

CAPITAL CITY DEVELOPMENT CORPORATION
Special Board of Commissioners Meeting
Conference Room, Fifth Floor, 121 N. 9th Street
March 29, 2016 2:00 p.m.

A G E N D A

- I. **CALL TO ORDER**.....Chairman Hale
- II. **AGENDA CHANGES/ADDITIONS**.....Chairman Hale
- III. **ACTION ITEM**
 - A. **CONSIDER:** Resolution 1436 approving a Supplemental Amendment to the Amended and Restated Development Agreement between CCDC and the Greater Boise Auditorium District for the Greater Boise Auditorium District Expansion Project (5 min).....Ross Borden
 - B. **CONSIDER:** Resolution 1435 authorizing Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project), approving Bond Purchase Agreement and Letter of Representations with U.S. Bancorp Investments, Inc., approving form of Lease, Assignment of Purchase Agreement, Deed of Trust, and Option to Purchase. (30 min).....Ross Borden
 - C. **CONSIDER:** Resolution 1437 Amended and Restated Property Use Agreement (5 min).....Doug Woodruff
 - D. **CONSIDER:** Resolution 1438 Grove Plaza Outdoor Dining Standards Policy (5 min).....Doug Woodruff
- IV. **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).



AGENDA BILL

Agenda Subject: Greater Boise Auditorium District Expansion Project, Centre Building, Lease Revenue Bonds Conduit Financing		Date: March 29, 2016
Staff Contact: Ross Borden, Finance Director	Attachments: <ol style="list-style-type: none"> 1. Resolution 1436 2. Second Amendment to the Amended and Restated Development Agreement 	
Action Requested: Adopt Resolution 1436 approving the Second Amendment to the Amended and Restated Development Agreement between CCDC and the Greater Boise Auditorium District for reimbursable expenses related to the District’s Expansion Project, Centre Building, in which the Agency is serving as conduit financier.		

Related Resolutions:

- Resolution 1343 (April 21, 2014 Board Meeting) adopting the original Development Agreement between the Agency and the District.
- Resolution 1362 (October 14, 2014 Board Meeting) adopting the Amended and Restated Development Agreement between the Agency and the District.
- Resolution 1418 (November 9, 2015 Board Meeting) First Amendment to the Amended and Restated Development Agreement between the Agency and the District.
- Resolution 1434 (March 14, 2016 Board Meeting) deeming the Preliminary Official Statement for the Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion) to be in conformance with SEC Rule 15c2-12 and direct publication of public notices in advance of possible Board action on March 29, 2016.
- Resolution 1435 (March 29, 2016 Board Meeting) consider adoption of Bond Resolution and associated GBAD Expansion conduit financing documents.

Background:

The Agency – as conduit financier – and the Greater Boise Auditorium District (the District) have been collaborating to finance the District’s approximately \$24 million expansion of the Boise Centre into the Centre building portion of the multi-structure City Centre Plaza development currently under construction adjacent to the existing US Bank tower on the northeast quadrant

of the Grove Plaza superblock. The existing convention center occupies the southwest quadrant of that superblock.

Fiscal Notes:

This Second Amendment to the Amended and Restated Development Agreement addresses only the additional expenses for finance professionals reimbursable by the District over the amount contained in the First Amendment to the Amended and Restated Development Agreement adopted by Board via Resolution 1418 at its November 18, 2015 meeting. The increases in this Second Amendment total \$12,000. Stop amounts were also added to set the upper limit of these reimbursable expenses.

Contingent on the bonds being issued, the District will also reimburse the Agency \$39,000 for expenses incurred in the Agency’s Friend of the Court effort during the District’s successful appeal to the Idaho Supreme Court regarding the constitutionality of the lease agreement (annual appropriation) for the expanded convention center facility.

Reasonable & Necessary Out-of-Pocket Expenses Reimbursable by GBAD

Expenses of Finance Professionals			GBAD Expansion Project Development Agreement			
			Amended & Restated (Reso 1362)	1st Amendment (Reso 1418)	2nd Amendment (Reso 1436)	Stop Amount (Reso 1436)
CCDC		Firm				
Note/Bond Counsel	Kurt Kaufmann	Sherman & Howard	\$15,000	\$31,000	\$37,000	\$37,000
Financial Advisor	Eric Heringer	Piper Jaffray	\$63,500	\$63,500	\$63,500	\$63,500
Agency Counsel	Ryan Armbruster	Elam & Burke	\$40,000	\$70,000	\$76,000	\$76,000
All Other Expenses			\$5,000	\$5,000	\$5,000	\$5,000
			\$123,500	\$169,500	\$181,500	\$181,500

Staff Recommendation and Suggested Motion:

I move adoption of Resolution 1436 approving the Second Amendment to the Amended and Restated Development Agreement between the Agency and the Greater Boise Auditorium District.

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 SECOND AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND THE GREATER BOISE AUDITORIUM DISTRICT; AND AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID SECOND AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE SECOND AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE SECOND AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT 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, 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 intends to expand and improve its 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 within the Project Area;

WHEREAS, the Agency has previously adopted that certain Participation Program outlining its policy on participation in certain redevelopment projects;

WHEREAS, the Project includes (i) renovation of the District’s existing convention center facilities, (ii) construction of a new ballroom facility, related kitchen and ancillary facilities, meeting space and ancillary facilities, and an elevated concourse attaching the District’s existing facilities to the new ballroom facility, (iii) purchase of related furniture and equipment, and (iv) improvements to the Grove Plaza. The new ballroom facility and related kitchen, as well as the new meeting space and all ancillary facilities are located in new buildings being constructed by KC Gardner Company, L.C. (the “Developer”), who has acquired title to parcels to the south and

west of the existing US Bank office tower in close proximity to the District's existing facilities. The parcels are referred to herein as the "South Parcel" and the "West Parcel";

WHEREAS, the District and the Developer have entered into a Master Development Agreement (the "Master Development Agreement"), and as amended, 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," as well as the meeting space and ancillary facilities within a new building to be constructed on the West Parcel, such building referred to herein as the "Clearwater Building." Both the Centre Building and the Clearwater Building will be subject to a condominium regime as set forth in the condominium documents and will be leased or sold by the Developer to the District;

WHEREAS, the District has previously sought nonappropriation lease financing for purchase of the unit containing the new ballroom facility, the related kitchen, and ancillary facilities in the Centre Building (the "Financed Project"). To facilitate the financing of the Financed Project, the District has requested that the Agency utilize its statutory powers and further its public purposes by issuing a promissory note[s] or similar instrument (the "Note") on the District's behalf, to be repaid by the Agency solely from lease payments payable by the District to the Agency in the amount of the principal and interest coming due on such Note under an annual appropriation lease of the Financed Project (the "Lease Agreement");

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

WHEREAS, Agency staff and District staff negotiated a Development Agreement (the "Development Agreement"), which addressed, inter alia, the role of the Agency as a conduit lender, payment of expenses, indemnity, and the judicial confirmation process;

WHEREAS, on April 21, 2014, Agency staff adopted Resolution No. 1343 approving the Development Agreement, which included the form of Lease Agreement;

WHEREAS, after approval by the District Board, the District and Agency entered into the Development Agreement dated June 9, 2014;

WHEREAS, as contemplated by the Development Agreement, the District after completing the process described in the Idaho Judicial Confirmation Law filed its Petition for Judicial Confirmation;

WHEREAS, on August 28, 2014, Judge Moody issued her Order denying Petition for Judicial Confirmation ("Order") having determined certain provisions in the proposed Development Agreement, Master Development Agreement and Lease Agreement created liabilities for the District beyond one year, thus not in compliance with Article VIII, Section 3, of the Idaho Constitution and found there were too many unknowns concerning the District's liability;

WHEREAS, after the issuance of the Order, representatives of the District, the Agency, and the Developer considered revisions to the various documents in response to the Order;

WHEREAS, Agency staff and District staff have negotiated an Amended and Restated Development Agreement, which addresses, interalia, the role of the Agency as a conduit lender, payment of expenses, and the judicial confirmation process and which includes by way of exhibit the form of Lease Agreement and the form of Assignment of Purchase and Sale Agreement;

WHEREAS, on October 14, 2014, the Agency Board adopted Resolution No. 1362 approving the Amended and Restated Development Agreement;

WHEREAS, after approval by the District Board, the District and Agency entered into the Amended and Restated Development Agreement on December 19, 2014;

WHEREAS, as contemplated by the Amended and Restated Development Agreement, the District after completing the process described in the Idaho Judicial Confirmation Law filed its second Petition for Judicial Confirmation;

WHEREAS, on March 23, 2015, Judge Norton issued her Order denying the second Petition for Judicial Confirmation (“Norton Order”) having determined certain provisions in the proposed Amended and Restated Development Agreement, Master Development Agreement and Lease Agreement created potential liabilities for the District beyond one year, thus not in compliance with Article VIII, Section 3, of the Idaho Constitution and found there were too many unknowns concerning the District’s potential liability;

WHEREAS, the District appealed the decision by Judge Norton to the Idaho Supreme Court;

WHEREAS, on October 15, 2015, the Supreme Court issued its opinion reversing the decision of Judge Norton, finding the District is entitled to judicial confirmation of the Lease;

WHEREAS, since the issuance of the Supreme Court opinion, representatives of the District and the Agency have determined a First Amendment to Amended and Restated Development Agreement is appropriate in order to allow the District and Agency to enter into the Lease;

WHEREAS, pursuant to the Amended and Restated Development Agreement and First Amendment to Amended and Restated Development Agreement, the Agency agreed to act as conduit financier for the District and issue a Note in an amount sufficient to provide funds to purchase the Financed Project and fund related reserves and financing costs;

WHEREAS, since entering into the Amended and Restated Development Agreement and First Amendment to Amended and Restated Development Agreement, the District has determined, and the Agency has agreed, that it is in the best public interest in furtherance of the finance and purchase of the Financed Project for the Agency to issue its Urban Renewal Agency of Boise City, Idaho, Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium Expansion Project) in lieu of issuing the Note;

WHEREAS, the Board of Directors finds it in the best public interest to approve the

Second Amendment to Amended and Restated Development Agreement and to authorize the Chair, Vice-Chair, or Executive Director to execute and attest the Second Amendment to Amended and Restated Development 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 Agency Board reaffirms the Project consisting of public components is a type 3 transformative project as defined in the Agency's Participation Program.

Section 3. That the Second Amendment to Amended and Restated Development Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted as to form recognizing technical changes or corrections which may be required prior to execution of the Second Amendment to Amended and Restated Development Agreement.

Section 4. That the Chair, Vice-Chair, or Executive Director of the Agency are hereby authorized to sign and enter into the Second Amendment to Amended and Restated Development Agreement and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Second Amendment to Amended and Restated Development Agreement subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the Second Amendment to Amended and Restated Development Agreement or other documents are acceptable upon advice from the Agency's legal counsel and that said changes are consistent with the provisions of the Second Amendment to Amended and Restated Development Agreement and the comments and discussions received at the March 29, 2016, Agency Board meeting, including any substantive changes discussed and approved at that meeting.

Section 5. That execution of the Second Amendment to Amended and Restated Development Agreement is subject to approval of the Second Amendment to Amended and Restated Development Agreement by the District.

Section 6. That 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 March 29, 2016. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on March 29, 2016.

APPROVED:

By _____
Chair of the Board

ATTEST:

By _____
Secretary
4843-6999-1215, v. 1

**SECOND AMENDMENT TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT**

THIS SECOND AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT (this “**Second Amendment**”) is entered into as of the 29th day of March, 2016, between the Greater Boise Auditorium District, Ada County, State of Idaho, an auditorium district organized and operating under the laws of the State of Idaho (the “**District**”), created and maintained under the provisions of Title 67, Chapter 49, Idaho Code, as amended, and the Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation (the “**Agency**”), a public body, corporate and politic, organized and operating pursuant to Title 50, Chapters 20 and 29, Idaho Code. This Second Amendment amends that Amended and Restated Development Agreement entered into between the District and the Agency dated December 19, 2014, as amended by that First Amendment to Amended and Restated Development Agreement, dated November 16, 2015 (collectively, the “**Amended and Restated Development Agreement**”). All capitalized terms used and not defined herein shall have the meanings given to them in the Development Agreement.

1. Bond Financing. Pursuant to Section 3 of the Amended and Restated Development Agreement, the Agency agreed to act as conduit financier for the District and to issue a Note in an amount sufficient to provide funds to purchase the Financed Project and fund related reserves and financing costs. Since entering into the Amended and Restated Development Agreement, the District has determined, and the Agency has agreed, that it is in the best public interest in furtherance of the finance and purchase of the Financed Project for the Agency to issue its Urban Renewal Agency of Boise City, Idaho, Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) (the “**Bonds**”) in lieu of issuing the Note. Therefore, all references in the Amended and Restated Development Agreement to the “Note” shall be deemed to refer to the Bonds.

2. Expenses of Finance Professionals. Amended and Restated Development Agreement “Section 5 Expenses Fund” is hereby deleted and replaced in its entirety by the following:

Section 5. Expenses Fund. The District previously budgeted and committed \$169,500 in a fund called the “**Expenses Fund**” held by the District as the sole source of payment for all reasonable and necessary out-of-pocket costs, expenses and fees, incurred by the Agency from June 9, 2014 through the effective date of the Lease directly in connection with the issuance of the Bonds and the Financed Project. The District has been informed by the Agency that, due to the change to bond financing and the extended time frame required to complete the financing, the Agency will be incurring additional expenses directly in connection with the financing of the Financed Project between October 15, 2015 and the effective date of the Lease. The District hereby agrees to increase the Expenses Fund to \$181,500, and to presently budget and commit the additional amount required, as detailed below.

The District shall not be required to pay for any expenses hereunder in excess of the stop amounts set forth below, inclusive of amounts paid by the District from

the Expenses Fund prior to the date of this Second Amendment, unless the Agency first obtains the District's prior written consent to incur such excess expenses, and additional funds are budgeted and committed therefor:

<u>Expense</u>	<u>Prior Amount</u>	<u>Additional</u>	<u>Total (Stop Amount)</u>
Sherman & Howard L.L.C. (Agency Note Counsel)	\$31,000	\$6,000	\$37,000
Piper Jaffray & Co. (Agency Financial Advisor)	\$63,500	\$0	\$63,500
Elam & Burke (Agency General Counsel)	\$70,000	\$6,000	\$76,000
All other Agency incurred expenses	\$5,000	\$0	\$5,000

The Agency shall provide to the District a final accounting of all expenses incurred by the finance professionals listed above in sufficient time in advance of the issuance of the Bonds to allow for such expenses to be paid, as costs of issuance, from the proceeds from the sale of the Bonds. All expenses incurred pursuant to this Section shall, to the extent paid by the District prior to the issuance of the Bonds, be reimbursed to the District, and otherwise shall be paid directly to the finance professionals listed above or to the Agency, as directed by the Agency. In the event of a dispute concerning the amounts billed by Agency pursuant to this Section, the Executive Director of the District and the Executive Director of the Agency shall meet and attempt to resolve the dispute. In the event the dispute is not resolved by the Executive Directors, the Boards of the District and the Agency shall meet to resolve the dispute.

