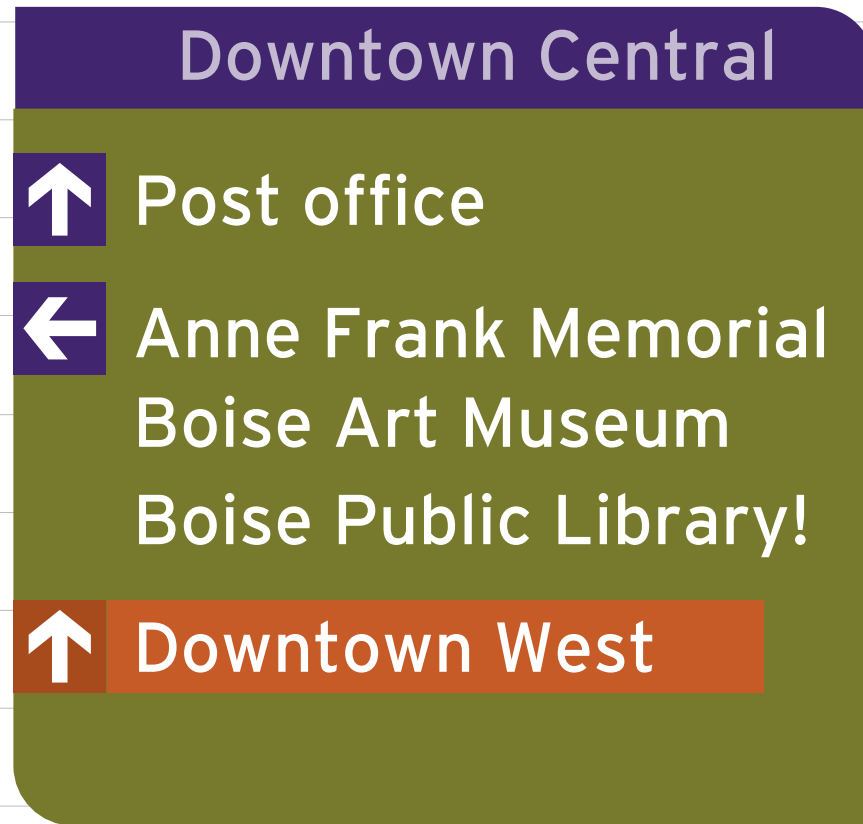
scale 0.5" = 1'-0"

by pr

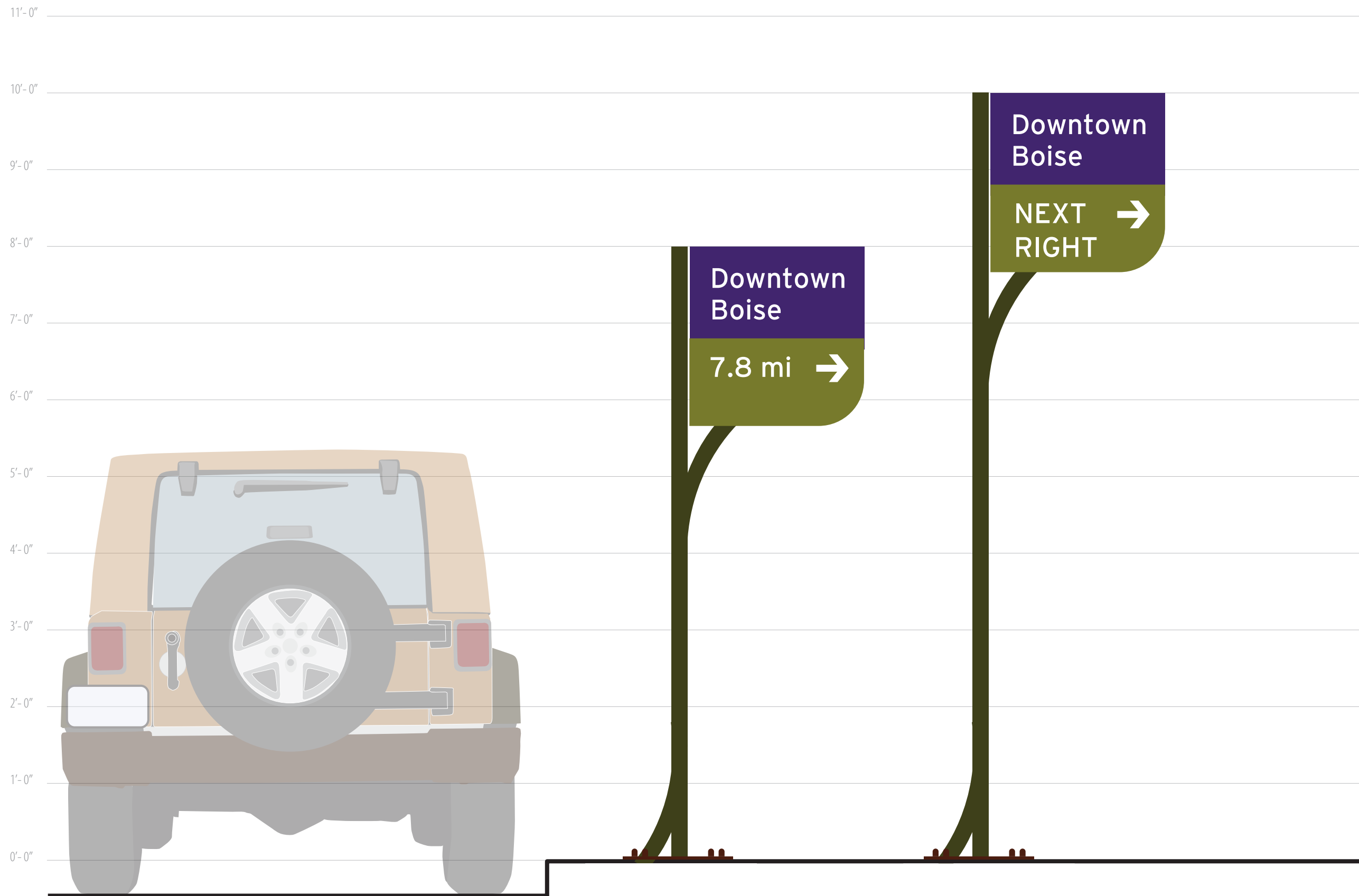
date 11.01.14

revisions

15'-0"
14'-0"
13'-0"
12'-0"
11'-0"
10'-0"
9'-0"
8'-0"
7'-0"
6'-0"
5'-0"
4'-0"
3'-0"
2'-0"
1'-0"
0'-0"



1 sign type VD6-01 vehicular directional with 6" letters, front view
scale: 0.5" = 1'-0"



client **downtown boise association**

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project boise downtown wayfinding

code B01-001

notes

sign type DD, downtown directional

scale 3/4" = 1'-0"

by pr

date 11.01.14

revisions

1 sign type VD6-01 vehicular directional with 6" letters, front view

scale: 3/4" = 1'-0"

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notes

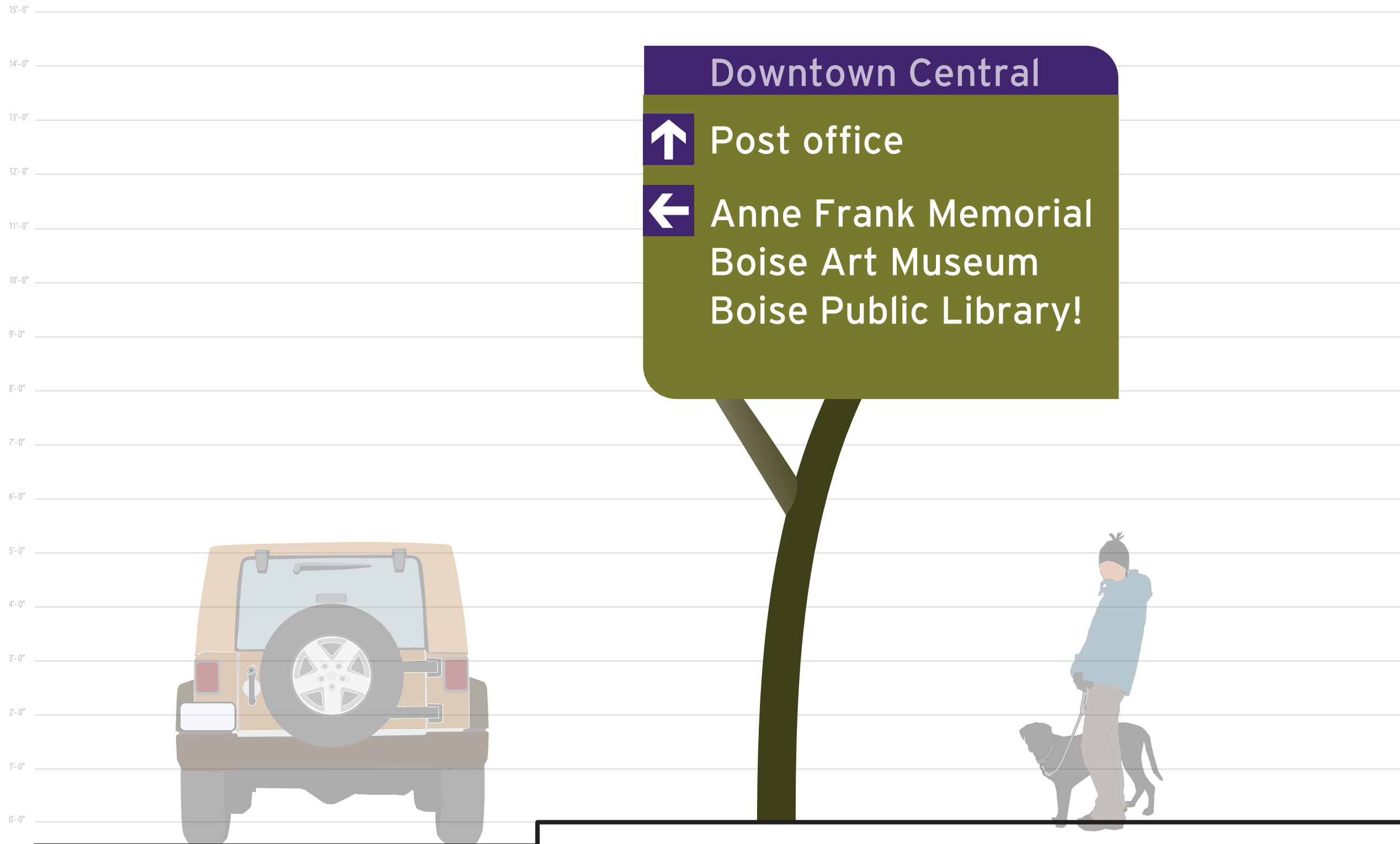
sign type VD6, vehicular directional

scale 0.5" = 1'-0"