The provisions of this Section shall survive for thirty (30) days beyond the termination of this Agreement, and if funds remain in the Expenses Fund thirty (30) days after the termination of this Agreement, such funds shall be released to the District. The District shall terminate the Expenses Fund following closing of the financing and payment of the finance professionals or reimbursement of the District and/or Agency, as applicable. In the event the financing does not close on or before August 31, 2016, the District shall pay the Agency's expenses incurred pursuant to this Section from the Expenses Fund.

The District shall pay directly, and not from the Expenses Fund, the fees of Bond Counsel, the District's counsel, and the District's financial advisor, if applicable. The District may, at its option, be reimbursed for all such fees incurred in connection with the financing, whether incurred prior to or following the date of this Second Amendment, as costs of issuance from the proceeds from the sale of the Bonds.

3. **Judicial Validation Fees.** The District hereby agrees that, in the event the Bonds are issued and the District is reimbursed for costs of issuance, the Agency will be reimbursed from the costs of issuance fund for its legal fees and expenses incurred in connection with the Agency's support of the District's appeal to the Idaho Supreme Court in the amount of Thirty-Nine Thousand Dollars (\$39,000). In the event that the Bonds are not issued and/or the District is not reimbursed for its costs of issuance, the District is under no obligation to pay the Agency for such fees and expenses.

4. **No Other Changes.** No other terms or conditions of the Amended and Restated Development Agreement are changed by this Second Amendment, and the Amended and Restated Development Agreement shall remain in full force and effect modified only by the terms and conditions of this Second Amendment. In the event of a conflict between the provisions of the Amended and Restated Development Agreement and those of this Second Amendment, the provisions of this Second Amendment shall control.

5. **Counterparts.** This Second Amendment may be executed in one or more counterparts, each of which will be deemed to be a duplicate original of this document and all of which original counterparts, when combined together, will be deemed to constitute one and the same original document.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year hereinabove first written.

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

By: _____
Chairman

GREATER BOISE AUDITORIUM DISTRICT

By: _____
Chairman

By: _____
Executive Director



AGENDA BILL

Agenda Subject: Greater Boise Auditorium District Expansion Project, Centre Building, Lease Revenue Bonds Conduit Financing		Date: March 29, 2016
Staff Contact: Ross Borden, Finance Director	Attachments: <ol style="list-style-type: none"> 1. List of Documents, Parties, Dates 2. Resolution 1435 – Bond Resolution <ol style="list-style-type: none"> a. Form of Global Bond b. Bond Purchase Agreement c. Notice of Bond Resolution 1435 d. Investment Securities e. Maturity Schedule, Optional Redemption Prices and Mandatory Redemption Amounts f. Assignment of Purchase Agreement g. Deed of Trust h. Lease Agreement (Annual Appropriation) i. Option to Purchase Agreement 3. Investor Presentation 	
Action Requested: Adopt Resolution 1435 authorizing Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project), the Bond Purchase Agreement with U.S. Bancorp Investments, Inc., and approve the form of Lease, Assignment of Purchase Agreement, Deed of Trust and Option to Purchase, all attached as exhibits.		

Related Resolutions:

- Resolution 1343 (April 21, 2014 Board Meeting) adopting the original Development Agreement between the Agency and the District.
- Resolution 1362 (October 14, 2014 Board Meeting) adopting the Amended and Restated Development Agreement between the Agency and the District.
- Resolution 1418 (November 9, 2015 Board Meeting) First Amendment to the Amended and Restated Development Agreement between the Agency and the District.
- Resolution 1434 (March 14, 2016 Board Meeting) deeming the Preliminary Official Statement for the Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion) to be in conformance with SEC Rule 15c2-12 and direct publication of public notices in advance of possible Board action on March 29, 2016.
- Resolution 1436 (March 29, 2016 Special Board Meeting) consider Second Amendment to the Amended and Restated Development Agreement between the Agency and the District.

Background:

The Agency, as conduit financier, its attorneys and financial advisor, the Greater Boise Auditorium District (the District) and its attorneys, underwriter U.S. Bancorp Investments, Inc. (U.S. Bancorp), and trustee Zions Bank – collectively the Financing Team – have secured financing for the District’s expansion into the Center building portion of the multi-structure City Center Plaza development currently under construction adjacent to the existing US Bank tower on the northeast quadrant of the Grove Plaza superblock. The original 87,000 gross square foot Boise Centre on the Grove convention facility was completed on the southwest quadrant of the Grove Plaza superblock in 1990 at a cost of \$9.7 million. It has not been expanded since.

This “Financed Project” is Phase 1-A of the District’s planned three-phase expansion and is the only phase in which the Agency will assist with the financing.

Phase / Project	Gross Sq Ft	Cost	Funding Source
Phase 1-A "Financed Project" (2016)			
Level 5: enclosed storage	8,000		
Level 4: ballroom & services area	20,500		
Level 4: prefunction, lobby, restrooms	6,000		
Level 2: multipurpose & lobby space	5,500		
Level 1: kitchen, lobby	7,000		
Center building condos plus TI's, fixtures, equipment, etc	47,000	\$ 22,833,000	CCDC conduit bonds
Phase 1-B (2016)			
Clearwater building Level 4 condos	12,750	\$ 6,678,205	GBAD
Phase 2 (Future)			
Skybridge, connectivity concourse	est.	\$ 6,000,000	GBAD
Phase 3 (Future)			
Boise Centre renovations	est.	\$ 12,500,000	GBAD
GBAD 3-Phase Expansion	59,750	\$ 48,011,205	

This financing was originally intended to be a private placement with Wells Fargo Bank but negotiations with Wells Fargo were terminated in mid-December 2015. The financing will now be the Agency’s first non-refinancing public bond sale (capital markets underwriting transaction) since 2004 when \$10.8 million in bonds were issued to fund primarily the Myrtle Street parking garage and streetscapes in BoDo.

These Lease Revenue Bonds, Series 2016, will be secured by District room tax revenues, underwritten by U.S. Bancorp, and sold to investors. Proceeds will be used to fund the purchase of the Centre building condominium units, related soft costs, fixtures and equipment, pay cost of issuance, fund a Capitalized Interest account and fund the Debt Service Reserve Account. 100% of the Phase 1-A project will be financed at a fixed, tax exempt interest rate over a 20 year bond term. The Bonds will be priced earlier in the day on Tuesday, March 29, 2016. Exhibit E to the Bond Resolution, Maturity Schedule, Optional Redemption Prices and Mandatory Redemption Amounts will be passed out at the Board meeting.

This bond issue required a rating. Based on the District's financial and business information provided in February, Standard & Poor's Rating Services rated this bond issue an investment grade "A" stable rating on March 2.

The Bond Sale, Bond Purchase Agreement, and Bond Resolution were publicly noticed as statutorily-required and directed by the Board at its March 14, 2016 meeting. The notice invited inspection of the financing documents and publicized this Special Board Meeting, at which the public will be invited to make comments.

A 30-day contest period would follow affirmative Board action today with closing scheduled on or about April 29, 2016.

The lease agreement between the Agency and the District for the new facilities is an annual appropriation lease. The District must affirmatively renew and extend the lease each year or the lease ends. If the District does not renew, it must surrender possession of the Financed Project to the Trustee (Zions Bank) but it has no further obligation nor exposure to penalty or recourse. The Trustee would then work to find a new tenant or buyer with the goal of creating a revenue stream to satisfy the bondholders by continuing to pay principal and interest on the bond. The Agency would not own or be liable for debt service if the District does not renew the lease or if it defaults on lease payments. After the initial lease term upon occupancy through November 30, 2016, the lease term is one year, December 1 through November 30, subject to 20 one-year renewal options. The lease also provides the District with the option to buy the Financed Project for a nominal sum once the Bonds are paid, even if another party pays or otherwise extinguishes the Bonds.

DOCUMENTS FROM MARCH 14 REGULAR BOARD MEETING -----

Resolution 1434.

- Authorized the "Deemed Final" Certificate regarding portions of the Preliminary Official Statement are final for SEC Rule 15c2-12 purposes; directed publication of public notices regarding Negotiated Private Bond Sale, Bond Purchase Agreement, Lease Agreement, Bond Resolution, and this Special Board Meeting.

DOCUMENTS FOR TODAY'S SPECIAL BOARD MEETING -----

Resolution 1435 – Bond Resolution.

- Party: CCDC
- Purpose: Authorizes the issuance, sale and delivery of the Lease Revenue Bonds, Series 2016 (District Expansion Project). States the bonds' purpose, terms of execution, registration, payment, redemption, transfer and associated matters. Provides for the collection, handling and disposition of the lease revenues to service the bonds. Establishes bond covenants, use of proceeds, tax exempt status and related matters. Authorizes the approval, execution and delivery of the Bond Purchase Agreement, Assignment of Purchase and Sale Agreement, Deed of Trust, Lease Agreement (Annual Appropriation), and Option to Purchase Agreement.
- Requested Action: Consider adoption.

Exhibit A: Lease Revenue Bond. Form of Global Bond.

- Parties: CCDC, Bondholders / Investors
- Purpose: A template of the formal bond that will be issued to investors. Final details such as amount, maturity date, interest rate, etc., are blank.

- Requested Action: Approve as to form.

Exhibit B: Bond Purchase Agreement and Letter of Representations.

- Parties: CCDC, District, US Bancorp (Underwriter)
- Purpose: CCDC agrees to sell to US Bancorp (the Underwriter) and US Bancorp agrees to buy a set aggregate principal amount of the bonds at set price subject to a set Underwriter fee. US Bancorp then agrees to make a public offering of the bonds. The Closing Date and conditions to Closing are stated. CCDC and the District associated representations, warranties and agreements.
- Attached are draft formal opinions from Agency counsel, District counsel, bond counsel, disclosure counsel and Deed of Trust counsel as to the validity of the transaction, associated documents, etc.
- Also attached is a Letter of Representations from District to CCDC in which the District represents that it has the legal authority to enter into and comply with all duties and obligations of this transaction to issue bonds and lease and operate the Financed Project; that all of the information and data it has provided to justify this transaction is fairly and accurately presented; the District is currently in good shape; it will promptly notify the Underwriter of any material change in its condition, etc.
- Action: Sign / execute by CCDC and District Board Chairs and Secretaries and US Bancorp (Underwriter).

Exhibit C: Notice of Bond Resolution 1435

- Party: CCDC
- Purpose: Provides public notice of CCDC's impending issuance of the Lease Revenue Bonds for the District Expansion Project and invites public inspection of the documents.
- Requested Action: Direct / authorize publication to start 30 day protest period before closing on or about April 29, 2016.

Exhibit D: Investment Securities

- Party: CCDC
- Purpose: Provides the Trustee direction where to place idle funds such as Debt Service Reserve funds until they are spent. Paragraph (h) allows the Trustee to invest funds in bonds issued by a public entity in Idaho, assuming all of the conditions of the bond grade are met.
- Requested Action: Required information, no action necessary.

Exhibit E: Maturity Schedule, Optional Redemption Prices and Mandatory Redemption Amounts.

- Parties: CCDC
- Purpose: Final bond details to be inserted after bond pricing on Tuesday, March 29.
- Requested Action: Approve by adoption of Resolution 1435.

Exhibit F: Assignment of Purchase and Sale Agreement

- Parties: CCDC, District
- Purpose: The District assigns to CCDC all of the District's rights, title and interest in the Purchase Agreement the District entered into with the Developer of the Financed Project. CCDC agrees to assume and perform all of the District's obligations under the Purchase Agreement.
- Requested Action: Approve by adoption of Resolution 1435.

Exhibit G: Deed of Trust, Fixture Filing, Assignment of Leases and Rents

- Parties: CCDC (Grantor), Zions Bank (Trustee)
- Purpose: Provides additional security for the payment of the bonds by granting to the Trustee all of CCDC's interest in the Financed Project as granted to CCDC by these documents, including the physical assets, lease revenue stream, etc.
- Requested Action: Approve by adoption of Resolution 1435.

Exhibit H: Lease Agreement (Annual Appropriation)

- Parties: CCDC (Lessor), District (Lessee)
- Purpose: Establishes the terms under which the District leases the Financed Project from CCDC including issuance of bonds, care and coverage of the Finance Project during the lease term, what happens in event of damage or default, remedies in event of default, covenants in event of non-renewal, options to purchase and miscellaneous lessor/lessee details.
- Requested Action: Approve by adoption of Resolution 1435.

Exhibit I: Option to Purchase Agreement

- Parties: CCDC (Seller), District (Buyer)
- Purpose: CCDC grants the District the exclusive right to purchase the Financed Project, how that option is exercised, purchase price and associated terms.
- Requested Action: Approve by adoption of Resolution 1435.

DOCUMENTS FOR CLOSING – on or about April 29, 2016 (required 30 day contest period)

Official Statement

- Parties: CCDC, District, US Bancorp (Underwriter), Zions Bank (Trustee)
- Purpose: All municipal issues offered through negotiated underwritings are required to provide an Official Statement ("OS"). It is a legal document that serves as a prospectus for a municipal bond. Under this conduit financing transaction, the District's business fundamentals and finances are included in the OS. The OS informs investors of all of the details regarding the bonds being issued. It describes the bonds' purpose, the issuer and the issuer's finances, the security pledged, tax status, regulatory matters, legal issues, construction plans for the project being funded by the bonds, how the bonds will be repaid, etc. It discloses the underwriting spread, initial offering price for each maturity, any fees received from the issuer, etc.
- Action: Sign / execute by CCDC and District Board Chairs.

Lease Agreement (Annual Appropriation)

- Parties: CCDC (Lessor), District (Lessee)
- Purpose: Approved as exhibit to Resolution 1435 – Bond Resolution. See details above.
- Action: Sign / execute by CCDC and District Board Chairs. Notarize.

Assignment of Purchase and Sale Agreement

- Parties: CCDC (Assignee), District (Assignor)
- Purpose: Approved as exhibit to Resolution 1435 – Bond Resolution. See details above.
- Action: Sign / execute by CCDC and District Board Chairs. .

Option to Purchase Agreement

- Parties: CCDC (Seller), District (Buyer)
- Purpose: Approved as exhibit to Resolution 1435 – Bond Resolution. See details above.

- Action: Sign / execute by CCDC and District Board Chairs. Notarize.

Deed of Trust, Fixture Filing, Assignment of Leases and Rents

- Parties: CCDC (Grantor), Zions Bank (Trustee, Beneficiary)
- Purpose: Approved as exhibit to Resolution 1435 – Bond Resolution. See details above.
- Action: Sign / execute by CCDC Board Chair. Notarize.

Continuing Disclosure Undertaking

- Parties: District, Zions Bank (Trustee, Disclosure Agent)
- Purpose: Authorizes and directs Zions Bank to make certain information available to the public in compliance with SEC disclosure rules for the benefit of the bondholders.
- Action: Sign / execute by District Board Chair and Zions Bank.

Fiscal Notes:

While the actual amounts will not be known until bond pricing on the morning of this Special Board Meeting, and provided it renews the year-to-year lease each year, the District will pay approximately \$37.2 million (\$22.8 million principal, \$14.4 million interest) over the 20 year term of the bonds. The Agency is not liable for any outstanding amount should the District not renew or default. In the event of District nonrenewal or default, the Trustee would assume ownership of the Financed Project and likely seek to rent or sell it to generate sufficient revenue to service outstanding debt.

The Agency has and will continue incur some direct out-of-pocket expenses as it performs its conduit financier role. Along with a \$5,000 pre-financing fee (per Amended and Restated Development Agreement), upon issuance of the bonds the District will compensate the Agency for fees and expenses including, and per Lease Agreement a one-time \$35,000 financing fee, an annual \$5,000 fee and for “actual reasonable and necessary out-of-pocket expenses incurred by Agency in connection with the Bonds and/or the ownership of the Financed Project.”

Staff Recommendation and Suggested Motion:

I move adoption of Resolution 1435 authorizing Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) and approving the Bond Purchase Agreement with U.S. Bancorp Investments, Inc., and approving the form of Lease, Assignment of Purchase Agreement, Deed of Trust and Option to Purchase.



LEASE REVENUE BONDS, SERIES 2016
 (Greater Boise Auditorium District Expansion Project)

DOCUMENT	PARTIES	ADOPTED APPROVED EXECUTED
1. Resolution 1434 a. Preliminary Official Statement 'Deemed Final' Certificate, SEC Rule 15c2-12. b. Public Notices: 1. Bond Sale, 2. Bond Purchase Agreement, 3. Bond Resolution	CCDC, GBAD, US Bancorp (Underwriter), Zions Bank (Trustee)	March 14 Regular Mtg
2. Resolution 1435 - Bond Resolution a. Form of Global Bond b. Bond Purchase Agreement 1. GBAD Counsel Opinion 2. Bond and Disclosure Counsel Opinion 3. CCDC Counsel Opinion 4. Deed of Trust Bond Counsel Opinion 5. Letter of Representations c. Notice of Bond Resolution 1435 d. Investment Securities e. Maturity Schedule, Redemption f. Assignment of Purchase Agreement g. Deed of Trust h. Lease Agreement (Annual Appropriation) i. Option to Purchase Agreement	CCDC a. CCDC, Bond Holders b. CCDC, GBAD, US Bancorp (uw) 1. Givens Pursley 2. Hawley Troxell 3. Elam & Burke 4. Hawley Troxell 5. CCDC, GBAD c. CCDC d. Zions Bank (Trustee) e. CCDC, GBAD, Zions Bank f. CCDC, GBAD g. CCDC, Zions Bank (Trustee) h. CCDC, GBAD i. CCDC, GBAD	March 29 Special Mtg
3. Resolution 1436 and Supplemental Amendment to Amended & Restated Development Agreement	CCDC, GBAD	March 29 Special Mtg
4. Official Statement	CCDC, GBAD, US Bancorp (Underwriter), Zions Bank (Trustee)	April 29 Closing
5. Lease Agreement (Annual Appropriation)	CCDC (Lessor), GBAD (Lessee)	April 29 Closing
6. Option to Purchase Agreement	CCDC (Seller), GBAD (Buyer)	April 29 Closing
7. Deed of Trust, Fixture Filing and Assignment of Leases and Rents	CCDC (Grantor), Zions Bank (Trustee, Beneficiary)	April 29 Closing
<i>Purchase and Sale Agreement</i>	<i>Gardner Co (Seller), GBAD (Buyer)</i>	
8. Assignment of Purchase and Sale Agreement	CCDC (Assignee), GBAD (Assignor)	April 29 Closing
9. Continuing Disclosure Undertaking	GBAD, Zions Bank (Trustee, Disclosure Agent)	April 29 Closing

URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO

RESOLUTION NO. 1435

PROVIDING FOR THE ISSUANCE AND SALE
OF
LEASE REVENUE BONDS, SERIES 2016

(GREATER BOISE AUDITORIUM PROJECT EXPANSION PROJECT)

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List of Exhibits:

- Exhibit A - Form of Global Bond
- Exhibit B - Bond Purchase Agreement and Letter of Representations
- Exhibit C - Notice of Bond Resolution No. 1435
- Exhibit D - Investment Securities
- Exhibit E - Maturity Schedule, Optional Redemption Prices and Mandatory Redemption Amounts
- Exhibit F - Assignment of Purchase Agreement
- Exhibit G - Deed of Trust
- Exhibit H - Lease
- Exhibit I - Option to Purchase

RESOLUTION NO. 1435

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 AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF LEASE REVENUE BONDS, SERIES 2016 (GREATER BOISE AUDITORIUM DISTRICT EXPANSION PROJECT) SETTING FORTH THE PURPOSE OF THE BONDS; DESCRIBING THE BONDS AND PROVIDING FOR THE EXECUTION, REGISTRATION, PAYMENT, REDEMPTION, TRANSFER, AND OTHER MATTERS RELATING TO THE BONDS; PROVIDING FOR THE COLLECTION, HANDLING, AND DISPOSITION OF LEASE REVENUES; ESTABLISHING COVENANTS WITH RESPECT TO THE BONDS, THE USE OF THE PROCEEDS OF THE BONDS, AND THE TAX-EXEMPT STATUS OF THE INTEREST ON THE BONDS; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, DEED OF TRUST, AN ASSIGNMENT OF PURCHASE AGREEMENT, AN OPTION TO PURCHASE AND LEASE AGREEMENT (ANNUAL APPROPRIATION); PROVIDING FOR OTHER MATTERS RELATING TO THE ISSUANCE AND SALE OF THE BONDS; 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 (the “**Law**”), a duly created and functioning urban renewal agency, hereinafter referred to as the “**Agency**.”

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 revenue bonds as provided in the Section 50-2012 of the Law; and

WHEREAS, the City Council of the City 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 “**Original Central Urban Renewal Plan**”); and

WHEREAS, the City, by adoption of Ordinance No. 5597 on December 6, 1994, duly approved the Original Central Urban Renewal Plan; and

WHEREAS, the City Council of the City, after notice duly published, conducted a public hearing on June 5, 2007 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 “**Central Urban Renewal Plan**”); and

WHEREAS, the City by adoption of Ordinance No. 6576 on June 26, 2007, duly approved the Central Urban Renewal Plan; and

WHEREAS, the Greater Boise Auditorium District, Ada County, State of Idaho (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, 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 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 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 the Agency and of the Central Urban Renewal Plan Area (as defined in the Central Urban Renewal Plan) and within the boundaries of the District; and

WHEREAS, as part of the Project the District intends to (i) purchase a new ballroom facility, related kitchen and ancillary facilities, and (ii) purchase of related fixtures and equipment located in a new building being constructed by KC Gardner Company, L.C. and its affiliates (the “**Developer**”), who has acquired title to the parcel to the south of the existing U.S. Bank office tower in close proximity to the Boise Centre, which 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, as amended (the “**Gardner MDA**”), whereby the Developer agreed to develop and build to suit the new ballroom facility, related kitchen and ancillary facilities within such 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;

WHEREAS, the District is seeking financing for the purchase of the condominium units in the Centre Building containing the new ballroom facility, the related kitchen, and ancillary facilities, along with related soft costs, fixtures and equipment (collectively, the “**Financed Project**”) and related reserves, capitalized interest and financing costs, which Financed Project constitutes an “urban renewal project” for the purposes of Section 50-2018(10) of the Law; and

WHEREAS, the District and the Developer have entered into a Purchase and Sale Agreement for the Centre Facilities, as amended (the “**PSA**”) whereby the District has agreed to purchase the Financed Project; and

WHEREAS, the Agency has determined, at the request of the District, to issue revenue bonds 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 bonds shall be designated the “Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project),” in the aggregate principal amount set forth on Exhibit E (the “**Bonds**”), under and pursuant to this Bond Resolution; and

WHEREAS, the Agency has received an offer from U.S. Bancorp, Investments, Inc., as Underwriter, to purchase the Bonds, pursuant to the Bond Purchase Agreement in the form attached hereto (the “**Bond Purchase Agreement**”); and

WHEREAS, the District intends to assign its rights under the PSA to the Agency pursuant to an Assignment and Assumption Agreement (Purchase and Sale Agreement for Centre Facilities) (the “**Assignment of Purchase Agreement**”), and the District and Agency intend for the Agency to purchase the Financed Project with the proceeds of the Bonds; and

WHEREAS, the District and the Agency are entering into a Lease Agreement (Annual Appropriation) (the “**Lease**”) concurrently herewith pursuant to which after the purchase of the Financed Project from the Developer the Agency will lease the Financed Project to the District and the District will pledge its tax receipts, subject to annual appropriation, to pay rent to the Agency, which rent revenues will then be pledged by the Agency to repay the Bonds; and

WHEREAS, pursuant to the Lease, the Agency is granting to the District an Option to Purchase the Financed Project (the “**Option to Purchase**”) in certain circumstances; and

WHEREAS, the Bonds shall be secured by Pledged Revenues, as that term is defined herein; and

WHEREAS, the payment of rent by the District under the Lease is subject to the budgeting for and renewal of the Lease by the District for the next fiscal year of the District and in the event the District does not so budget sufficient funds to pay the rent under the Lease for any fiscal year and renew the Lease, the Lease shall terminate; and

WHEREAS, the Bonds will be further secured by a Deed of Trust, Fixture Filing and Assignment of Leases and Rents (the “**Deed of Trust**”) in the Financed Project (subject to the District’s Option to Purchase) from the Agency in favor of Zions Bank, a division of ZB, National Association, as Trustee, on behalf of the Beneficial Owners, which Deed of Trust shall be executed and put into escrow upon closing of the Bonds and recorded in the records of Ada County, Idaho immediately following closing of the acquisition of the condominium units pursuant to the PSA and Assignment of Purchase Agreement; and

WHEREAS, the Board of Commissioners of the Agency (the “**Board**”) and staff find it in the best interests of the Agency and the public to enter into the Assignment of Purchase Agreement, the Lease, the Deed of Trust and the Bond Purchase Agreement; and

WHEREAS, there have been presented to the Board at this meeting the proposed forms of the Assignment of Purchase Agreement, the Lease, the Deed of Trust, the Option to Purchase and the Bond Purchase Agreement, all as attached hereto as Exhibits.

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

ARTICLE I

DEFINITIONS

Section 1.1 DEFINITIONS

For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

Acquisition Fund shall mean the fund created by Section 4.2 of this Bond Resolution.

Act shall mean Title 67, Chapter 49 of the Idaho Code governing auditorium districts.

Agency shall mean the Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, a duly created and functioning urban renewal agency created by and existing under the authority of the Law as an independent public body, corporate and politic, or any public corporation succeeding to its rights and obligations under this Bond Resolution.

Agency Fees and Expenses shall mean a financing fee, payable upon issuance of the Bonds, and only if such Bonds are issued, in the amount of \$40,000, less a credit for the \$5,000 pre-financing fee and for so long as the Bonds, or any instrument issued to refund the Bonds, shall be outstanding and the Lease is in effect, an annual fee payable on November 30 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 Bonds and/or the ownership of the Financed Project.

Assignment of Purchase Agreement shall mean the Assignment and Assumption Agreement (Purchase and Sale Agreement for Centre Facilities), as amended from time to time, whereby the District assigns to the Agency its right to purchase the Financed Project pursuant to the PSA in substantially the form attached hereto as Exhibit F.

Authorized Officer of the Agency shall mean the Chairperson, Vice Chairperson, Executive Director, Secretary, Treasurer or any officer or employee of the Agency authorized to perform specific acts or duties pursuant to the Law, the by-laws of the Agency or a resolution duly adopted by the Agency.

Beneficial Owners shall mean the owners of Bonds whose ownership is recorded under the Book-Entry-Only System maintained by the Depository.

Board shall mean the Board of Commissioners of the Agency as the same shall be duly and regularly constituted from time to time or any successor governing body of the Agency.

Bond Fund shall mean the fund created by Section 4.5 of this Bond Resolution, consisting of (1) the Debt Service Account, (2) the Debt Service Reserve Account, and (3) the Capitalized Interest Account.

Bond Purchase Agreement shall mean the bond purchase agreement dated the date of adoption of this Bond Resolution between the Underwriter and the Agency for the purchase of the Bonds by the Underwriter in substantially the form attached hereto as Exhibit B, and providing for the delivery of the Letter of Representations by the District.

Bond Register shall mean the registration records of the Agency, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Bonds.

Bond Resolution shall mean this Resolution No. 1435 adopted on _____, 2016.

Bond Year with respect to the Bonds shall mean each one-year period that ends on December 15 of each year. The first Bond Year shall be a period that ends on December 15, 2016. The last Bond Year shall end upon the retirement of the Bonds.

Bonds shall mean the Agency's Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) authorized to be issued, sold, and delivered in the aggregate principal amount set forth on Exhibit E pursuant to this Bond Resolution.

Book-Entry-Only System shall mean the system of recordation of ownership of the Bonds on the books of the Depository pursuant to Section 2.2 of this Bond Resolution.

Business Day shall mean a day on which banks located in the State of Idaho are open for the purpose of conducting commercial banking business.

Capitalized Interest Account shall mean the account of that name created within the Bond Fund by Section 4.5 of this Bond Resolution.

Cede & Co. shall mean Cede & Co., as nominee of the Depository, and any successor nominee of the Depository appointed with respect to the Bonds pursuant to Section 2.2 hereof.

Central District Urban Renewal Plan shall mean the 2007 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4 and Project II, Idaho R-5.

Certificated Bonds shall mean a Bond or Bonds evidenced by a printed certificate in the event that the Book-Entry-Only System is discontinued.

Chairperson shall mean the Chairperson of the Board, or any presiding officer or titular head of the Board, or his or her successor in functions.

City shall mean the City of Boise City, Ada County, Idaho.

Code shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Income Tax Regulations promulgated thereunder.

Condominium Documents shall mean the Amended Plat for U.S. Bank Plaza Condominiums and Amended and Restated Condominium Declaration of Covenants, Conditions and Restrictions for U.S. Bank Plaza Condominiums, as amended from time to time, which will govern the Financed Project.

Continuing Disclosure Undertaking shall mean the Information Reporting Agreement with respect to the Bonds, executed by the District and the Trustee and dated the date of delivery of the Bonds.

Cost of Issuance Fund shall mean the fund created by Section 4.4 of this Bond Resolution.

Costs of Issuance shall mean the fees and expenses of issuance, sale and delivery of the Bonds, including, but not limited to the following:

(a) Expenses incurred by the Agency and the District in connection with the issuance, sale and delivery of the Bonds and in connection with the preparation and execution of the Lease and this Bond Resolution, the fees and expenses of the Trustee in connection with the issuance of the Bonds, title insurance, rating agency, legal, underwriting, consulting, advisory and accounting fees and expenses and printing, photocopying and engraving costs; and

(b) Any sums required to reimburse the Agency or the District for advances made by either of them for any of the above items.

Debt Service for any period shall mean, as of any date of calculation, an amount equal to the principal and interest accruing during such period on the Bonds. Such Debt Service of the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of principal of the Bonds on the due date thereof.

Debt Service Account shall mean the account of that name created within the Bond Fund by Section 4.5 of this Bond Resolution.

Debt Service Reserve Account shall mean the account of that name created within the Bond Fund by Section 4.5 of this Bond Resolution.

Deed of Trust shall mean the Deed of Trust, Fixture Filing and Assignment of Leases and Rents on the Financed Project, executed by the Agency in favor of the Trustee on behalf of the Beneficial Owners and recorded in the records of Ada County, Idaho immediately following closing of the acquisition of the condominium units pursuant to the PSA and Assignment of Purchase Agreement, (subject to the District's Option to Purchase) granting a mortgage on and security interest in the Financed Project to secure the indebtedness evidenced by the Bonds in substantially the form attached hereto as Exhibit G.

Depository shall mean The Depository Trust Company, New York, New York, its successor, or such other depository as may subsequently be designated by the Agency.