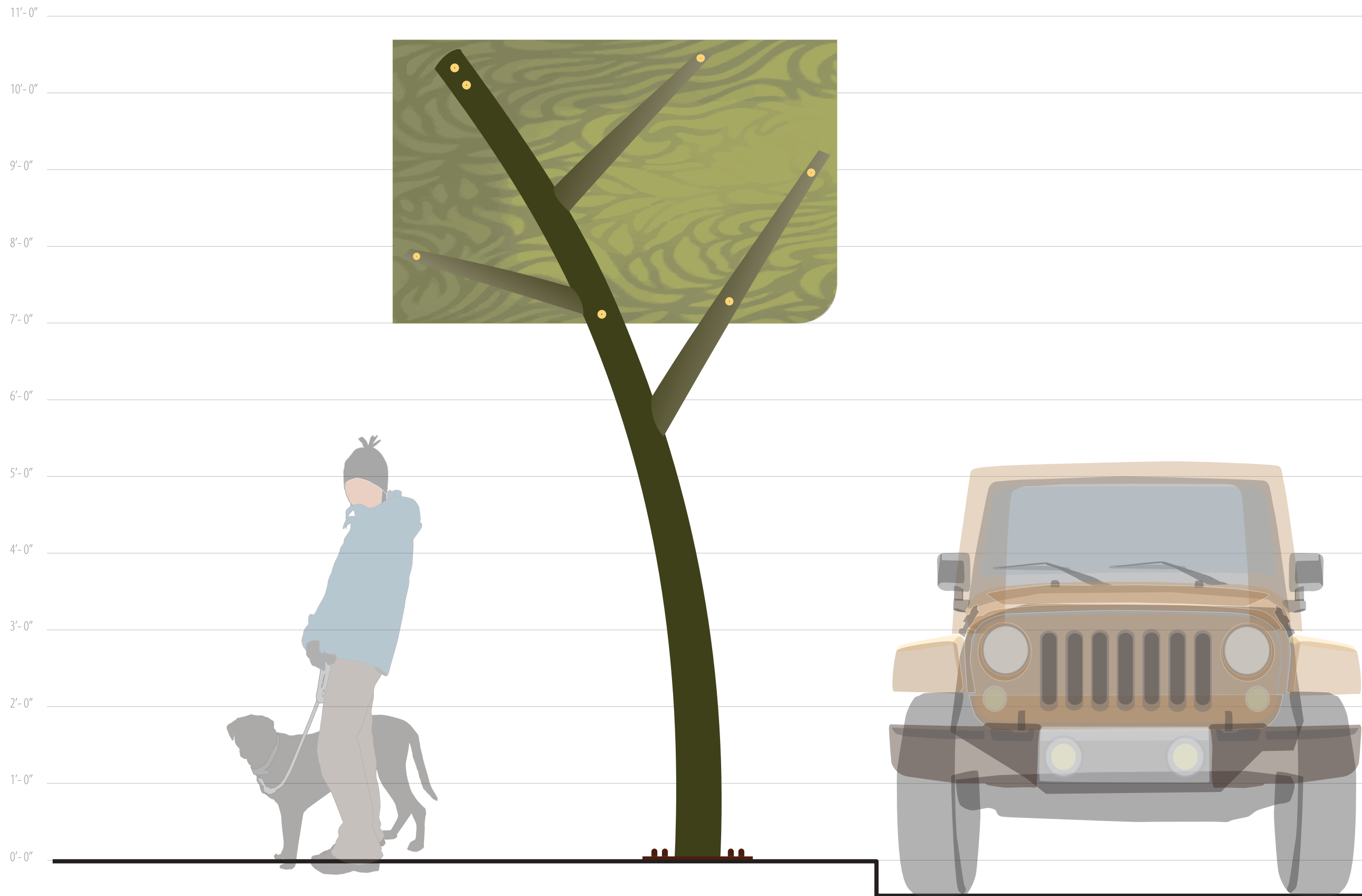
by pr

date 11.01.14

revisions



1 sign type VD6-01 vehicular directional with 6" letters, front view
scale: 0.5" = 1'-0"



client	downtown boise association
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project	boise downtown wayfinding
code	B01-001

notes

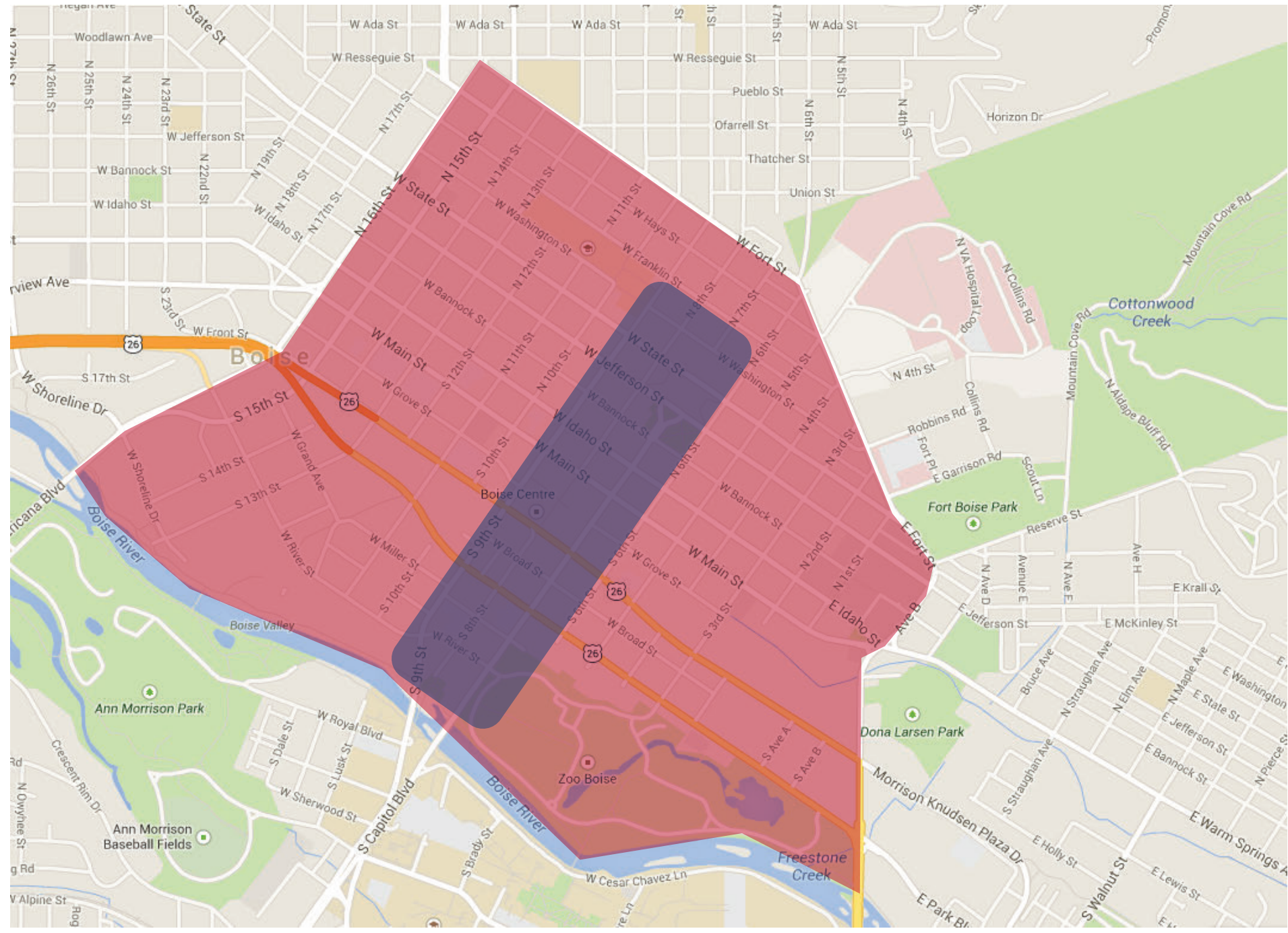
sign type VD4, vehicular directional

scale	3/4" = 1'-0"
by	pr
date	11.01.14
revisions	

1 sign type VD4 vehicular directional with 4" letters, back view
scale: 3/4" = 1'-0"