Developer shall mean KC Gardner Company, L.C., or its affiliate City Center Plaza Meeting, LLC, as applicable.

District shall mean Greater Boise Auditorium District, Ada County, Idaho, a public body organized as an auditorium district pursuant to the Act, or any public corporation succeeding to its rights and obligations under the Lease.

Electronic Means shall mean telecopy, facsimile transmissions, e-mail transmissions or other similar electronic means of communication providing evidence of transmission.

Event of Default shall mean one or more of the events enumerated in Section 12.1 of this Bond Resolution.

Event of Nonrenewal shall mean the failure of the District to enter into a Renewal Term as provided in Section 5.1 of the Lease, provided that failure to enter into a Renewal Term subsequent to the exercise of an Option to Purchase, as defined in the Lease, 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, fixtures and equipment to be constructed in the Centre Building.

Funds shall mean the Lease Payment Fund, the Bond Fund, the Acquisition Fund, the Rebate Fund and the Cost of Issuance Fund.

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.

Global Bond shall mean a single typewritten bond representing each annual maturity of the Bonds, executed and issued pursuant to the Book-Entry-Only System described in Section 2.2 of this Bond Resolution.

Initial Lease Term shall mean the initial term of the Lease expiring on November 30, 2016, as provided in Section 5.1 of the Lease.

Investment Securities shall mean and include any of the securities set forth in Exhibit D to this Bond Resolution and by this reference incorporated herein.

Law shall mean the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code.

Lease shall mean the Lease Agreement (Annual Appropriation) dated as of April 1, 2016 between the Agency, as lessor, and the District, as lessee, whereby the Agency leases the Financed Project to the District and any amendments and supplements thereto made in conformity with the requirements thereof and of this Bond Resolution in substantially the form attached hereto as Exhibit H.

Lease Payments shall mean those payments required to be made by the District to the Trustee, for the account of the Agency, pursuant to Section 5.3(a) of the Lease.

Lease Payment Dates shall mean the payment dates for the Lease Payments required by Section 5.3(a) of the Lease.

Lease Payment Fund shall mean the fund created by Section 4.3 of this Bond Resolution.

Lease Year shall mean the Initial Lease Term and any Renewal Term.

Letter of Representations shall mean the Letter of Representations executed and delivered by the District to the Agency pursuant to the Bond Purchase Agreement in substantially the form attached hereto as Exhibit B.

Mandatory Redemption Amounts shall mean the mandatory deposits into the Debt Service Account established for the term Bonds pursuant to Section 2.5(B) of this Bond Resolution.

Maximum Annual Debt Service shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds Outstanding for the current or any future Bond Year

(excluding the final annual payment of Debt Service to be made on the Bonds). With respect to any term Bonds, the payment of which is provided for by a mandatory schedule of sinking fund deposits into the Debt Service Account, the words "Maximum Annual Debt Service" shall be deemed to exclude from principal the term Bond maturity payment, and from interest the interest on such term Bonds subsequent to the date of each respective Mandatory Redemption Amount deposit and to include in lieu thereof the Mandatory Redemption Amount deposits as of the date required and interest on term Bonds provided for by such deposits only to the dates of the respective deposits.

Net Bond Proceeds shall mean the aggregate principal amount of the Bonds, plus premium, if any, plus accrued interest, if any, less original issue discount, if any, and less Underwriter's compensation.

Net Proceeds shall mean, 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.

Occupancy Expenses shall mean all amounts required to be paid by the District pursuant to Section 5.3(e) of the Lease.

Option to Purchase shall mean the Option to Purchase whereby the Agency grants to the District an option to purchase the Financed Project in certain circumstances pursuant to Article XI of the Lease in substantially the form attached hereto as Exhibit I.

Original Central District Urban Renewal Plan shall mean the Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4 and Project II, Idaho R-5.

Outstanding, when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, sold and delivered under this Bond Resolution, except (i) the Bonds (or portions thereof) canceled because of payment or redemption prior to their stated date of maturity, (ii) Bonds in lieu of, or in substitution for, which other Bonds shall have been executed, issued and delivered by the Agency pursuant to Sections 2.8 and 2.9 of this Bond Resolution; and (iii) the Bonds (or portions thereof) which are deemed to be paid within the meaning of Section 7.1 of this Bond Resolution.

Participants shall mean those financial institutions for whom the Depository effects book entry transfers and pledges of securities deposited with the Depository.

Person shall mean the natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

Pledged Revenues shall mean (i) all right, title and interest of the Agency to Rent, excluding Occupancy Expenses; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under this Bond Resolution and all moneys and investments now and hereafter held therein.

Project shall mean (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 fixtures and equipment. The total estimated cost of the Project is \$45,000,000.

PSA shall mean the Purchase and Sale Agreement for Centre Facilities entered into by the District and the Developer, dated as of December 17, 2015, as amended from time to time.

Purchase Price shall mean the price which the District may pay, in addition to the Lease Payments paid by the District prior thereto, in order to acquire title to the Financed Project from the Agency, as set forth in Article XI of the Lease.

Rebate Fund shall mean the fund created by Section 4.6 of this Bond Resolution.

Record Date shall mean the first day of the calendar month in which each regularly scheduled interest payment date for the Bonds occurs.

Registered Owner or Owners shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of this Bond Resolution.

Renewal Term shall mean any annual renewal of the Lease as provided in Section 5.1 of the Lease.

Rent shall mean those payments required to be paid by the District pursuant to Section 5.3 of the Lease.

Representations Letter shall mean the Agency's Blanket Representation Letter to the Depository dated December 28, 1995.

Reserve Account Insurance Policy shall mean any insurance policy, surety bond or letter of credit deposited in or credited to the Debt Service Reserve Account as provided in Section 4.5(A)(2) hereof in lieu of or in partial substitution for cash or Investment Securities on deposit in the Debt Service Reserve Account. Any such insurance policy, surety bond or letter of credit must be issued by an entity having a rating in one of the two highest rating categories assigned by any nationally recognized rating agency at the time such policy, bond or letter of credit is deposited in or credited to the Debt Service Reserve Account.

Reserve Account Requirement shall mean the lesser of (i) Maximum Annual Debt Service with respect to all Bonds outstanding, (ii) 125% of average annual Debt Service on all Bonds outstanding, or (iii) 10% of the aggregate principal amount of the Bonds upon original issuance thereof; provided that the Reserve Account Requirement shall not exceed the amount permitted to be capitalized from the proceeds of the Bonds under then applicable provisions of federal tax law in order to protect the tax-exempt status of interest on the Bonds.

Secretary shall mean the Secretary of the Agency, or his or her successor in functions.

Special Record Date shall mean a special date fixed by the Trustee to determine the names and addresses of Owners of the Bonds for the purpose of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.3 of this Bond Resolution.

State shall mean the State of Idaho.

Tax Compliance Certificate shall mean the Tax Compliance Certificate executed by the Agency and the District in connection with the issuance of the Bonds, as from time to time modified pursuant to its terms.

Treasurer shall mean the Treasurer of the Agency, or his or her successor in functions.

Trustee shall mean Zions Bank, a division of ZB, National Association, Boise, Idaho, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, or its successors in functions, as now or hereafter designated. The Trustee shall also hold the Acquisition Fund so long as it is authorized by Title 57, Chapter 1, Idaho Code, as amended, to act as a public depository.

Trustee Fees and Expenses shall mean the reasonable and necessary fees and expenses of the Trustee in connection with the Bonds, the Bond Resolution and the Lease.

Underwriter shall mean U.S. Bancorp, Investments, Inc., as the original purchaser of the Bonds.

United States shall mean the United States of America.

Written Certificate shall mean an instrument in writing signed by an Authorized Officer of the Agency on behalf of the Agency or on behalf of the District by an Authorized Representative (as defined in the Lease) thereof.

ARTICLE II

THE BONDS

Section 2.1 AUTHORIZATION

A. Authorization of Financed Project and Bonds. The Agency hereby authorizes and directs the appropriate officers and agents of the Agency to acquire the Financed Project consistent with the terms of this Bond Resolution and the Law. In order to provide financing to pay all or a portion of the costs of the Financed Project, including the funding of the Debt Service Reserve Account and the Capitalized Interest Account and the payment of the Costs of Issuance, the Agency shall issue its obligations in the form of Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) in the aggregate principal amount set

forth on Exhibit E, as more particularly described hereinafter, which are hereby authorized to be issued, sold, and delivered.

B. Description of the Bonds. The Bonds shall be issued in accordance with the Book-Entry-Only System described in Section 2.2 of this Bond Resolution both as serial and term bonds. The Bonds shall be issuable as fully registered Bonds and shall be in denominations of \$5,000 and any integral multiple thereof. The Bonds shall be lettered “R” and shall be numbered separately from 1 upward. The Bonds shall be dated as of their date of issuance. The Bonds shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Bonds. Interest shall be payable on each June 15 and December 15, commencing December 15, 2016. The Bonds shall mature on December 15 in each of the designated amounts and years, for both serial and term bonds, and shall bear interest at the rates per annum as set forth on Exhibit E attached hereto and incorporated herein by reference.

The Bonds maturing on December 15 in the years set forth on Exhibit F, if any, are term bonds and are subject to redemption in part by operation of Mandatory Redemption Amounts, the amounts and due dates of which are set forth on Exhibit E attached hereto and incorporated herein by reference.

Interest shall be computed on the basis of a twelve-month, 30-day month, 360-day year.

Section 2.2 BOOK-ENTRY-ONLY SYSTEM

A. Book-Entry-Only System, Limited Obligation. The Bonds shall be issued in book-entry-only form under the Book-Entry-Only System initially in the form of a separate single certificated fully registered Bond for each of the maturities approved upon the sale thereof (each a Global Bond), in the form attached as Exhibit A hereto. Each Global Bond shall be executed by the manual signatures of the Chairperson or the Vice Chairperson and Treasurer and attested by the manual signature of the Secretary, and shall have the official seal of the Agency impressed thereon. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of the Depository. Except as provided in Section C below, all of the outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of Depository.

With respect to Bonds registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of the Depository, the Agency and Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Bonds with respect to (i) the accuracy of the records of the Depository, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than a Registered Owner, as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Registered Owner, as shown in the registration books kept by the Trustee, of any amount with respect to principal of or interest on the Bonds. The Agency and the Trustee may treat and

consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, as provided in Section 2.3 hereof, and all such payments shall be valid and effective to satisfy and discharge fully the Agency's obligations with respect to payment of principal of and interest on the Bonds, to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the registration books kept by the Trustee, shall receive a certificated Bond evidencing the obligation of the Agency to make payments of principal and interest pursuant to this Resolution. Upon delivery by the Depository to the Agency of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede & Co. and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Resolution shall refer to such new nominee of the Depository, and, upon receipt of such a notice, the Agency promptly shall deliver a copy of the same to the Trustee.

B. Representations Letter. In the written acceptance of Trustee referred to in Section 9.1 hereof, such Trustee, as paying agent and bond registrar, shall agree to take all action necessary for all representations of the Agency in the Representations Letter on file with the Depository with respect to the Trustee to be complied with at all times. The Agency's Representations Letter is for the purpose of effectuating the Book-Entry-Only System and shall not be deemed to amend, supersede or supplement the terms of this Resolution, which terms are intended to be complete without reference to the Representations Letter.

In the event of any conflict between the terms of the Representations Letter and the terms of this Resolution, the terms of this Resolution shall control. The Depository may exercise the rights of a bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

C. Transfers Outside Book-Entry System. In the event that (a) the Agency determines that the Depository is incapable of discharging or is unwilling to discharge its responsibilities described herein and in the Representations Letter, (b) the Depository determines to discontinue providing its service as a securities depository with respect to the Bonds at any time as provided in the Representations Letter or (c) the Agency determines that it is in the best interests of the bondholders, as the Beneficial Owners of the Bonds, that they be able to obtain Certificated Bonds and an alternative book-entry system is not available or is not selected as provided in the succeeding sentence, the Agency shall notify the Depository and direct the Depository to notify the Participants of the availability through the Depository of Bond certificates, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of the Depository. At that time, the Agency may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the Agency or such Depository's agent or designee, and, if the Agency does not select such alternate universal book-entry system, the Bonds shall no longer be restricted to being registered in the

registration books kept by the Trustee in the name of Cede & Co., as nominee of the Depository, and the Agency will cause its Certificated Bonds to be issued to the Beneficial Owners in accordance with Section 2.6 hereof.

D. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representations Letter..

E. Ceasing to be Officer. In case any of the officers who shall have signed or attested any of the Global Bonds shall cease to be such officer or officers of the Agency before the Global Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Agency, such Global Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Agency as though those who signed and attested the same had continued to be such officers of the Agency. Any Global Bond may also be signed and attested on behalf of the Agency by such persons as at the actual date of execution of such Global Bond shall be the proper officers of the Agency although at the original date of such Global Bond any such person shall not have been such officer of the Agency.

Section 2.3 PAYMENT OF DEBT SERVICE

The principal of, premium, if any, and interest on the Bonds shall be payable in accordance with the Book-Entry-Only System described in Section 2.2 of this Bond Resolution. In the event that the Book-Entry-Only System is discontinued with respect to the Bonds and Certificated Bonds are issued, payment of each installment of interest on such Bonds shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the Record Date for such interest payment date, and shall be paid by check or draft of the Trustee to be mailed by the Trustee to the Registered Owner on the due date at the address as it appears on such Bond Register. Any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior thereto by first-class postage prepaid mail to each such Registered Owner as shown on the Bond Register, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to in writing between the Registered Owner of such Bond and the Trustee. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full.

Principal of and premium, if any, on the Bonds shall be payable to the Registered Owners, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the principal corporate trust office of the Trustee.

Section 2.4 MANNER OF PAYMENT

The principal of, premium, if any, and interest on the Bonds are payable in lawful money of the United States to the Registered Owner thereof.

Section 2.5 REDEMPTION PRIOR TO MATURITY

A. Optional Redemption. Bonds maturing in the years set forth on Exhibit E shall not be subject to redemption prior to their stated dates of maturity, except for extraordinary redemption as provided in Subsection C of this Section 2.5. On any date on or after the date set forth on Exhibit E at the option of the Agency (which shall be exercised upon the written direction of the District), the Bonds maturing on and after the date set forth on Exhibit E may be redeemed, in whole or in part (maturities to be selected by the Agency, as directed by the District, and by lot within a maturity in such manner as the Trustee shall determine), upon notice as hereinafter provided, at the redemption prices, expressed as a percentage of the principal amount of the Bonds or portions thereof to be redeemed, set forth in Exhibit E attached hereto and incorporated herein by reference, plus accrued interest to the redemption date.

Portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000, may also be redeemed. Except as provided in the next succeeding sentence, if less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal corporate trust office of the Trustee there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate in any of the denominations authorized by this Bond Resolution. Upon any partial redemption of any maturity of any of the Bonds, the Depository (or its nominee) in its discretion may request the Agency to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Trustee prior to payment.

B. Mandatory Redemption. Unless previously called under the provisions for optional redemption, the term Bonds maturing on December 15 of the years, if any, set forth on Exhibit E shall be subject to mandatory redemption and retirement prior to maturity, in part, by lot in such manner as the Trustee shall determine, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, from the deposit of Mandatory Redemption Amounts (which are hereby established) into the Debt Service Account on the dates and in the amounts set forth on Exhibit E attached hereto and incorporated herein by reference.