1 freeway signage, option 1
 scale: 3/4" = 1'-0"



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project boise downtown wayfinding

code BOI-001

notes

parking directional

scale 3/4" = 1'-0"

by pr

date 11.01.14

revisions

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project boise downtown wayfinding

code B01-001

notes

sign type PK, parking directional

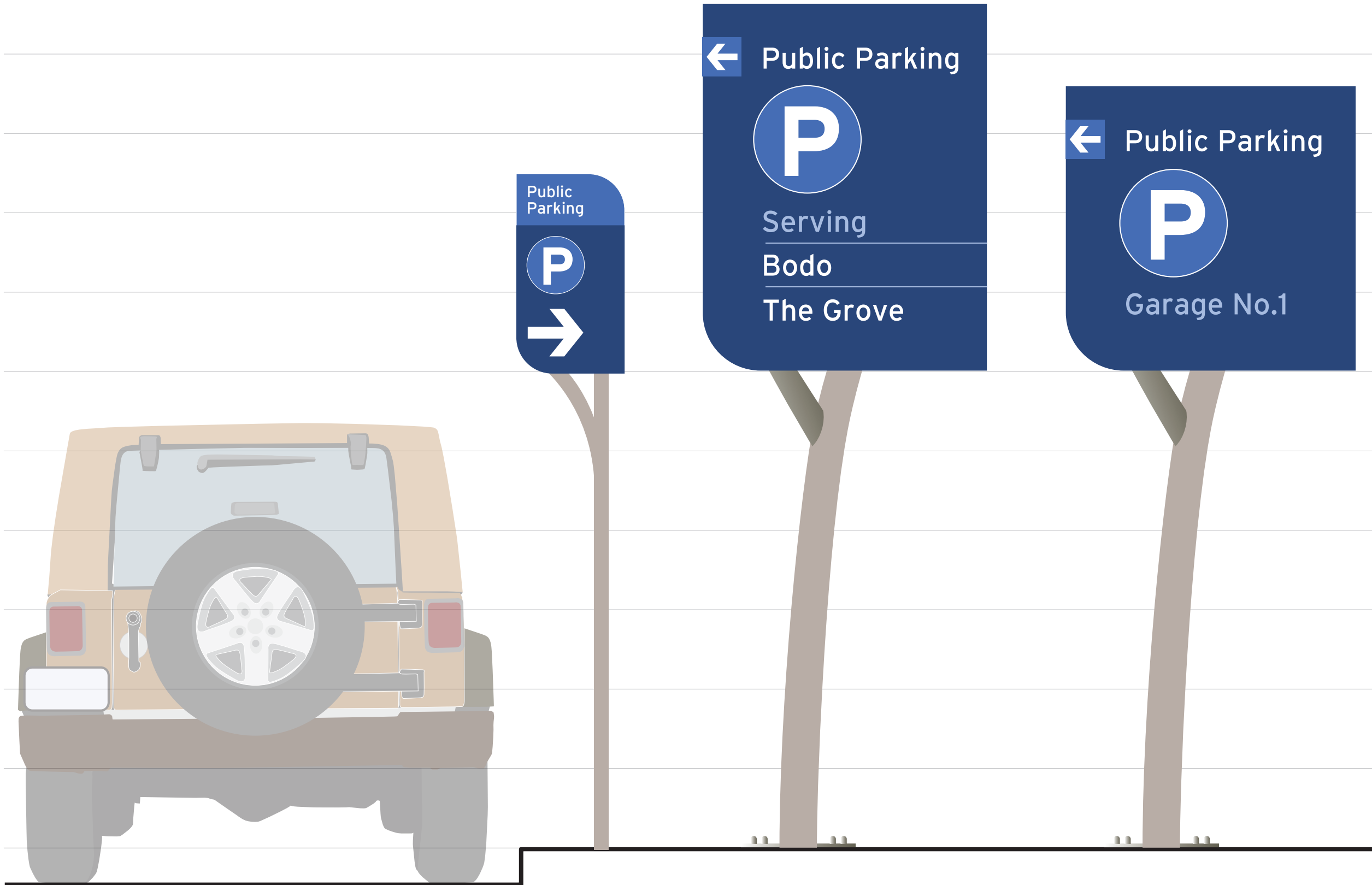
scale 3/4" = 1' - 0"

by pr

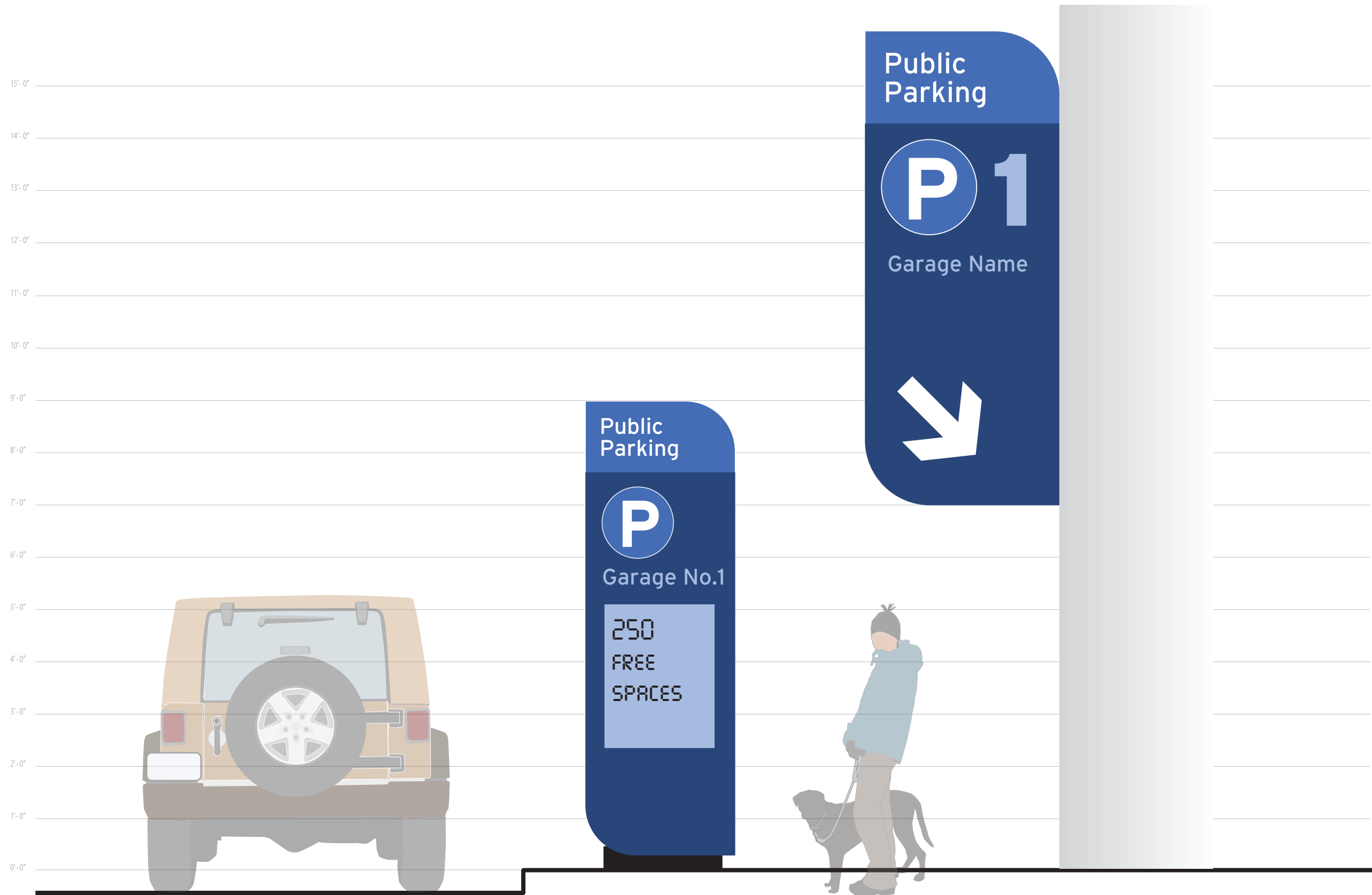
date 11.01.14

revisions

11'-0"
10'-0"
9'-0"
8'-0"
7'-0"
6'-0"
5'-0"
4'-0"
3'-0"
2'-0"
1'-0"
0'-0"



1 sign type PK parking directional with 4" letters, front view
scale: 3/4" = 1' - 0"