C. Extraordinary Redemption. The Bonds are also redeemable at the option of the Agency (which option shall be exercised upon the direction of the District) in whole or in part on any date in the event Net Proceeds from casualty insurance or a condemnation award are

available following a rebuild of the Financed Project or a decision not to rebuild pursuant to the Lease. If called for redemption upon the occurrence of either of the events referred to above, the Bonds shall be redeemed at a redemption price equal to 100% of the principal amount of each Bond redeemed and accrued interest to the redemption date. Only net proceeds of insurance or a condemnation award shall be used for a partial redemption of Bonds pursuant to this paragraph.

D. Notice of Redemption. Notice of any redemption, which may be conditional, shall be sent by the Trustee by Electronic Means or by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond, as of the Record Date, to be redeemed at the address shown on the Bond Register. Such notice shall specify the number or numbers of the Bonds to be so redeemed (if less than all are to be redeemed), the redemption price to be paid and the date fixed for redemption; and such notice shall further state that on the redemption date there will become due and payable upon each Bond or portion thereof (\$5,000 or any integral multiple thereof) so to be redeemed at the principal corporate trust office of the Trustee (designated by name), the principal amount thereof, premium, if any, and accrued interest to the redemption date, and that from and after such date interest on the Bonds (or portions thereof) called for redemption will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and upon presentation thereof at the principal corporate trust office of the Trustee and the Agency will pay the Bond or Bonds so called for redemption. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed.

E. Effect of Redemption. Unless a conditional notice has been given and the conditions for redemption set forth therein are not satisfied, when so called for redemption, such Bonds or portion thereof shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be Outstanding as of such redemption date.

F. Voluntary Redemption Notice. In addition to the notice required by subsection D above, further notice may be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in said subsection D.

(1) Each further notice of redemption given hereunder may contain the following information:

- (a) the CUSIP numbers of all Bonds being redeemed;
- (b) the date of issue of the Bonds as originally issued;
- (c) the rate of interest borne by each Bond being redeemed;
- (d) the maturity date of each Bond being redeemed; and

(e) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least thirty (30) days before the redemption date by telecopy, registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, designated to the Trustee by the District and to the Depository.

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose may bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

G. Open Market Purchase. The District may purchase the Bonds on the open market at a price equal to or less than par. All Bonds so purchased shall be canceled. In the event the District shall so purchase term Bonds, the term Bonds so purchased shall be credited by the Trustee as provided in Section 2.5(B) of this Bond Resolution.

Section 2.6 EXECUTION OF CERTIFICATED BONDS

If the Book-Entry-Only System is discontinued with respect to the Bonds, the Agency shall, without unreasonable delay, cause definitive Certificated Bonds to be issued, sold and delivered. The Certificated Bonds shall be executed on behalf of the Agency by the Chairperson or the Vice Chairperson and Treasurer and shall be attested by the Secretary (all of which may be by facsimile or manual signature), and shall have the seal of the Agency or a facsimile thereof, if any, impressed or imprinted thereon.

In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Agency before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Agency, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Agency as though those who signed and attested the same had continued to be such officers of the Agency. Any Bond may also be signed and attested on behalf of the Agency by such persons as at the actual date of execution of such Bond shall be the proper officers of the Agency although at the original date of such Bond any such person shall not have been such officer of the Agency.

Section 2.7 TRUSTEE'S AUTHENTICATION CERTIFICATE

The authentication certificate upon the Bonds shall be substantially in the form and tenor provided in the form of the Bond set forth in Exhibit A to this Bond Resolution. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Trustee; and such certificate of the Trustee upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's

certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds.

Section 2.8 TRANSFER OR EXCHANGE OF BONDS

Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

Any Bond shall be exchangeable for Bonds of any authorized denomination or denominations, upon surrender and cancellation of said Bond at the principal corporate trust office of the Trustee.

The Trustee shall not be required to transfer or exchange (i) any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day such notice is mailed, or (ii) any Bond so selected for redemption in whole or in part after the mailing of notice calling such Bond or any portion thereof for prior redemption except the unredeemed portion of Bonds being redeemed in part.

Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Trustee shall authenticate and deliver to the transferee or Registered Owner, as the case may be, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate, and for the same aggregate principal amount of such Bond or Bonds being surrendered.

The Trustee shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. Any other costs imposed by the Trustee for such transfer or exchange shall be borne by the Agency. The Trustee and the Agency may also require the transferor and/or transferee of the Bond or Bonds to execute any documents in connection with such transfer as may be reasonably required by the Agency and the Trustee.

Section 2.9 LOST, STOLEN, MUTILATED OR DESTROYED BONDS

In case any Bond shall be lost, stolen, mutilated or destroyed, the Trustee may authenticate and deliver a new Bond or Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the Agency and the Trustee in connection therewith and upon his filing with the Agency and the Trustee evidence satisfactory to the Agency and the Trustee of his ownership thereof, and upon furnishing the Agency and the Trustee with indemnity satisfactory to the Agency and the Trustee.

Section 2.10 REGISTRATION

The Agency hereby adopts a system of registration with respect to the Bonds as required by Title 57, Chapter 9, Idaho Code, as amended, pursuant to this Article II.

The Trustee is hereby appointed as registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds, subject to the following terms and conditions:

A. Bond Register. The Trustee shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds, which records are hereby defined as the “Bond Register,” in which shall be maintained the names and addresses of the Registered Owners of the Bonds. Said Bond Register shall at all reasonable times be open to inspection by the Agency.

B. Trustee Compensation. Subject to the terms of the Lease and any agreement with the Trustee, the District shall pay to the Trustee reasonable compensation for all services rendered under this Bond Resolution, together with reasonable expenses, charges, and fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Bond Resolution, which expenses shall be deemed to be Trustee Fees and Expenses.

C. Trustee May Be Owner. The Trustee may become the Owner of the Bonds with the same rights it would have if it were not the Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or the Beneficial Owners.

D. Persons Deemed Owners. The person in whose name any Bond shall be registered on the Bond Register kept by the Trustee shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment of the principal of, premium, if any, and interest on the Bonds and for all other purposes; and payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to the Registered Owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.11 BOND CANCELLATION

Whenever any Bond shall be surrendered to the Trustee upon payment thereof, or to the Trustee for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled and destroyed by the Trustee, and a certificate of such cancellation and destruction shall be furnished by the Trustee to the Agency.

ARTICLE III

PLEDGE OF PLEDGED REVENUES AND OTHER RIGHTS

Section 3.1 PLEDGE FOR PAYMENT OF THE BONDS

The Agency hereby pledges all Pledged Revenues for the payment of the Bonds, equally and ratably, which includes (i) all right, title and interest of the Agency to all Rent, excluding Occupancy Expenses; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under this Bond Resolution and all moneys and investments now and hereafter held therein. The Agency hereby assigns to the Trustee the right, title and interest of the Agency in the Lease, excluding Occupancy Expenses and the Agency's rights to the Lease Contingency Fund under the Lease. The Bonds will be further secured by the Deed of Trust (subject to the District's Option to Purchase), which shall be recorded in the records of Ada County, Idaho, immediately following closing of the acquisition of the condominium units pursuant to the PSA and Assignment of Purchase Agreement.

This pledge shall constitute an irrevocable lien on the Pledged Revenues for the payment of the Bonds in accordance with the terms hereof. All of the Bonds, together with the interest accruing thereon, and any prior redemption premium thereon, shall be payable and collectible solely out of the Pledged Revenues; the Owner or Owners of the Bonds may not look to any general or other fund of the Agency or the District for the payment of principal of, premium, if any, or interest thereon except the designated Pledged Revenues; and the Bonds shall not constitute an indebtedness nor a debt within the meaning of any constitutional or statutory provision of the State of Idaho and shall not constitute a general obligation or debt of the City, the State of Idaho, or any of its political subdivisions. In no event shall the Bonds give rise to a general obligation or liability of the Agency, the City, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds of properties other than the designated Pledged Revenues. Nothing herein shall be construed to pledge revenues from, or give a security interest in, any revenues, properties or facilities of the Agency except as hereinabove provided.

The Agency shall have no beneficial right or interest in Pledged Revenues, except as provided in this Bond Resolution. All such funds shall be disbursed, allocated and applied solely to the uses and purposes herein or therein set forth, and shall be accounted for separately and apart from all other money, funds, accounts, or other resources of the Agency. The Agency irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee at any time and from time to time while any Bonds are Outstanding, to demand, receive and enforce payment of Rent, excluding Occupancy Expenses; to give receipts, releases and satisfactions; to sue in the name of the Agency or the Trustee for all Rent, excluding Occupancy Expenses; and to apply the same to the payment of Debt Service. The assignment of Rent, excluding Occupancy Expenses, in this Section 3.1 is intended to be an absolute and

unconditional assignment from the Agency to the Trustee and not merely the passing of a security interest.

Such pledge of the Pledged Revenues shall be valid, binding, perfected and enforceable from the time when the pledge is made. The Pledged Revenues shall immediately be subject to the lien of the pledge and the lien shall be a perfected lien upon the effective date of this Bond Resolution without any physical delivery thereof or further act. Such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice thereof.

Notwithstanding the foregoing, under no circumstances does the Agency pledge revenues from, or give a security interest in, other revenues, properties or facilities of the Agency.

Section 3.2 [INTENTIONALLY OMITTED]

Section 3.3 [INTENTIONALLY OMITTED]

Section 3.4 AGENCY'S ONGOING ROLE

Notwithstanding the assignment by the Agency of its rights under Sections 3.1 herein, the Agency and the Trustee agree that (i) except during the period from the occurrence of an Event of Default and so long as such Event of Default continues, the Trustee shall not exercise any right, power or privilege of the Agency under the Lease, or waive any provision of the Lease, that provides a right, power, privilege or benefit to the Agency, without the prior written consent of the Agency, all of which rights, powers, privileges and benefits of the Agency under the Lease are hereby expressly reserved to the Agency, which shall be entitled during such period to exercise all such rights, powers and privileges and enjoy such benefits in accordance with the terms of the Lease, and (ii) during the period from the occurrence of an Event of Default and so long as such Event of Default continues, as provided in this Bond Resolution the Trustee shall exercise such rights and remedies as are provided by the terms of the Lease.

Section 3.5 FURTHER ASSURANCE

The Agency shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the Pledged Revenues and other money, securities and funds and the right, title and interest of the Agency under the Lease hereby pledged or assigned, or intended so to be, or which the Agency may become bound to pledge or assign.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.1 ESTABLISHMENT OF FUNDS

The following funds are hereby established:

1. The Acquisition Fund, to be held by the Trustee.
2. The Lease Payment Fund, to be held by the Trustee.
3. The Bond Fund, to be held by the Trustee, consisting of the Debt Service Account, the Debt Service Reserve Account, and the Capitalized Interest Account.
4. The Cost of Issuance Fund, to be held by the Trustee.
5. The Rebate Fund, to be held by the Trustee.

Section 4.2 THE ACQUISITION FUND

There is hereby created a fund to be held by the Trustee, separate and apart from all other funds of the Agency, designated the “Greater Boise Auditorium District Expansion Project Acquisition Fund” (the “Acquisition Fund”). Upon the issuance of the Bonds, Net Bond Proceeds sufficient to acquire the Financed Project, including the purchase of the condominium units containing the new ballroom facility, related kitchen and ancillary facilities pursuant to the PSA and the Assignment of Purchase Agreement and the purchase and/or reimbursement to the District for related soft costs, fixtures and equipment will be deposited in the Acquisition Fund. Except as otherwise provided in this Bond Resolution, moneys on deposit in the Acquisition Fund shall be used solely to acquire the Financed Project. Upon delivery of a Written Certificate of the Agency and the District to the Trustee, moneys on deposit in the Acquisition Fund may be used to pay costs of acquisition of the Financed Project. The Written Certificate of the District directing funds be used to purchase the condominium units pursuant to the PSA and the Assignment of Purchase Agreement shall direct that funds be deposited into escrow and released upon recordation of the acquisition deed for the condominium units and the Deed of Trust in the records of Ada County, Idaho. Amounts on deposit in the Acquisition Fund shall be invested by the Trustee pursuant to Written Certificate of the District in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of acquiring the Financed Project. The interest, as well as the gain, if any, on such investments shall be deposited into the account in the Acquisition Fund from which such investments were made.

After acquisition of the Financed Project and the payment of all of the costs of acquisition with respect thereto evidenced by a Written Certificate of the Agency and the District any balance in the Acquisition Fund shall be transferred (1) first, to the Rebate Fund in an amount required to comply with Section 5.1 of this Bond Resolution, (2) second, to the Debt Service Reserve Account to such extent as shall not cause the amount in the Debt Service Reserve Account to exceed the Reserve Account Requirement, and (3) last, to the extent of any remaining balance, to the Debt Service Account, and the Acquisition Fund shall thereafter be closed and terminated.

Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 12.1 hereof, any moneys in the Acquisition Fund, after any transfer to the Rebate Fund so as to enable the Agency to comply with Section 5.1 hereof, shall be transferred by the Trustee to the Debt Service Account and applied in accordance with Section 12.4 hereof.

Section 4.3 LEASE PAYMENT FUND

There is hereby created a fund to be held by the Trustee separate and apart from all other funds of the Agency, designated the “Greater Boise Auditorium District Expansion Project Lease Payment Fund” (the “Lease Payment Fund”). There shall be deposited in the Lease Payment Fund, promptly upon receipt by the Trustee, all Rent, excluding Occupancy Expenses paid by the District pursuant to the Lease. Moneys on deposit in the Lease Payment Fund shall be used by the Trustee only for the following purposes and in the following order of priority:

A. Debt Service Account. First, on each Lease Payment Date, the Lease Payment due under the Lease shall be deposited in the Debt Service Account, provided that there shall be credited against the amount so due any other moneys then on deposit in the Debt Service Account or Capitalized Interest Account available therefor. Additionally on a day not less than five (5) days preceding any redemption date for the Bonds, pursuant to Section 2.5(A) hereof, an amount equal to the principal of, premium, if any, or interest on the Bonds subject to redemption shall be deposited in the Debt Service Account.

B. Debt Service Reserve Account. Second, in the event of a shortfall in the Reserve Account Requirement, there shall be deposited in the Debt Service Reserve Account any moneys deposited into the Lease Payment Fund pursuant to Section 5.3(c) of the Lease.

C. Rebate Fund. Third, there shall be deposited in the Rebate Fund from any moneys remaining in the Lease Payment Fund such amounts as are necessary to comply with Section 5.1 hereof. Such deposits may be made semiannually, on the same dates as (but subsequent to) the deposits to the Debt Service Account and the deposits (if any) to the Debt Service Reserve Account and shall, in any event, be made annually on the anniversary date of the delivery of the Bonds, as and to the extent required to comply with Section 5.1 hereof.

Moneys in the Lease Payment Fund shall be invested by the Trustee in Investment Securities pursuant to a Written Certificate of the District. The interest, as well as the gain, if any, on such investments shall be deposited in the Lease Payment Fund.