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project boise downtown wayfinding

code BOI-001

notes

sign type PI, parking identification

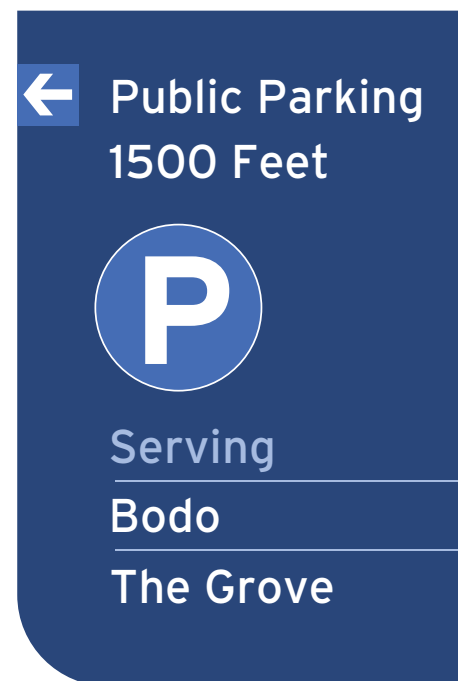
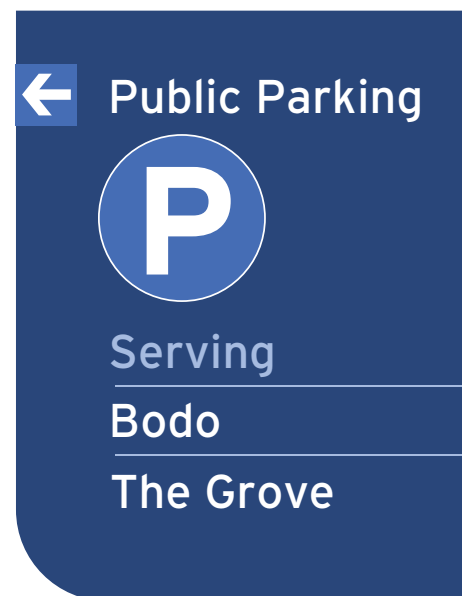
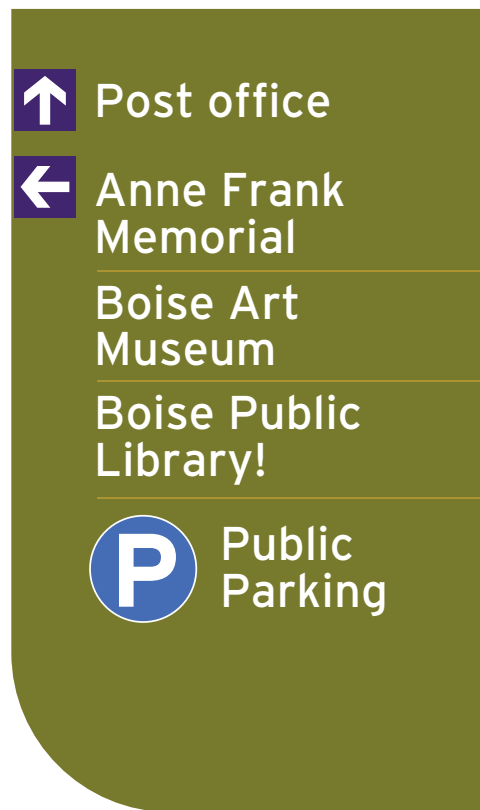
scale 3/4" = 1' - 0"

by pr

date 11.01.14

revisions

1 sign type PI, parking identification, front view
 scale: 3/4" = 1'- 0"



client **downtown boise association**
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project boise downtown wayfinding
code BOI-001

notes

sign type PK panel grids

scale 3/4" = 1' - 0"
by pr
date 11.01.14
revisions



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project boise downtown wayfinding

code B01-001

notes

sign type BD, bicycle directional

scale 1/2" = 1' - 0"

by pr

date 11.01.14

revisions

1 sign type BD, bicycle directional

scale: 1/2" = 1' - 0"

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notes

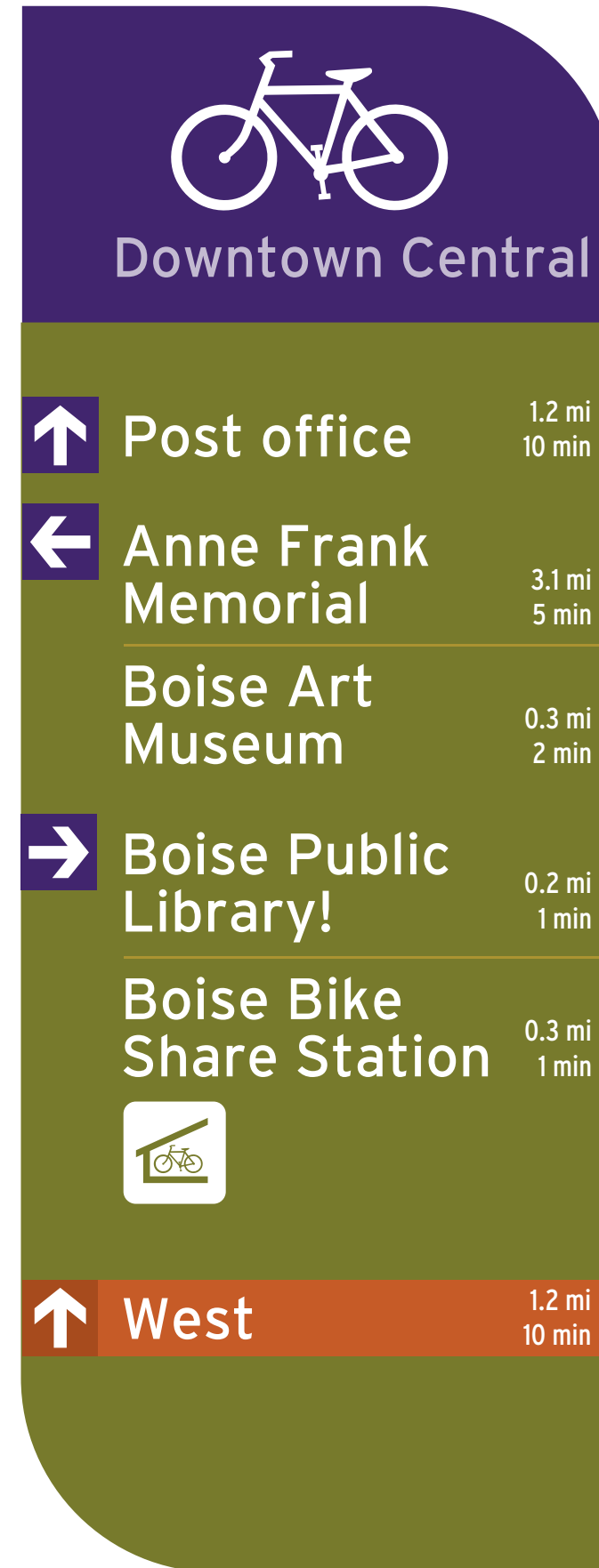
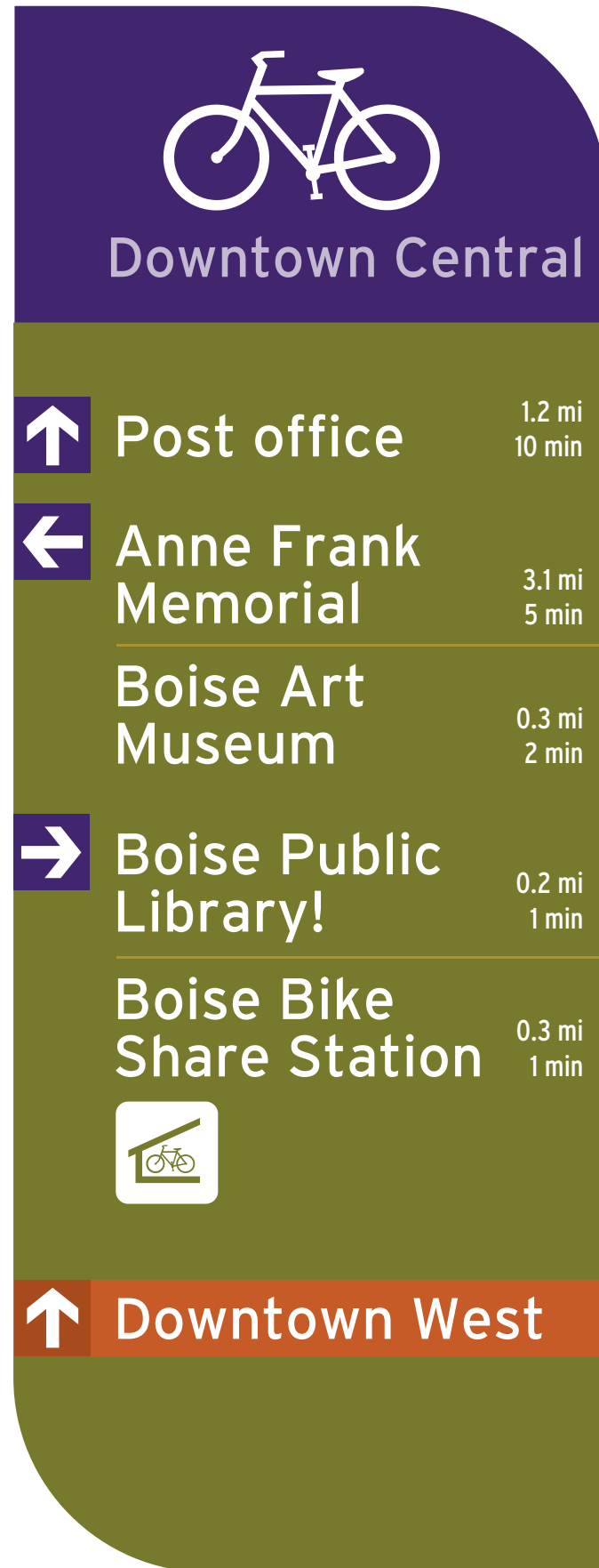
sign type BD, bicycle directional