Section 4.4 COST OF ISSUANCE FUND

There is hereby created a fund, to be held by the Trustee, separate and apart from all other funds of the Agency, designated the “Greater Boise Auditorium District Expansion Project Cost of Issuance Fund” (the “Cost of Issuance Fund”), into which shall be deposited so much of the Net Bond Proceeds as shall be required to pay the Costs of Issuance, and from which all Costs of Issuance shall be paid by the Trustee pursuant to Written Certificate of the Agency and the District. Moneys in the Cost of Issuance Fund shall be invested by the Trustee in Investment

Securities pursuant to a Written Certificate of the District. The interest, as well as the gain, if any, on such investments shall be deposited into the Cost of Issuance Fund. Any balance remaining in the Cost of Issuance Fund after payment of the Costs of Issuance shall be transferred to the Acquisition Fund, and the Cost of Issuance Fund shall thereupon be closed. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 12.1 hereof, any moneys in the Cost of Issuance Fund, after any transfer to the Rebate Fund so as to enable the Agency to comply with Section 5.1 hereof, shall be transferred by the Trustee to the Debt Service Account and applied in accordance with Section 12.4 hereof.

Section 4.5 BOND FUND

A. Bond Fund. There is hereby created a fund, to be held by the Trustee, separate and apart from all other funds of the Agency, designated the “Greater Boise Auditorium District Expansion Project Bond Fund” (the “Bond Fund”), consisting of three subaccounts: (1) a Debt Service Account, (2) a Debt Service Reserve Account, and (3) a Capitalized Interest Account.

(1) Debt Service Account. Simultaneously with the issuance of the Bonds, the Trustee shall deposit in the Debt Service Account, from Net Bond Proceeds, any accrued interest on the Bonds from their date to their date of delivery. There shall also be deposited in the Debt Service Account (i) all Lease Payments deposited therein pursuant to Section 4.3(A) of this Bond Resolution, (ii) all moneys transferred thereto from the Capitalized Interest Account pursuant to paragraph (3) of this subsection, (iii) all moneys transferred thereto from the Debt Service Reserve Account pursuant to paragraph (2) of this subsection, and (iv) all other moneys received by the Trustee which are designated to be deposited in the Debt Service Account. The accrued interest deposited in the Debt Service Account pursuant to the first sentence of this subsection, if any, shall be used to pay a portion of the interest on the Bonds on the first interest payment date therefor. Except as provided in Sections 4.7 and 12.4 hereof, moneys in the Debt Service Account shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds.

(2) Debt Service Reserve Account. Simultaneously with the issuance of the Bonds, the Trustee shall deposit into the Debt Service Reserve Account, from the Net Bond Proceeds, an amount equal to the Reserve Account Requirement. There shall also be deposited in the Debt Service Reserve Account (i) all moneys transferred thereto from the Lease Payment Fund pursuant to Section 4.3(B) hereof, (ii) all Rent payments by the District pursuant to Section 5.3(c) of the Lease, and (iii) all other moneys required to be deposited therein pursuant to this Bond Resolution or received by the Trustee when accompanied by directions that such moneys are to be deposited in the Debt Service Reserve Account. Moneys in the Debt Service Reserve Account shall be invested by the Trustee in Investment Securities pursuant to Written Certificate of the District. Any interest or other gain realized prior to the closing of the Acquisition Fund as a result of any investments or reinvestments of moneys in the Debt Service Reserve Account shall be paid into the Acquisition Fund at least semiannually. Any interest or other gain

realized subsequent to the closing of the Acquisition Fund as a result of any investments or reinvestments of moneys in the Debt Service Reserve Account shall be credited to the Debt Service Reserve Account if the amount therein is less than the Reserve Account Requirement. If the amount in the Debt Service Reserve Account at that time is equal to or greater than the Reserve Account Requirement, such interest or other gain realized, together with any other excess amount, shall be paid into the Debt Service Account at least semiannually.

In the event moneys in the Debt Service Account are insufficient to make such payments when due, whether on an interest payment date, optional or mandatory redemption date, maturity date or otherwise, moneys in the Debt Service Reserve Account shall be transferred to the Debt Service Account and used solely for the payment of the Debt Service on the Bonds; provided that such moneys may also be deposited in the Rebate Fund if necessary to enable the Agency to comply with Section 5.1 hereof. On the final maturity date of the Bonds, any moneys in the Debt Service Reserve Account may be used to pay the principal of and interest on the Bonds on such final maturity date or may be deposited in the Rebate Fund if necessary to enable the Agency to comply with Section 5.1 hereof. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 12.1 hereof, any moneys in the Debt Service Reserve Account, after any transfer to the Rebate Fund so as to enable the Agency to comply with Section 5.1 hereof, shall be transferred by the Trustee to the Debt Service Account and applied in accordance with subsection (1) of this Section. In the event of the redemption of the Bonds in whole or upon making provision for the payment of the Bonds in whole, any moneys in the Debt Service Reserve Account shall, at the direction of the District, be transferred (i) to the Rebate Fund so as to enable the Agency to comply with Section 5.1 hereof, (ii) to the Debt Service Account and applied to the payment of the principal of, and premium, if any, and interest on the Bonds, or (iii) to an escrow fund established in connection with the provision for payment of the Bonds pursuant to Section 7.1 hereof.

Any deficiency in the Debt Service Reserve Account created by a withdrawal as authorized by the preceding paragraph shall be replaced by deposits of legally available moneys from Rent, moneys in the Lease Payment Fund or from other moneys available hereunder.

The District may at any time substitute (i) cash or Investment Securities for a Reserve Account Insurance Policy or (ii) a Reserve Account Insurance Policy for cash or Investment Securities, so long as the amount on deposit in the Debt Service Reserve Account after such substitution is at least equal to the Reserve Account Requirement. In the event the District shall substitute a Reserve Account Insurance Policy for cash or Investment Securities, the amount on deposit in the Debt Service Reserve Account shall be that amount available to be drawn or otherwise paid pursuant to such Policy at the time of calculation. Notwithstanding the foregoing, no Reserve Account Insurance Policy shall be accepted by the Trustee for such substitution unless the Trustee has received an opinion of nationally recognized bond counsel acceptable to the Trustee to

the effect that such substitution and the intended use of the cash or Investment Securities to be released from the Debt Service Reserve Account will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the event the District shall deliver to the Trustee a Reserve Account Insurance Policy in substitution for the cash or Investment Obligations then on deposit in the Debt Service Reserve Account and the opinion of bond counsel referred to above, the Trustee shall transfer cash and Investment Securities in an amount (including accrued but unpaid interest on such Investment Securities, if any) equal to the face amount of such Reserve Account Insurance Policy (i) prior to the closing of the Acquisition Fund, to the account or accounts within the Acquisition Fund which is specified by Written Certificate of the Agency and the District and (ii) subsequent to the closing of the Acquisition Fund, to the Debt Service Account to be applied to the next payment or payments of the principal of, premium, if any, and interest coming due on the Bonds. In addition, the Trustee is hereby authorized to release any Reserve Account Insurance Policy in the event the District shall deliver to the Trustee for deposit in the Debt Service Reserve Account cash and Investment Securities (exclusive of accrued but unpaid interest thereon) in an amount equal to the amount then available to be drawn upon such released Reserve Account Insurance Policy. Any Reserve Account Insurance Policy shall be valued for all purposes of this Resolution at the amount available to be paid under such Policy.

Whenever the amount in the Debt Service Reserve Account (other than amounts represented by a Reserve Account Insurance Policy), together with the amount in the Debt Service Account, is sufficient to pay in full the amount of Bonds Outstanding, including interest thereon, the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Any provision of this Bond Resolution to the contrary notwithstanding, so long as there shall be held in the Bond Fund an amount sufficient to pay in full the total principal amount of Bonds Outstanding and interest accrued thereon, in accordance with the terms of the Bonds, no deposits shall be required to be made into the Debt Service Reserve Account.

(3) Capitalized Interest Account. Simultaneously with the issuance of the Bonds, the Trustee shall deposit funds sufficient to capitalize interest on the Bonds through August 31, 2016 into the Capitalized Interest Account. On or before December 15, 2016, the Trustee shall transfer all monies in the Capitalized Interest Account to the Debt Service Account. Moneys in the Capitalized Interest Account shall be invested by the Trustee in Investment Securities pursuant to a Written Certificate of the District. Interest earnings shall be deposited as received into the Acquisition Fund.

B. Priority of Lien of Payments into the Bond Fund. The amounts so pledged to be paid into the Bond Fund from the Pledged Revenues are hereby declared to be a prior lien and charge upon the Pledged Revenues superior to all other charges of any kind or nature whatsoever.

C. Application and Investment of Moneys in Accounts Within the Bond Fund. Moneys in the accounts within the Bond Fund shall be invested in Investment Securities. Investments in the accounts within the Bond Fund shall mature prior to the date on which such moneys shall be needed for required payments and investments of moneys on deposit in the Debt Service Reserve Account shall mature (or be redeemable at the option of the holder thereof) not more than two (2) years from the date such investment is made.

Section 4.6 REBATE FUND

There is hereby created a fund to be held by the Trustee, separate and apart from other funds of the Agency, designated the “Greater Boise Auditorium District Expansion Project Rebate Fund” (the “Rebate Fund”). The Agency shall cause to be made deposits into the Rebate Fund, from any lawfully available funds of the District, including amounts available pursuant to Section 4.3(C) hereof, amounts payable by the District pursuant to Section 5.3(d) of the Lease or amounts otherwise available pursuant to this Bond Resolution. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Bond Resolution to the extent that such amounts are required to be paid to the United States Treasury. The Agency shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate). Upon receipt by the Agency and the Trustee of an opinion of nationally recognized bond counsel acceptable to the Agency to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess shall be transferred by the Trustee into the Debt Service Account. Moneys in the Rebate Fund shall be invested by the Trustee in Investment Securities pursuant to a Written Certificate of the District. The interest, as well as the gain, if any, on such investments shall be deposited into the Rebate Fund.

Section 4.7 REPAYMENT TO THE DISTRICT FROM THE FUNDS

Any amounts remaining in any of the funds created by this Article IV after payment in full of the Bonds (or making provision for such payment), the Trustee Fees and Expenses, the Agency Fees and Expenses, and all other amounts required to be paid hereunder and under the Lease to the Agency or any other payments required hereunder and under the Lease (including payments into the Rebate Fund and to the United States), shall be paid to the District upon the expiration of the Lease.

ARTICLE V

TAX COVENANT

Section 5.1 TAX COVENANT

The Agency covenants for the benefit of the Registered Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Agency or the facilities financed by the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds to

lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Agency in fulfilling the above covenant under the Code have been met.

ARTICLE VI

INVESTMENTS

Section 6.1 INVESTMENTS

Obligations purchased as an investment of money in any fund or account created under the provisions of this Bond Resolution shall be deemed at all times to be a part of such fund or account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to, the computation of net interest earned on the money and investments in such fund or account.

Except as otherwise provided in this Bond Resolution, the Trustee shall sell at the best price obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either shall be requested in writing by an Authorized Officer of the District so to do or whenever it shall be necessary in order to provide money to meet any payment or transfer from any fund or account held by them. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any fund or account mentioned in the preceding sentence, transfer such investment obligations, or interest appertaining thereto if such investment obligations shall mature or be collectable at or prior to the time the proceeds thereof shall be needed or as specified in Section 4.5(C) hereof and such transfer of investment obligations may be made in book entry form. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from such investment.

Except as otherwise specifically provided in this Bond Resolution, interest earnings on investment of moneys in any fund or account shall remain in the fund or account from which they were earned.

ARTICLE VII

DEFEASANCE OF THE BONDS

Section 7.1 PROVISION FOR DEFEASANCE OF THE BONDS

In the event that money and/or direct obligations of the United States, maturing or having guaranteed redemption prices at the option of the District at such time or times and bearing interest to be earned thereon in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bonds in accordance with their terms, are

hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payment need be made into the Bond Fund for the payment of the principal of and interest on that portion of the Bonds so provided for, and such portion of the Bonds and interest accrued thereon shall then cease to be entitled to any lien, benefit or security of this Bond Resolution, except the right to receive the funds so set aside and pledged, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder. In connection with the establishment of any such special accounts the District shall deliver to the Trustee (i) a verification report prepared by an independent certified public accountant acceptable to the Trustee as to the sufficiency of the obligations deposited into the special account, and (ii) an opinion of bond counsel that (a) the agreement relating to such special account is a valid and binding agreement of the parties thereto, and (b) that the establishing of the special account does not adversely affect the tax exempt status of the Bonds. In rendering such opinion, bond counsel may rely on the verification report as to the computation of the yield on the obligations deposited into the special account.

ARTICLE VIII

[INTENTIONALLY OMITTED]

ARTICLE IX

THE TRUSTEE

Section 9.1 THE TRUSTEE

A. Trustee: Acceptance of Duties. Zions Bank, a division of ZB, National Association, corporate trust office, Boise, Idaho, is hereby appointed as Trustee and shall also act as bond registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds, subject to the terms and conditions set forth in Section 2.10 of this Bond Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Agency a written acceptance thereof, and upon executing such acceptance the Trustee shall be deemed to have accepted the duties and obligations with respect to all of the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in this Bond Resolution.

B. Trustee's Acceptance of Acquisition Fund Duties. Zions Bank, a division of ZB, National Association, corporate trust office, Boise, Idaho, is hereby appointed as Acquisition Fund depository. The Trustee shall signify its acceptance of the duties and obligations imposed upon it pursuant to this Bond Resolution by written instrument of acceptance filed with the Agency.

Section 9.2 RESPONSIBILITIES OF TRUSTEE

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Agency and the Trustee does not assume any responsibility for the correctness of the same (other than the certificate of authentication on the Bonds). The Trustee makes no representations

as to the validity or sufficiency of this Bond Resolution or of any Bonds issued hereunder or as to the security afforded by this Bond Resolution, and the Trustee shall not incur any liability in respect thereof. The Trustee shall not be under any responsibility or duty with respect to the application of any moneys paid by the Trustee in accordance with the provisions of this Bond Resolution to the Agency. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless indemnified to its satisfaction. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provisions of this Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.2.

Section 9.3 EVIDENCE ON WHICH TRUSTEE MAY ACT

A. Notices, Etc. The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provisions of this Bond Resolution or the Lease shall examine such instrument to determine whether it conforms to the requirements of this Bond Resolution or the Lease shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Agency, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Bond Resolution in good faith and in accordance therewith.

B. Evidence of Actions. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Bond Resolution, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Agency or the District, as required by this Bond Resolution, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

C. Sufficiency of Execution. Except as otherwise expressly provided in this Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Agency or the District to the Trustee shall be sufficiently

executed in the name of the Agency or the District if it is signed by an Authorized Officer of the Agency or the District, as applicable.

D. Investments. All funds held by the Trustee shall be invested by the Trustee in Investment Securities pursuant to Written Certificate of the District.

Section 9.4 COMPENSATION OF TRUSTEE

The District shall pay the Trustee Fees and Expenses including reasonable compensation for all services rendered under this Bond Resolution and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties under this Bond Resolution, pursuant to the terms of the Lease.

Section 9.5 RESIGNATION AND REMOVAL OF TRUSTEE

A. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving not less than sixty (60) days' written notice to the Agency and the District, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Agency or the District as provided in Section 9.6 of this Bond Resolution, in which event such resignation shall take effect immediately on the appointment of such successor; provided, however, that such resignation of the Trustee shall in no event take effect until such successor has been appointed.

B. Removal of Trustee. The Trustee may be removed at any time by the District, or if an event of default has occurred and is continuing, the Agency, upon being given thirty (30) days' notice by an instrument in writing filed with the Trustee. The Trustee may be removed at any time for any breach of trust set forth in this Bond Resolution.

Section 9.6 SUCCESSOR TRUSTEE

A. Appointment of Successor Trustee.

(1) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property shall be appointed, or if any public officer shall take charge or control of the trust or of its property or affairs, a successor shall be appointed by the District or if an event of default has occurred and is continuing, the Agency.

(2) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.6 within 45 days after the Trustee shall have given to the Agency and the District written notice as provided in Section 9.5 of this Bond Resolution or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee may apply to any court of competent

jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(3) Any Trustee appointed under the provisions of this Subsection (A) in succession to the Trustee shall be a bank or trust company or national banking association or subsidiary thereof doing business or qualified to do business and in good standing in the State of Idaho and subject to examination by federal or state authority, and having reported capital stock and surplus aggregating at least \$100,000,000 if there be such bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

B. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Agency and the District, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, shall become fully vested with all rights, powers, duties, and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall, nevertheless, on the written request of the Agency, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Bond Resolution, and shall pay over, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the Agency be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Agency.

C. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Bond Resolution, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

D. Effectiveness of Appointment. Notwithstanding any other provision of this Bond Resolution, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

Section 9.7 INTERVENTION BY TRUSTEE

In any judicial proceeding which has a substantial bearing on the interests of the Registered Owners of the Bonds, the Trustee may intervene on behalf of the Registered Owners of the Bonds and shall do so if requested in writing by the Registered Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and if indemnified to the satisfaction of the Trustee.

ARTICLE X

COVENANTS OF THE AGENCY

Section 10.1 COVENANTS OF THE AGENCY

The Agency covenants and agrees with the Registered Owners of the Bonds as follows:

A. Punctual Payment. The Agency will punctually pay the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, solely from the Pledged Revenues, in strict conformity with the terms of the Bonds and of this Bond Resolution, and will faithfully satisfy, observe, and perform all conditions, covenants, and requirements of the Bonds and of this Bond Resolution.

B. Against Encumbrances. Except as provided in this Bond Resolution and the Deed of Trust, the Agency will not mortgage or otherwise encumber, pledge, or place any charge upon any of the Pledged Revenues, and will not issue any obligation or security payable in whole or in part from the Pledged Revenues with a lien on the Pledged Revenues superior or prior to the lien thereon of the Bonds. So long as the Lease remains in full force and effect, the Agency will not sell, encumber, or dispose of the Financed Project except as provided in Article XII of this Bond Resolution or as permitted by the Lease.

C. Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on the Bonds.

D. Management and Operation of Financed Project. The Agency will require that the Financed Project be operated in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Financed Project or any part thereof. The Agency will strictly enforce the provisions of the Lease. The Agency covenants that it shall (i) collect, or cause the Trustee to collect, all Rent, excluding Occupancy Expenses, under the Lease, (ii) comply with all its covenants contained in the Lease, and (iii) cause the District to comply with all covenants of the District in the Lease. In the event of a material violation of the Lease by the District, the Agency shall, in cooperation with the Trustee, diligently and promptly pursue all rights and remedies which the Agency may have as a result of any such violation.

E. Protection of Pledged Revenues and Rights of Beneficial Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Beneficial Owners, and will warrant and defend their rights against all claims and demands of all persons. From and

after the sale and delivery of any Bonds by the Agency, such Bonds shall be incontestable by the Agency.

F. Further Assurances. The Agency will adopt, make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Bond Resolution and for the better assuring and confirming unto the Beneficial Owners of the Bonds of the rights and benefits provided in this Bond Resolution.

G. Accounts and Reports.

(1) The Agency shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Financed Project and each fund and account established under this Bond Resolution, and which, together with all books and papers of the Agency, including insurance policies, relating to the Financed Project, shall at all times be subject to the inspection of the Trustee or its representative duly authorized in writing or of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding or their representatives authorized in writing.

(2) The Trustee shall advise the Agency in writing promptly as requested by the Agency, but in no event less often than annually, of its transactions during such period relating to each fund and account held by it under this Bond Resolution.

H. General.

(1) The Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Agency under the provisions of the Law and this Bond Resolution.

(2) Upon the date of authentication and delivery of the Bonds, all conditions, acts, and things required by law and this Bond Resolution to exist, to have happened, and to have been performed precedent to and in the issuance of the Bonds shall exist, have happened, and have been performed, and the issue of the Bonds, together with all other indebtedness of the Agency, shall comply in all respects with the applicable laws of the State of Idaho.

(3) The Bonds are issued in connection with an urban renewal project, as defined in the Law. Accordingly, in any suit, action, or proceedings involving the validity or enforceability of the Bonds, the Bonds shall be conclusively deemed to have been issued for such purpose and such urban renewal project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of the Law.

I. Opinions of Bond Counsel. Whenever an opinion of bond counsel is rendered in connection with any provision of this Bond Resolution, the opinion shall affirmatively state, in a manner acceptable to the Agency and the Trustee, that the action in question will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

ARTICLE XI

AMENDMENTS

Section 11.1 AMENDMENTS TO THIS BOND RESOLUTION

A. Without Owner Consent. The Agency from time to time and at any time may, with the consent of the Trustee (which consent shall not unreasonably be withheld), adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Bond Resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the Agency in this Bond Resolution other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the Beneficial Owners of any of the Bonds, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this Bond Resolution as the Agency may deem necessary or desirable and which shall not adversely affect, in any material respect, the interest of any of the Beneficial Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Beneficial Owners of the Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section 11.1.

B. With Owner Consent. With the consent of the Beneficial Owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds at the time Outstanding, the Agency may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Bond Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) extend the fixed maturity of the Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from its due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Beneficial Owner of each Bond so affected or create a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or deprive the Registered Owner of any Bond of the lien hereby created on the Pledged Revenues, without the consent of the Beneficial Owner of each Bond adversely affected thereby; or

(2) reduce the aforesaid percentage of Beneficial Owners required to approve any such supplemental resolution, without the consent of the Beneficial Owners of all of the Bonds then Outstanding.

If at any time the Agency shall request the Trustee to consent to any such supplemental resolution for any of the purposes of this Section 11.1, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the adoption of such supplemental resolution to be given to the Registered Owner of each Bond then Outstanding by Electronic Means. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners of the Bonds then Outstanding. If, within sixty (60) days or such longer period as shall be prescribed by the Agency following such notice, the Beneficial Owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds Outstanding at the time of the adoption of any such supplemental resolution shall have consented to and approved the adoption thereof as provided herein, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Agency from executing the same or from taking any action pursuant to the provisions thereof. It shall not be necessary for the consent of Beneficial Owners under this subsection B to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

C. Effect of Supplemental Resolution. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section 11.1, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the Agency and Trustee under this Bond Resolution and all Beneficial Owners of the Bonds then Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this Bond Resolution for any and all purposes.

D. Notation on Bonds. Any Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this Section 11.1 may have a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, Bonds so modified as to conform, in the opinion of the Board, to any modification of this Bond Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Beneficial Owners of the Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

E. District Consent. Anything herein to the contrary notwithstanding, a supplemental resolution under this Section 11.1 shall not become effective unless and until the District shall have consented to the execution and delivery of such supplemental resolution, unless an Event of Default shall have occurred hereunder or under the Lease or an Event of Nonrenewal shall have occurred under the Lease.

Section 11.2 AMENDMENTS TO LEASE

A. Amendments, Etc., of the Lease Not Requiring Consent of Beneficial Owners. The Agency and the District may without the consent of or notice to the Beneficial Owners consent to any amendment, change or modification of the Lease as may be required or permitted (i) by the provisions of the Lease or this Bond Resolution, (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Trustee, as set forth in its written consent thereto, is not to the prejudice of the Trustee or the Owners of the Bonds.

B. Amendments, Etc., of the Lease Requiring Consent of Beneficial Owners. Except for the amendments, changes or modifications referred to in Paragraph A of this Section 11.2, neither the Agency, the District, nor the Trustee shall consent to any other amendment, change or modification of the Lease without the giving of notice and the written approval or consent of the Beneficial Owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds at the time outstanding, given and procured as provided in Section 11.1 hereof. If at any time the Agency and the District shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon being protected to its satisfaction by the Agency or the District with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 11.1 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Beneficial Owners.

C. Trustee's Consents to Supplemental Resolutions and Amendments of the Lease. In consenting to any supplemental resolution or amendment to the Lease permitted by this Article XI, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of bond counsel stating that such consent to the execution and delivery of such supplemental resolution or such amendment to the Lease is authorized or permitted by this Bond Resolution.

ARTICLE XII

EVENTS OF DEFAULT AND EVENT OF NONRENEWAL

Section 12.1 EVENTS OF DEFAULT

If any one or more of the following events of default shall happen, that is to say:

(1) if default shall be made in the due and punctual payment of the principal or redemption price of the Bonds when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(2) if default shall be made in the due and punctual payment of any installment of interest on the Bonds, when and as such interest installment shall become due and payable;

(3) if default shall be made by the Agency in the performance or observance of any other of the covenants, agreements, or conditions on its part in this Bond Resolution or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Agency by the Trustee;

(4) if an order or decree shall be entered, with the consent or acquiescence of the Agency, appointing a receiver or receivers of the Financed Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the Agency, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof; or

(5) if an "event of default" as defined in subsection (a), (b), (c), (d) or (e) of Section 10.1 of the Lease shall have occurred and is not remedied within the time provided for remedy of default under the Lease;

then, if such Event of Default shall have occurred under paragraphs (1), (2), (4), or (5) above of this Section 12.1, so long as such Event of Default shall not have been remedied, unless the Outstanding amount of the Bonds shall have already become due and payable, the Trustee may, (in each case by thirty (30) days' written notice to the Agency and the District), or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, (by notice in writing to the Agency, the District, and the Trustee) may declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Bond Resolution or in the Bonds contained to the contrary notwithstanding; provided, however, any exercise of remedies by the Trustee hereunder shall be subject to the rights of the District under the Lease, so long as such agreement is in effect and the District is not in default thereunder, and subject to the rights of the District under the Option to Purchase. The right of the Trustee or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of Debt Service on the Bonds, together with interest on such overdue installments of Debt Service to the extent permitted by law and reasonable and proper charges, if any, and all other sums then payable by the Agency under this Bond Resolution (except the principal of, and interest accrued since the next preceding Debt Service payment date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Agency or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Bond Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Beneficial Owners of not less than twenty-five percent (25%) in aggregate

principal amount of the Bonds then Outstanding, by written notice to the Agency and the Trustee, may rescind such declaration and annul such default in its entirety or, if the Trustee shall have acted itself without direction of the Beneficial Owners of the Bonds it may rescind such declaration and annul such default in its entirety, or if the Trustee shall have acted upon the direction of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, unless there shall have been delivered to the Trustee written direction to the contrary by the Beneficial Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee may rescind such declaration and annul such default in its entirety. No such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 12.2 ACCOUNTING AND EXAMINATION OF RECORDS AFTER DEFAULT OR NONRENEWAL

A. Examination of Records. The Agency covenants that, if an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the books of record and account of the Agency and all other records relating to the Financed Project shall at all reasonable times be subject to the inspection and use of the Trustee and of its agents and attorneys.

B. Accounting. The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all moneys, securities, and funds pledged or held under this Bond Resolution for such period as shall be stated in such demand.

Section 12.3 DISPOSITION OF FINANCED PROJECT; OTHER REMEDIES

A. Financed Project. If the District is in default under the Lease after expiration of any applicable cure period thereunder, and an Event of Default (other than under Section 12.1(3) hereof) shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the Trustee may, in addition to any other remedies provided in this Bond Resolution, terminate the Lease, cause the District to be evicted from the Financed Project, take possession of the Financed Project and may lease or sell the Financed Project or any portion thereof under the Deed of Trust for the benefit of the Beneficial Owners; provided, however, any exercise of remedies by the Trustee hereunder shall be subject to the rights of the District under the Lease, so long as such agreement is in effect and the District is not in default thereunder, and subject to the rights of the District under the Option to Purchase. The Trustee shall also have the discretion and authority to retain consultants or managers, including the Agency and the District, to operate the Financed Project.

B. Lawsuits. If any Event of Default shall have happened and shall not be remedied or if an Event of Nonrenewal shall occur, the Trustee 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 any obligations, agreements, or covenants of the District under the Lease, under this Bond Resolution, and the Deed of Trust.

Section 12.4 APPLICATION OF FUNDS AND MONEYS AFTER DEFAULT

A. Payment to Trustee. The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities, and funds then held by the Agency in any Fund under this Bond Resolution, and (ii) all Rent, excluding Occupancy Expenses, and payments pursuant to Section 5.3 of the Lease as promptly as practicable after receipt thereof.

B. Application of Pledged Revenues. During the continuance of an Event of Default or upon the occurrence of an Event of Nonrenewal, the Trustee shall apply all Pledged Revenues held by the Trustee pursuant to any right given or action taken under the provisions of this Section 12.4 as follows and in the following order:

(1) To the payment of the Trustee Fees and Expenses;

(2) To the payment of the amounts required for reasonable and necessary costs of operating and maintaining the Financed Project as necessary, in the judgment of the Trustee, to prevent deterioration of the Financed Project or loss of the Pledged Revenues therefrom. For this purpose the books of record and account of the Agency relating to the Financed Project shall at all times be subject to the inspection of the Trustee and its representatives and agents, during normal business hours, during the continuance of such Event of Default or upon the occurrence of an Event of Nonrenewal;

(3) To the payment of the interest and principal or redemption price then due on the Bonds as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of the Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

C. Terms of Application of Moneys. Whenever moneys are to be applied pursuant to the provisions of this Section 12.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of the Special Record Date and the date for payment, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

D. Effect of Cure. If and whenever all overdue installments of interest on the Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Agency under this Bond Resolution, including the principal and redemption price of and accrued unpaid interest on the Bonds which shall then be payable by declaration or otherwise, shall either be paid by the Trustee for the account of the Agency, or provision satisfactory to the Trustee shall be made for such payment, and all Events of Default under this Bond Resolution shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Agency and the Trustee shall be restored, respectively, to their former positions and rights under this Bond Resolution. No such restoration of the Agency and the Trustee to their former positions and rights shall extend to or affect any subsequent Events of Default under this Bond Resolution or impair any right consequent thereon.

Section 12.5 PROCEEDINGS BROUGHT BY TRUSTEE

A. Institution of Proceedings. If an Event of Default shall happen and shall not have been remedied or if an Event of Nonrenewal shall occur, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall proceed to protect and enforce its rights and the rights of the Beneficial Owners of the Bonds under this Bond Resolution forthwith by a suit or suits in equity or at law, whether for the specified performance of any covenant herein contained, or in and of the execution of any power herein granted, or for an accounting against the Agency as if the Agency

were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Bond Resolution.

B. No Possession of Bonds. All rights of action under this Bond Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

C. Majority May Control. The Beneficial Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding may direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by its counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Beneficial Owners of the Bonds not parties to such direction.

D. Trustee Powers. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Bond Resolution the Trustee shall be entitled to exercise any and all rights and powers conferred in this Bond Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default or an Event of Nonrenewal.

E. Protection of Pledged Revenues. Regardless of the happening of an Event of Default or an Event of Nonrenewal, the Trustee shall have power to, but unless requested in writing by the Beneficial Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and furnished with adequate security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interest and the interests of the Beneficial Owners.