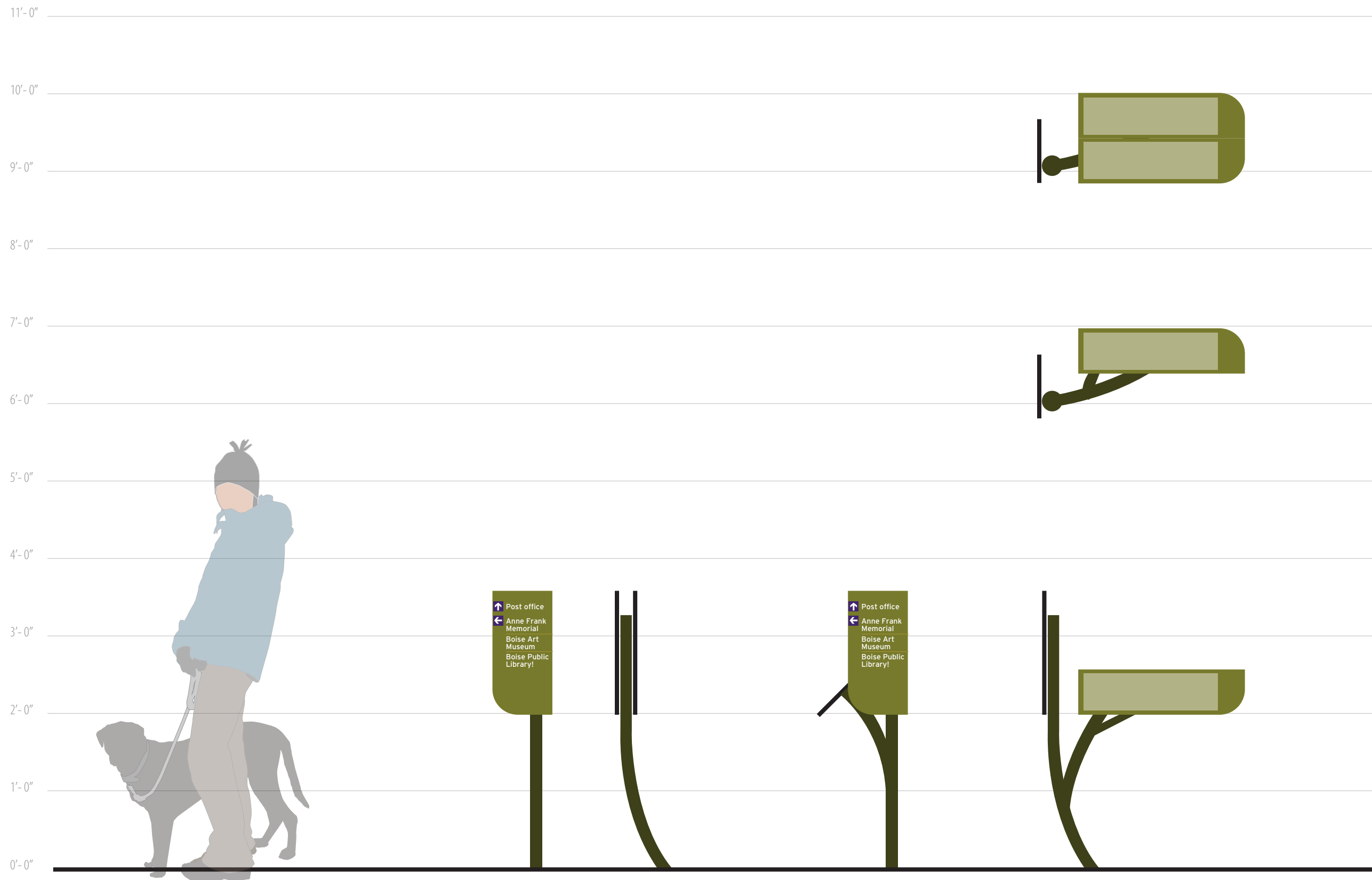
scale 3/4" = 1' - 0"

by pr

date 11.01.14

revisions





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boise ID 83702

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email *ksander@downtownboise.org*

project boise downtown wayfinding

code BOI-001

notes

sign type PD, pedestrian directional

scale 3/4" = 1' - 0"

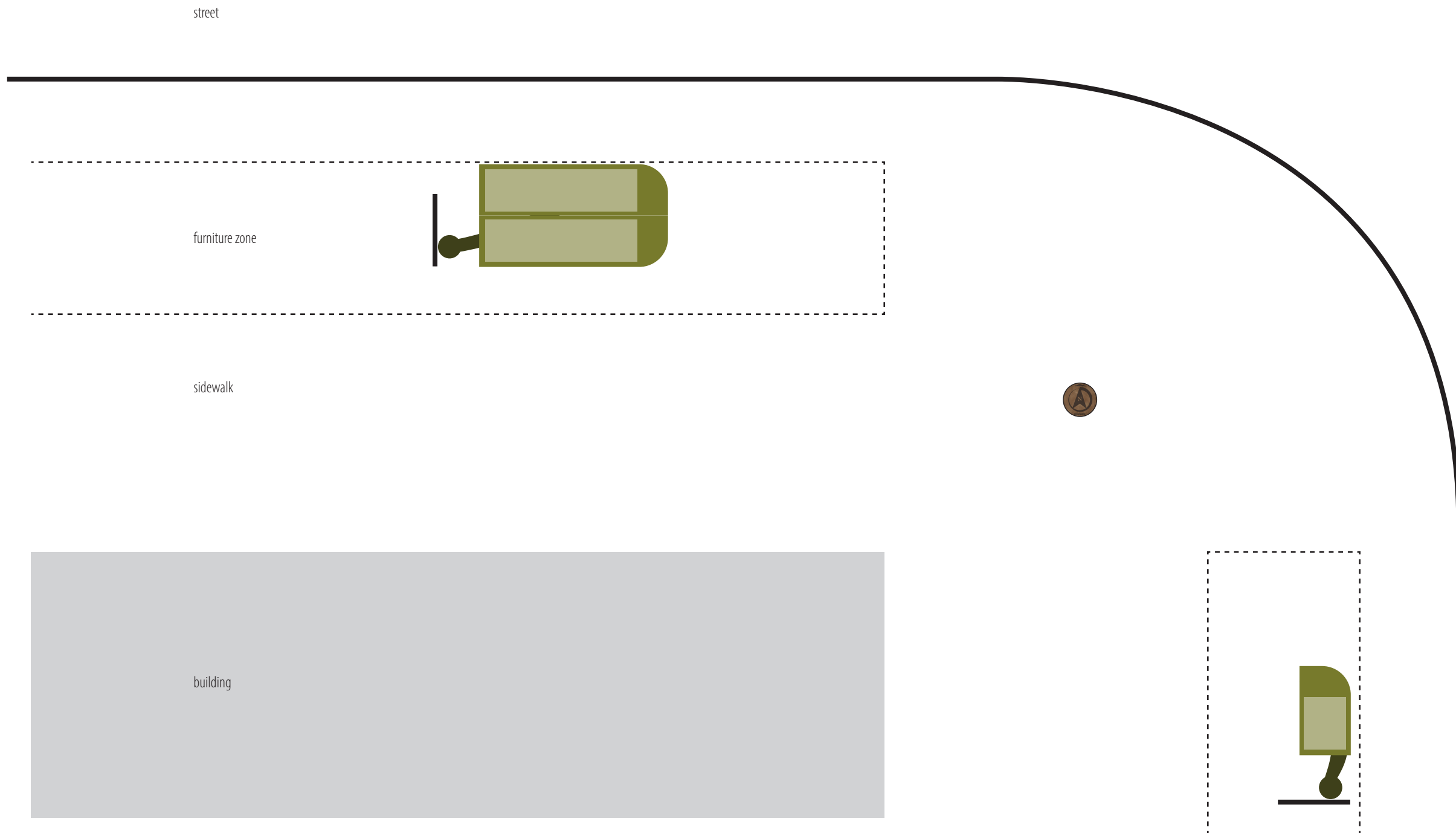
by pr

date 11.01.14

revisions

1 sign type PD pedestrian directional, front view

scale: 3/4" = 1' - 0"



client **downtown boise association**

contact kâren sander, executive director

720 w idaho st.

boise ID 83702

phone 208.472.5250

email ksander@downtownboise.org

project boise downtown wayfinding

code BOI-001

notes

sign type PD, pedestrian directional

scale 3/4" = 1' - 0"

by pr

date 11.01.14

revisions

1 sign type PD pedestrian directional, front view
 scale: 3/4" = 1'- 0"



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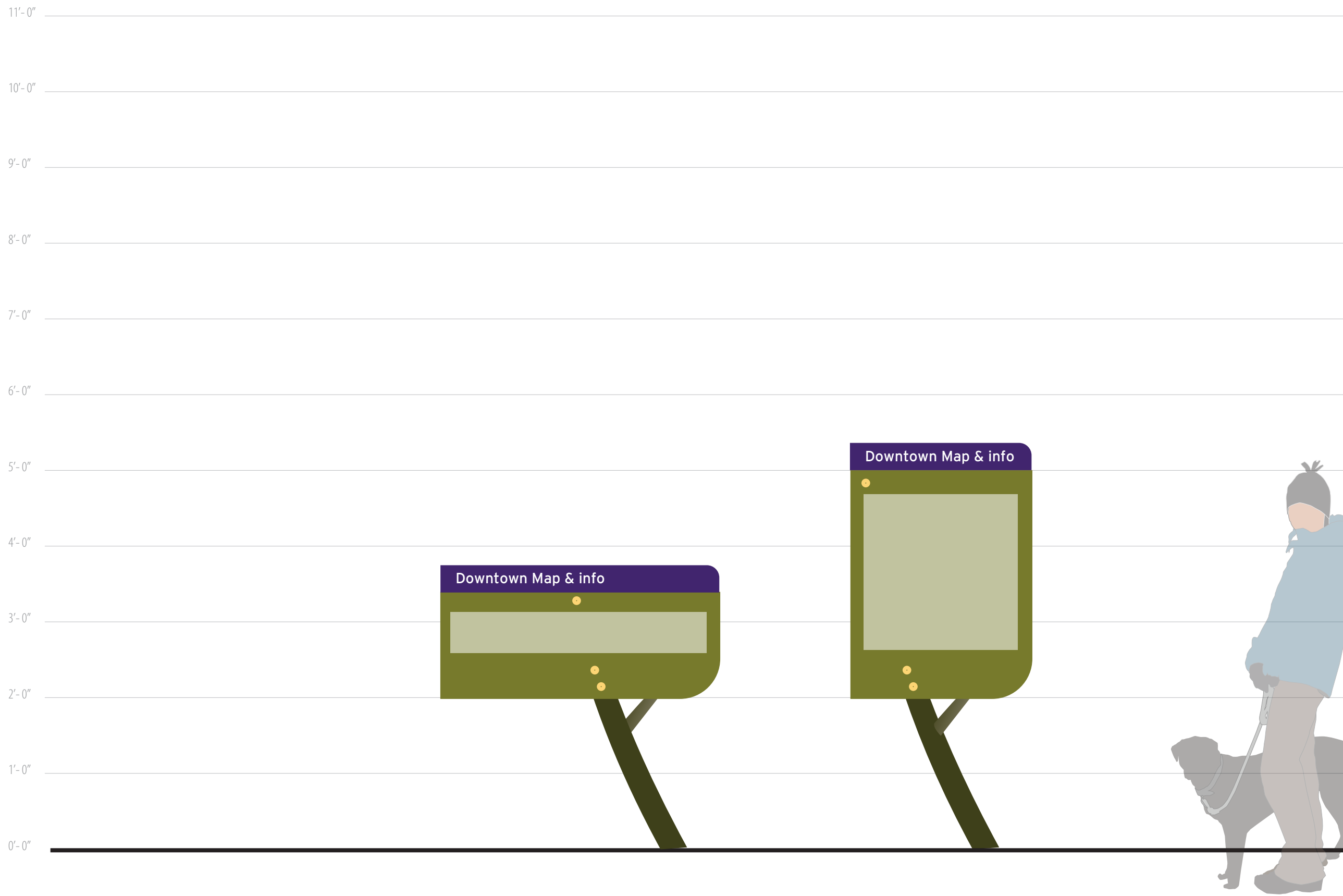
sign type CM, compass

scale 3/4" = 1' - 0"

by pr

date 11.01.14

revisions



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code BOI-001

notes

sign type K1, small kiosk

scale 3/4" = 1' - 0"

by pr

date 11.01.14

revisions

1 sign type K1small kiosk, front view
scale: 3/4" = 1' - 0"



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code BOI-001

notes

sign type K2, large kiosk

scale 3/4" = 1'-0"

by pr

date 11.01.14

revisions

1 sign type K2 large kiosk, front view
 scale: 3/4" = 1'-0"



Planning & Development Services

Boise City Hall, 2nd Floor
150 N. Capitol Boulevard
P. O. Box 500
Boise, Idaho 83701-0500

Phone: 208/384-3830
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TDD/TTY: 800/377-3529
Website: www.cityofboise.org/pds

MEMORANDUM

TO: Capitol City Development Corporation

FROM: Sarah Schafer, Manager Design Review and Historic Preservation

DATE: December 10, 2014

RE: Boise City Council Discussion Regarding Wayfinding

Boise City Council at their work session on Tuesday, December 9, 2014 discussed the wayfinding information as presented by CCDC. The main topic for comment was the discussion on the use of the cardinal directions to help guide visitors and citizens in downtown.

Council was very supportive of the use of cardinal directions in navigating through the downtown as long as the boundary area was expanded to include the whole downtown planning area at this time. The expansion at this time will ensure that as the downtown continues to grow, the sign package is still appropriate.

City Council stated the inclusion of the “Downtown South” was very important to the City’s overall goals for redefining downtown and emphasizing Boise State University is a downtown campus. They further stated that a “Downtown North” is also important. The area between State Street and Fort Street is the north part of downtown as it leads into the North End.

City Council strongly stated that “Downtown West” needs to go further west to include the West End located along the Main and Fairview Corridor to the river.

Overall City Council believes the project is moving in a great direction. The design of the sign system provides a unique look for the City. They are excited to see the mock-up signs and the next level of review.



MEMORANDUM

Date: December 12, 2014

To: Board of Commissioners, Executive Director

From: Max Clark, Parking & Facilities Director

Subject: Parking Strategic Planning in 2015

In early 2015, staff intends to embark on a Downtown Parking Strategic Planning initiative. This memo is intended to briefly describe that effort and solicit feedback before we begin.

Historically, most public parking in Boise has been planned and provided as part of mixed use developments. Currently, staff works with developers to plan, finance, build and operate parking for the benefit of the specific development and other uses in the vicinity. Additionally, every few years staff have identified private parcels that might accommodate public parking goals and meet private needs. With a current average system occupancy rate of around 70% (historically hovering around 60%), this practice has served us well without overbuilding (and overfunding) parking structures. However, our own parking study that was completed earlier this year suggests that recent and potential developments in the downtown core are beginning to stretch the available supply of parking and that a different approach is needed to be considered.

In December and January we intend to draft and post an RFP for a professional parking consulting firm to assist the community in crafting a strategic parking plan. We will work with affected downtown stakeholders, including the City of Boise, ACHD, the development community and the DBA to craft the RFP and assist in the consultant selection. Once a consultant is selected in February and the project commences, the likely sequence of events and tasks will include:

- A community engagement process, including public meetings, stakeholder interviews, surveys, and possibly a panel of outside experts;
- Data analysis, including a review of existing plans and policies, our recent supply/demand study, and any other relevant information;
- Issue Analysis, including the identification of any high priority issues such as current financing options, parking projection tools, off-street/on-street parking coordination, rate adjustments, and parking management options as our districts sunset. A peer city review is possible;
- Preparation of preliminary and final recommendations, then creating the strategic parking plan.

The effort described above will take approximately six months to complete and is estimated to cost between \$60-80K. There are several regional and national parking consulting firms that are well qualified to assist us in this endeavor. The RFP will be circulated and the firm most closely matching our criteria will be selected to assist us.

If you approve, I will work with the stakeholders noted above and begin the RFP crafting and distribution process as soon as possible.



December 15, 2014

TO: John Hale, Chairman, CCDC Board Executive Committee
FM: John Brunelle, Executive Director
RE: CCDC Operations Report – November 2014

Communication with Key Target Publics

November 2014 was an outstanding month for CCDC outreach efforts, with dozens of community leaders attending meetings in the CCDC Conference Room as well as CCDC personnel participating in sessions outside of our building. I was a guest presenter at the Association of General Contractor's board meeting. There were approximately 50 attendees. I presented with Gardner Company (Dave Wali), Rafanelli and Nahas (Scott Schoenherr), Old Boise (Clay Carley) and Oppenheimer Development (Jeremy Malone). The event proved to be highly successful for CCDC and me in many ways, including Developer Outreach, continued work to be the face of CCDC, telling our agency's story, and sharing some of the project news and change the agency is now initiating.

In early November, I was the guest speaker for the TitleOne Commercial Market Pulse meeting in Meridian. There were approximately 20 real estate professionals in attendance and the event proved to be an excellent venue to tell the CCDC story.

The collaboration between CCDC and City Hall continues to be strong and positive. Our Development Team is working every week to refine the plan for improving the Central Addition. Some additional information will be reviewed next week and ready to share with board members soon. This collaboration is leading to the creation of a terrific plan from the city that the agency can help implement and I look forward to continuing to support this with agency personnel and financial resources, if the board concurs.

Monthly meetings with the City of Boise Mayor's office, CCDC executive committee, CCDC board of commissioners, were all handled in addition to attendance in the Boise Valley Economic Partnership annual reception for members; Boise Chamber of Commerce annual reception of elected officials; Downtown Leadership Working Group (Tri-Agency) meeting; Sustainable Boise outreach meeting at City of Boise's Sesqui-Shop; Advisory Board of Urban Land Institute Idaho meeting and presentation from Boise Housing & Community department; Transportation Choices Coalition meeting; and the 2014 Idaho Philanthropy National Philanthropy Day Idaho Award breakfast.

Economic Growth & Development

I initiated a special Executive Committee meeting in November to cover: 1) Our financial support role in launching a cool new business startup incubator/accelerator called Trailhead, requiring the Lease of 500 S. 8th; (2) Macy's Building – Participation Program option to help save and activate the property; (3) Agency participation in two significant development opportunities that could include CCDC investment in public parking. More details will be forwarded as these concepts are clarified and plans are finalized.

The Trailhead project should take a significant step in our December board meeting. I am proud to help Boise grasp this golden opportunity and look forward to an exciting future for that endeavor.

I was pleased to attend, and have CCDC host, an important meeting with Dana Zuckerman and The Downtown Champs, a committee of Boise City employees and local development leaders focusing on the future of Downtown Boise.

Under the leadership of CCDC, a working group has been formed to focus on the revitalization of The Grove Plaza. The kickoff meeting attracted 100% participation from neighboring landowners and a bit of an overflow of attendees for our large conference room tables. We are off to an excellent start and thank the Gardner Company; Block 22 LLC; Oppenheimer Development; Boise City; and the Greater Boise Auditorium District for responding to our invitation to be part of the planning for the future of this important amenity.

Agency Administration

Our new website will launch in late December or early January. We also have a new parking website launching at approximately the same time. This new look for the agency will be carried through on our business collateral materials and office signage, and we are attempting to coordinate the print with the digital with some improvements to the office area and meeting rooms as well. It will be an exciting way to start the New Year with a new look and feel for CCDC.

It was with great pleasure I announced earlier this month the promotion of Joey Chen to the position of Controller at CCDC. Joey has served as our Accountant prior to this promotion – join me in congratulating her on her new position!

We are currently accepting applications for two open positions: Project Manager – Capital Improvement Projects and Accountant. Please contact me with any questions or suggested candidates!

Please contact me with any questions or comments.

Hormaechea DDA – 620 S 9th St

The DDA has been finalized as of October 14, 2014 and Escrow for Parcel 1 has been opened with Title One. We are working closely with the developer on this housing project and have periodic progress reports scheduled. Mr. Hormaechea submitted a progress report earlier this month. In summary, he is finalizing investor commitments by year end and Bank of the Cascades has been selected to provide Phase I construction financing with a January final loan approval. The Afton website is live, www.theafton.com, and site signage has been designed and he's hoping to have it on-site by January 2015.

Downtown Housing Study

CCDC has been working with Chris Zahas of Leland & Associates and Lorelei Juntunen of ECONorthwest to provide a collaborative effort to produce an updated Housing Study. Lorelei and her team are currently under contract and working on the market analysis portion of the project. Chris Zahas and his team are currently under contract to identify and document strategies to encourage downtown housing and identify areas within the CCDC districts that have the greatest housing potential. The collaborative engagement is an innovative approach which will incorporate both qualitative and quantitative analysis to compliment other efforts that Boise City is doing through their Housing and Community Needs Department and their Economic Development Department.

RFQ/P for 1401/1413 W Idaho St

An RFP similar to the approach used for the 620 S 9th Street property has been drafted and reviewed by the CCDC Board. Staff discussed key points of the RFP with the Board in November and all due diligence items have been procured. The RFP schedule includes a publish date scheduled for January 2015.

Pioneer Corridor Project

Staff has met with the property owner and potential buyers to discuss the Pioneer Corridor alignment and easement and there is support for both the easement and improvements. Staff is currently negotiating the specifics of the easement with the Boise City attorney's office and the property owner in coordination with development plans.

East Side of Downtown/ Central Addition

Staff has been meeting weekly with the Old Boise, LLC development team to assess how best CCDC may participate in assisting this proposed mixed use project for the properties at 5th and Front Street. Staff has provided an initial letter of support followed by a conditional draft letter of intent to Old Boise, LLC regarding a level of assistance for the proposed redevelopment project at 5th and Front as per board direction.

Staff met with Local Construct this week regarding CCDC's participation in their proposed future projects within the Central Addition.

CCDC staff participated in a pre-development meeting with a development company in the hotel business based in Eugene, OR. Although no request has been made at this time, staff expects a request for financial participation to be made as part of this project in the near future.

Staff has met on multiple occasions with Boise City PDS, Parks, and ITD regarding N/S connectivity goals in the eastside neighborhood as related to Front and Myrtle as well as in some ideas to improve the state-owned property under the 15th/16th street overpass.

Staff has met with city public works staff to discuss ideas on infrastructure coordination on capital improvement plans and projects to help improve this neighborhood and advance and assist current development projects. Our approach was that, while good infrastructure is key to development success, CCDC tries to focus on a) 'live' development opportunities for projects, b) strategic locations with some more targeted development goals, and c) pilot projects that may create a method for removing 'barriers' to development. The discussion focused on:

- Boise City has a lot of focus currently on the central addition plan/development and the ecodistrict idea. CCDC could consider making geothermal improvement in this targeted area to promote development, especially green development here? The active projects being considered there by local construct and the commercial office represent some live projects.
- CCDC could work with the city (and ACHD) to put in either permeable pavers and/or permeable asphalt in selected alleys to mitigate storm water requirements to retain on site and ideally have this work tied to adjacent parcels such that these 'barriers' are removed for development. This would be helpful to both ACHD and the City with the federal requirements too.
- CCDC can routinely suggest developers talk to the city about including geothermal in their project.

Bon Marché (Macy's) Redevelopment

Staff has recently met with all the ownership/representatives of the existing partnership to determine how CCDC can best assist in instigating the revitalization of the building. There is a new interested buyer that may be making an offer on the building at this time. Additionally staff has been working with Robert Feldman of CSDI Construction, Inc. who has completed the most recent construction bids on the building to better ascertain the building improvements necessary to bring the existing structure up to code for a new use. Initial estimates for this are approximately \$3.5 Million to provide a new common area core, new egress, meet seismic upgrades, new elevators, electrical, bare bone HVAC, new plumbing, new roof, sprinkler and fire alarm system.

Boise Independent School District

Staff recently met with the Boise School District Superintendent and district staff leadership regarding partnership project opportunities located within the 30th Street redevelopment district. Several ideas and approaches were identified regarding area improvements in/around the Whittier school and partnership possibilities on community center/school facilities which will be further vetted to determine viability.

Main Street Station – (formerly known as Multimodal Center)

Local artist Stephanie Inman has been commissioned by Boise City to develop an art plan for Main Street Station. A presentation of the draft plan was given in the December 4th stakeholder meeting. The theme of "transportation" provides a framework for which art installations throughout the station are planned. The reuse of material to generate art pieces was also a common theme and well received by the stakeholder group. The proposed keynote mural at the main entry to the station included pack animals and various modes of transportation. The consensus of the stakeholder group was that a more modern theme that is representative of the stations context (downtown, CBD, State Capitol) is more appropriate. There currently is no art/interior design budget for the interior space of the Main Street Station and this component is not an eligible cost category for federal funds. Plans are being developed

in anticipation of future funding resources which may become available but are currently not determined.

Temporary Bus Lanes at City Hall

The construction of Main Street Station has required VRT to temporarily relocate bus staging onto Idaho Street. The retailers on Idaho Street are experiencing conflicts between shoppers and transit riders. Five differing options have been studied to relocate the temporary bus staging. Some of the options considered have been Bannock Street (did not meet ADA requirements), 9th Street (too narrow, bus mirrors were knocked off by delivery trucks), Grove Street (too far away from Idaho for riders to make connections), and Capitol Blvd in front of City Hall.

The decision has been made to relocate 4 bus staging slips in front of City Hall for the remainder of City Center Plaza construction. The shift was made on November 24th, 2014 and will remain in place until August, 2016.

CCDC's FY2015 budget includes \$522,000 for streetscape improvements in front of City Hall. These improvements were intended to be constructed as part of the City Hall plaza renovation. At the direction of Boise City, and until further notice, the plaza renovation has been postponed until after August of 2016. Current plans include carrying forward these resources to make this assistance available in fiscal 2016.

2015 Streetscape Projects

Staff has found it necessary to reprioritize the South 8th Street portion of the 2015 projects. Upon the initiation of the 2015 projects, South 8th Street was identified as a high priority. At the October 31 stakeholder meeting, staff received input that the least impactful time of year to make street improvements is in the months of March, April and May. With consideration from project management, consultants and agency contract specialists, it is evident that the construction documents, approvals, and contracts could not be in place to construct the improvements in March, 2015. In response to stakeholder feedback, staff recommends scheduling the South 8th Street construction to start March, 2015. However it does appear possible that the N frontage of Main Street between 5th and 6th may be added to this year's plans/bids for this Spring so this plan is being advanced.

Renovation of The Grove Plaza (Grove 2.0) – Stakeholder Meetings

The purpose of the stakeholder meetings is to establish/refine the purpose and vision of the reinvigoration of the Grove Plaza project. The series of meetings will result in the formulation of a design vision or charter and set of improvements for the Grove Plaza; Grove2. It is anticipated that 3 to 5 meetings will be held.

Mark Bowen with CH2M Hill has agreed to facilitate the process for CCDC. CCDC will also engage ZGF to participate as the agency's design advisor in the meetings. ZGF will produce illustrations and concepts for the ideas discussed in the initial meetings to help further define the desired physical improvements to the Grove Plaza.

The Charter for the Grove Plaza and concept design and illustration work by ZGF will be published into a concept master plan. The master plan will then be presented to the CCDC Board and upon approval and/or refinement then used by CCDC to carry out the various construction projects identified in the master plan. Timing of the improvements will also be identified and coordinated with other projects as refined during the stakeholder meetings. CCDC looks to time the improvements with the completion of

this private project coinciding with the completion of the city center plaza project expected to be in June 2016. The first meeting was held on December 3rd and went very well.

Wayfinding Project

SeaReach LTD presented an update wayfinding system design on November 4th to the Stakeholder group. The design concept is based on the abstraction of "The City of Trees". The concept was well received so far by the task force and Boise City Council as a design that would appear to represent our City well. The project next steps include staff reporting at the December 15th board meeting. Direction on the organizational approach of the system and the design style will be requested at the meeting. In preparation for the board meeting, PDS presented to the City Council in the December 9th work session. The City Council is functioning as a referral agency for this project. Staff is bringing their recommendation to the board meeting along with a short presentation.

Professional Development

Staff participated in some good webcast tax increment financing best practices training offered through the Council for Development Finance Agencies this month. Staff also participated in some excellent public speaking training provided by Worrell Communications.

General Development

CCDC staff has been involved in extensive meetings providing assistance and working on a variety of proposals this past month with various developers and representatives on a multiple potential projects located in downtown Boise.

Staff attended a DEQ Brownfield Workshop with the City DPW to discuss a brownfield strategy. The workshop focused on the incentive programs that agencies can tap into to assist with the assessment and cleanup of brownfield property.

30th Street District Update

Staff has been working closely with Jay Story and has been invited to attend a working session at the City Council in December. This meeting is in regards to the work Jay has done around targeting potential investment properties.

Staff has also been working with Boise City PDS and Jay Story to determine ways in which we can strategically incentivize development in the 30th Street area of focus to help other downtown projects move forward. We have consulted with Boise City on their anticipated RFP processes for city-owned land together regarding the approach and scoring criteria that will be utilized together with discussion of options and alternatives and prerequisites to this effort.

The monthly update regarding the West End follows on the next page.

Historic Guernsey Milk Depot Sold!

For the first time in 39 years, the historic Guernsey Milk Depot building has been sold! A local investor purchased the prominent West End building designed by Tourtellotte & Hummel and built in 1937. They plan on making upgrades to the building and keeping the current offices in place. This building is on the Historic West End Walking Trail and sits at the corner of 25th & State Street.



Due Diligence on City Properties Continues

In preparation for property disposition, we have started receiving the environmental studies coordinated through the DEQ brownfield program. These studies provide valuable information on property history and future development.

West End Website & Continued Branding

The West End is a great place to live, work, or play and we'd like to spread the message. As a part of this effort, we have engaged Stephanie Worrell to help us coordinate website updates as well as some video messaging for the West End. Because the West End has a long history of established businesses along with exciting features like the Whitewater Park, we want to share our vision and let people know what the West End has to offer.



Boise Electric Bikes



Billards of Idaho

Esther Simplot Park Getting Closer

We all know permitting sometimes takes longer than anticipated, but word is that final permitting for Esther Simplot Park is close. This park will be like no other in Boise with a strong emphasis on water and will be a great compliment to the Boise River Park. Once construction starts on this project, it is anticipated to take approximately 1 year to complete.

ACHD's Commitment to the West End

ACHD has already spent over \$9.5 million to improve transportation in the West End with the construction of Whitewater Park Boulevard and reconfiguring 27th Street, and they plan on more projects. Both Madison and Jefferson are slated for curb, gutter, and sidewalk improvements west of 27th in 2016 and 2017.

Public Art - Whittier Fence

CCDC has paid our portion of the project to City of Boise to close out FY14 (\$10,000). Dennis & Margo Proksa of Black Rock Forge in Pocatello were selected to be the artists, and they are working on the design concept. Karen Bubb expects a final concept in March 2015.

Capitol Terrace Parking Expansion/Apartments

The decision to proceed with parking only, if at all, has been communicated to the apartment developer and retail area owner. It would be fair to say that the property owner was fine with the decision; but that the developer was disappointed. The project itself is being evaluated with the other developments that have been proposed, with decisions to proceed or not expected within the next few months.

Boise Bike Share

Staff is crafting a license agreement for siting a bike share station on the south spoke of the Grove Plaza. The proposed location is on the east side of the spoke, about half way down the spoke, between the trees and the CenturyLink Arena. Financing and installation issues are being resolved. A February 2015 launch date is desired.

PARCS Project

We are 99% done with the installation and operation of the equipment itself. The equipment supplier, Scheidt + Bachmann, will be on site January 7 & 8 to re-test two garages, at their expense. We intend to pay them half of the \$700,000 owed by 12/31/14, with the remaining \$350,000 paid if the January tests are successful. We are discovering and fine-tuning Bar Code and QR Code challenges as a result of event parking situations.

After the holidays we will continue the process of allowing attrition to reduce the number of staff in all garages. You might recall our holiday staffing levels are intentionally high to provide our customers with a good, often first time experience in our garages. We will keep you posted as this transition.

Parking Website

A totally overhauled Downtown Public Parking System website is nearly ready to launch. With great assistance from our parking operator and some local talent, this website is intended to be a "one stop" resource for all parking information in the downtown Boise area. Phase 1 will be "informational" in terms of static and dynamic information, including news releases, event information, and eventually real-time information regarding parking space availability. Phase 2 will add "transactional" elements, where parking and other payments can be conducted through secure portals.

Renaming of Parking Garages

As part of the community way finding project, a recommendation will most likely be included which suggests an alternate methodology to name/re-name the structures. It is possible that they can be renamed Garage No. 1, 2, 3 etc. based on year established or some other objective criteria. Much discussion will need occur on this topic.

Miscellaneous

Free Parking Day

This Saturday, December 13th from 8a-5p will be Free Parking Day downtown. All public garages and most private garages & lots will not charge for parking in an effort to encourage shoppers to take their time shopping. On-Street meters currently don't charge for parking on Saturdays.

Potato Drop Prep

Plans are being finalized for the 2nd Annual Idaho Potato Drop on New Year's Eve. Unlike last year, due to the Main Street Station construction, the Grove Plaza and the US Bank parking lot will largely be unavailable for use. Instead, four stages will be set up around the downtown for musical acts, numerous streets will be closed for food and beverage services, and a portable crane will lower the large tuber near the intersection of 8th & Main at midnight. One challenge is providing parking into the evening as streets close for the music events. These closures will affect primarily the Capitol Terrace and Eastman Garages, and we're working to keep them open and available for as long into the evening as possible.

New Controller

The Agency bid a fond farewell to Controller Nicole Gyllenskog on November 21 and enthusiastically welcomed incumbent Agency Accountant Joey Chen as its new Controller on November 25. Nicole moved to Intermountain Gas Company to be its Accounting Services Manager. In Joey we were fortunate to have a strong internal candidate who was qualified, capable and ready to move up. Joey was hired this summer to replace the retiring Valinda Speakman. Joey earned her Accounting degree from Boise State in 2008 and CPA in 2011. Her professional experience includes Senior Accountant and SEC Reporting Accountant for local companies.

The Agency is now recruiting to fill its vacant Accountant position. Minimum qualifications are an accounting or finance degree and three years' experience. The ideal candidate will have a CPA and public agency accounting experience. Please encourage anyone you know with these qualifications and whom you think would strengthen the Agency to apply.

Revolving Line of Credit (RLOC) Update

The Board of Commissioners approved in-concept a \$7 million revolving line of credit (RLOC) in the Agency's FY15 budget for non-operational expenses such as the timely acquisition of strategic properties that may come on the market.

The only conceived draw at this point would be for all or part of the \$2.1 million local match to Valley Regional Transit's \$10 million federal earmark to construct the subterranean Main Street Station multi-modal center as part of the grand City Center Plaza development in the Central District. Spreading that amount over three years would allow continued, concurrent investment in the Central District.

After approaching the two most likely banks (our business banker US Bank requires senior debt, Bank of America had concerns about adding unfunded debt on its books), the Agency, with its excellent credit history and financial position, recently met with Banner Bank. The Banner bankers expressed a strong desire to do business with CCDC. Armed with a good understanding of the Agency's preferred parameters, they promised to move expeditiously to get a preliminary 'maybe yes' or 'not interested' indication from the bank's credit committee. If Banner defers, remaining options are to cast a wider net by issuing an RFP or to modify our preferred structure, which would most likely mean agreeing to senior lien status.

Annual Audit

Financial auditors from Eide Bailly were on-site work for two weeks in November. They expect to have the Agency's FY 2014 audit completed by December 19 with financial statements issued early in 2015. A presentation to the Board of Commissioners is expected at its January meeting. The Agency again appreciated the professional manner in which Eide Bailly conducted the audit. The process was thorough, complete and cordial. Based on interactions and informal comments, the Agency is optimistic of another clean audit.

Competitive Bidding

2015 Streetscapes

Work on the Agency's extensive 2015 streetscape construction program is well underway. A Request for Qualifications process to select a pool of the most qualified contractors for our relatively small but complex and difficult projects will be issued in early December. Those identified contractors will then be invited to bid on the construction of streetscapes for 12 block faces in the River-Myrtle/Old Boise and Westside districts. The streetscape construction solicitations have a planned early March release. A RFP will also be issued in January to acquire the historic street lights needed in the streetscapes projects.

Wayfinding Project

Similar to streetscapes, the Agency is conducting a pre-qualification process to identify the best sign fabricators and installers. The RFQ documents are in the works and with an early January launch, followed by an RFP to the most qualified contractors in April.

Other Contracting Activity

Pro Care Landscape Services.

- Contract for installation of holiday lights on CCDC's parking garages, all along 8th Street from Bannock to Main, within the construction tunnel adjacent to Costa Vida and Lucky Fins, and on 37 trees on the Grove Plaza (including the south spoke). The holiday lights will remain until mid-January.
- Contract for snow removal and deicing on the Agency's two blocks of 8th Street (which was in place for the big, surprising, mid-November snowstorm).

Capitol Landscape

Task Order for repairs to the streetscape at 6th and Grove Streets: new tree grates, three new bike racks, and adjusting of pavers.

ECONorthwest

Contract to perform a market analysis of downtown housing.

Leland Consulting

In collaboration with ECONorthwest, a contract for a housing study to identify ways to encourage urban housing, including a review of activities by peer cities, and to identify high-potential areas in Boise's URDs.

Synoptek

Amendment 2 to the existing Downtown Public Parking System website contract to expand project scope to add website pages.