Section 12.6 RESTRICTION ON ACTION OF REGISTERED OWNERS

A. No Right to File Actions. Except as otherwise provided herein, no Beneficial Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Bond Resolution or the execution of any trust under this Bond Resolution or for any remedy under this Bond Resolution, unless such Beneficial Owner shall have previously given to the Trustee written notice of the happening of an Event of Default or an Event of Nonrenewal, as provided in this Section 12.6, and the Beneficial Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have

offered it reasonable opportunity, either to exercise the powers granted in this Bond Resolution or by the Law or by the laws of the State of Idaho or to institute such action, suit, or proceeding in its own name, and unless such Beneficial Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Beneficial Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Bond Resolution, or to enforce any right under this Bond Resolution, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Bond Resolution shall be instituted, had, and maintained in the manner provided in this Bond Resolution and for the equal benefit of all Beneficial Owners of the Bonds Outstanding.

B. Obligation to Pay Unimpaired. Nothing in this Bond Resolution or in the Bonds shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Registered Owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Beneficial Owner to enforce such payment of his Bond.

Section 12.7 REMEDIES NOT EXCLUSIVE

No remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee or the Beneficial Owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy given under this Bond Resolution or existing at law or in equity or by statute on or after the date of adoption of this Bond Resolution shall be available to the Trustee and the Beneficial Owners.

Section 12.8 EFFECT OF WAIVER AND OTHER CIRCUMSTANCES

A. Delay or Omission No Waiver. No delay or omission of the Trustee or any Beneficial Owner to exercise any right or power arising upon the happening of an Event of Default or an Event of Nonrenewal shall impair any right or power or shall be construed to be a waiver of any such Event of Default or an Event of Nonrenewal or be an acquiescence therein; and every power and remedy given by this Article XII to the Trustee or to the Beneficial Owners may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Beneficial Owners.

B. Waiver. Prior to the declaration of maturity of the Bonds as provided in this Bond Resolution, the Beneficial Owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds at the time Outstanding, or their attorney-in-fact duly authorized, may on behalf of the Beneficial Owners of all of the Bonds waive any past default under this Bond Resolution and its consequences, except a default in the payment of interest on, principal of, or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 12.9 [INTENTIONALLY OMITTED]

Section 12.10 NOTICE OF DEFAULT

The Trustee shall send via mail or Electronic Means to the Agency, the District and the Registered Owners of the Bonds then Outstanding written notice of the occurrence of any Event of Default.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1 SALE OF THE BONDS

The sale of the Bonds to the Underwriter, in accordance with the terms and provisions set forth in the Bond Purchase Agreement attached hereto as Exhibit B, is hereby approved. The Chairperson (or, in his/her absence, the Vice Chairperson or the Executive Director of the Agency) is hereby authorized to execute the Bond Purchase Agreement on behalf of the Agency.

The proper officials of the Agency are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bonds and for the proper use and application of the proceeds of sale thereof.

The Authorized Officers of the Agency are further authorized and directed to publish notice of the adoption of this Bond Resolution, substantially in the form set forth in Exhibit C attached hereto.

Section 13.2 APPROVAL OF DOCUMENTS

The forms, terms and provisions of the Lease, the Assignment of Purchase Agreement, the Option to Purchase, the Deed of Trust, the Bond Purchase Agreement and the Letter of Representations be and they hereby are approved and the Agency shall enter into the Lease, the Assignment of Purchase Agreement, the Option to Purchase, the Bond Purchase Agreement and the Deed of Trust substantially in the forms of each of such documents presented to the Board at this meeting, with only such changes therein as are not inconsistent herewith; and the Chairperson and the Vice Chairperson of the Agency are each hereby authorized to execute and deliver the Lease, the Assignment of Purchase Agreement, the Option to Purchase, the Bond Purchase Agreement, the Letter of Representations and the Deed of Trust, and the Secretary of the Agency is hereby authorized to affix the Agency seal, if any, to and to attest the Lease, the Assignment of Purchase Agreement, the Option to Purchase, the Bond Purchase Agreement, the Letter of Representations and the Deed of Trust. The Chairperson of the Agency is hereby authorized to approve the distribution by the Underwriter of a Preliminary Official Statement relating to the Bonds and to execute and deliver to the Underwriter a final Official Statement to be used in connection with the offering of the Bonds.

The Chairperson, the Vice Chairperson, the Secretary and the Executive Director of the Agency are each hereby authorized to take all action necessary or desirable in conformity with the Law to finance the Financed Project, including without limitation the execution and delivery of all other agreements, documents and certificates to be delivered in connection with the sale and delivery of the Bonds.

Section 13.3 NOTICES

Any notice, request, authorization, or demand required or permitted to be given by this Bond Resolution shall be deemed sufficiently given when delivered or mailed, by registered or certified mail, postage prepaid, as follows: if to the Agency, at: 121 N. 9th Street, Suite 501, Boise, Idaho 83702, attention: Executive Director; if to the Trustee, at: Zions Bank, a division of ZB, National Association, 800 W. Main Street, Suite 700, Boise, Idaho 83702; and if to the District, at: 850 W. Front Street, Boise, Idaho 83702, attention: Executive Director. For the purpose of payment of the Bonds and of transfers and exchanges of the Bonds, the principal corporate trust office of the Trustee shall be Zions Bank, a division of ZB, National Association, Boise, Idaho, 800 W. Main Street, Suite 700, Boise, Idaho 83702.

Section 13.4 SEVERABILITY

If any one or more of the covenants or agreements provided in this Bond Resolution to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Bond Resolution and shall in no way affect the validity of the other provisions of this Bond Resolution or the Bonds.

Section 13.5 RESOLUTION IRREPEALABLE

After any of the Bonds are issued, this Bond Resolution shall constitute a contract between the Agency and the Beneficial Owners of the Bonds from time to time; and, subject to Sections 7.1 and 11.1 hereof, this Bond Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided.

Section 13.6 [INTENTIONALLY OMITTED]

Section 13.7 VALIDITY OF BONDS

Pursuant to Section 50-2027, Idaho Code, as amended, no direct or collateral action attacking or otherwise questioning the validity of the Bonds may be brought prior to the effective date of this Bond Resolution or after the expiration of thirty (30) days from and after the effective date of this Bond Resolution.

Section 13.8 [INTENTIONALLY OMITTED]

Section 13.9 [INTENTIONALLY OMITTED]

Section 13.10 [INTENTIONALLY OMITTED]

Section 13.11 EXHIBITS INCORPORATED

All Exhibits hereto are hereby incorporated by reference as if fully set forth herein.

Section 13.12 EFFECTIVE DATE

This Bond Resolution shall take effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Boise City, Idaho, on _____.
Signed by the Chairperson of the Board of Commissioners, and attested by the Secretary to the
Board of Commissioners, _____, 2016.

URBAN RENEWAL AGENCY OF BOISE CITY,
IDAHO

Chairperson, Board of Commissioners

(S E A L)

ATTEST:

Secretary

EXHIBIT A

(FORM OF GLOBAL BOND)

R- _____

\$ _____

DATED: _____

CUSIP _____

MATURITY DATE: _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Agency or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF IDAHO
COUNTY OF ADA

URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO
LEASE REVENUE BOND, SERIES 2016
(GREATER BOISE AUDITORIUM DISTRICT EXPANSION PROJECT)

The URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO (the "Agency"), for value received, promises to pay from the Debt Service Account (the "Debt Service Account") in the Bond Fund (the "Bond Fund"), created by Resolution No. 1435, adopted by the Board of Commissioners of the Agency on _____, 2016 (the "Bond Resolution"), to CEDE & CO., or registered assigns, on the above Maturity Date, _____, the principal sum of

DOLLARS

and to pay interest thereon from the aforesaid Debt Service Account from _____, 2016, or the most recent date to which interest has been paid at the rate of percent (____%) per annum, payable commencing on December 15, 2016, and semiannually thereafter on each June 15 and December 15 until the date of maturity or prior redemption of this Bond. Interest shall be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner hereof, whose name and address shall appear on the registration records of the Agency (the "Bond Register") maintained by Zions Bank, a division of ZB, National Association, corporate trust office, Boise, Idaho, as Trustee under the Bond Resolution (the "Trustee") or its successor as Trustee. Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the first day of the calendar month in which the interest payment date occurs, and

shall be paid by check or draft of the Trustee mailed to such Registered Owner on the due date at its address appearing on the Bond Register. Principal shall be paid to the Registered Owner, upon presentation and surrender of this Bond on or after its date of maturity or prior redemption, at the principal corporate trust office of the Trustee.

This Bond shall not constitute an indebtedness within the meaning of any Constitutional or statutory debt limitation or restriction, and shall not constitute a general obligation or debt of Ada County, Idaho, the City of Boise City, Idaho, the State of Idaho, or any of its political subdivisions. In no event shall this Bond give rise to a general obligation or liability of the Agency, Ada County, Idaho, the City of Boise City, Idaho, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the Agency specifically pledged therefor.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

This Bond is one of a duly authorized issue of Bonds (the "Bonds") of like date, tenor, designation and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating \$ _____ in principal amount. The Bonds are issued as both serial and term Bonds, in fully registered form, in denominations of \$5,000, or any integral multiple thereof (provided that no single Bond shall represent more than one maturity), and mature over the years ____ through ____, inclusive. The Bonds are limited obligations of the Agency payable solely from the Pledged Revenues. "Pledged Revenues" is defined in the Bond Resolution as (i) all right, title and interest of the Agency to Rent, excluding Occupancy Expenses; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under this Bond Resolution and all moneys and investments now and hereafter held therein. The Bonds are further secured by the Deed of Trust (subject to the Greater Boise Auditorium District's (the "District") Option to Purchase). All capitalized terms used in this Bond shall have the meanings given to them by the Bond Resolution.

The Bonds are initially issued in the form of a separate single certificate fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

The Bonds are not general obligations of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bonds constitute a lien upon the Pledged Revenues.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AGENCY, BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE AGENCY PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE RENT IS PAYABLE EXCLUSIVELY FROM MONEYS TO BE APPROPRIATED ANNUALLY FOR SUCH PURPOSE BY THE DISTRICT, BUT THE

DISTRICT IS UNDER NO OBLIGATION TO APPROPRIATE MONEYS ANNUALLY FOR THE PURPOSE OF RENEWING THE LEASE.

The Bonds are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20 (the "Law"), and also pursuant to the Bond Resolution, for the purpose of providing part of the moneys to finance the acquisition of the Financed Project, together with funding capitalized interest, the debt service reserve requirement and the costs of issuance. The Bonds are issued by the Agency in connection with an urban renewal project (as defined in the Law), and pursuant to Section 50-2012(f) of the Idaho Code, and the Bonds shall be conclusively deemed to have been issued for such purpose and the Financed Project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of the Law.

Except as provided below, Bonds maturing in the years ____ through ____, inclusive, are not subject to optional redemption prior to their stated dates of maturity. On any date on or after _____, at the option of the Agency, the Bonds maturing on and after _____ may be redeemed, in whole or in part (maturities to be selected by the Agency and by lot within a maturity in such manner as the Trustee shall determine), at the following redemption prices (expressed as a percentage of the principal amount of Bonds or portions thereof to be redeemed) plus accrued interest to the date fixed for redemption:

Redemption Period

Redemption Prices

The term Bonds maturing on December 15 _____ are subject to mandatory redemption prior to maturity, in part, by lot in such manner as the Trustee shall determine, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, from Debt Service Account deposits on the dates and in the amounts set forth below.

The Bonds are subject to redemption by the Agency upon the direction of the District in whole at any time upon certain events of damage, destruction or condemnation of the Financed Project at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Bonds are subject to redemption by the Agency upon the direction of the District in part at any time from the maturities selected by the Agency upon the direction of the District and by lot within a maturity, in integral multiples of \$5,000, but only from the proceeds of insurance or condemnation awards, as provided in the Bond Resolution and the Lease, at a redemption price equal to 100% of the principal amount of the Bonds redeemed plus accrued interest to the redemption date.

Notice of any such redemption shall be sent by the Trustee by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner at the address shown on the Bond Register maintained by the Trustee. When so called for redemption, such Bond shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bond shall not be deemed to be Outstanding as of such redemption date.

Upon any partial prior redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Bonds shall not be transferable or exchangeable except as set forth in the Bond Resolution.

The Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payments of principal hereof and interest due hereon and for all other purposes, and the Trustee shall not be affected by any notice to the contrary.

The Agency has covenanted and agreed with the Registered Owner of this Bond that it will keep and perform all of the covenants of this Bond and of the Bond Resolution to be by it kept and performed.

The covenants contained herein and in the Bond Resolution may be discharged by making provision, at any time, for the payment of the principal of and interest on the Bonds in the manner provided in the Bond Resolution.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things essential to the validity of this Bond do exist, have happened, and have been done and that every requirement of the Constitution and statutes of the State of Idaho and the resolutions of the Agency affecting the issue hereof have been duly complied with; and that the Pledged Revenues have been pledged and, as and when received, will be set aside into the Debt Service Account to be used for the payment of principal of and interest on this Bond in the order of priority provided in the Bond Resolution.

IN WITNESS WHEREOF, the Urban Renewal Agency of Boise City, Idaho has caused this Bond to be executed by the manual signatures of the Chairperson of its Board of Commissioners and its Treasurer, attested by the manual signature of its Secretary, and the seal of the Agency to be impressed hereon, if any, as of this ____ day of _____, 2016.

URBAN RENEWAL AGENCY OF BOISE CITY,
IDAHO

[SEAL]

Chairperson, Board of Commissioners

Treasurer

ATTEST:

Secretary

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Urban Renewal Agency of Boise City, Idaho Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) described in the within-mentioned Bond Resolution.

ZIONS BANK, A DIVISION OF ZB,
NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, to transfer the within Bond on the records kept for the registration therefor with full power of substitution in the premises.

Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” that is a member of or a participant in a “signature guarantee program” (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program)_____
Authorized Signature.

(FORM OF PREPAYMENT PANEL)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Bond Resolution.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of DTC</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Bond is one of the Urban Renewal Agency of Boise City, Idaho Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) described in the within-mentioned Bond Resolution.

ZIONS BANK, A DIVISION OF ZB,
NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

EXHIBIT B

BOND PURCHASE AGREEMENT AND LETTER OF REPRESENTATIONS

**URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO
LEASE REVENUE BONDS, SERIES 2016
(GREATER BOISE AUDITORIUM DISTRICT EXPANSION PROJECT)**

BOND PURCHASE AGREEMENT

March 29, 2016

Urban Renewal Agency of Boise City, Idaho
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Ladies and Gentlemen:

U.S. Bancorp Investments, Inc. (the “**Underwriter**”) acting on its own behalf and not as a fiduciary or agent for you, offers to enter into this Bond Purchase Agreement (this “**Agreement**”) with the Urban Renewal Agency of Boise City, Idaho a/k/a Capital City Development Corporation (the “**Agency**”). This offer is made subject to acceptance by the Agency, exercised by the execution of this Agreement by an authorized representative of the Agency, on or before 10:00 p.m., prevailing Mountain Time, on the date set forth at the top of this Agreement, and if not so accepted, will be subject to withdrawal by the Underwriter upon written or oral notice given to the Agency at any time prior to the acceptance hereof by the Agency. Upon acceptance of this offer and delivery of this Agreement by the Agency, and upon delivery to and assignment by the Agency of the Letter of Representations (as defined in Section 6 hereunder), this Agreement shall be binding upon the Agency and the Underwriter, subject to the provisions of Sections 6 and 7 hereof.

Exhibits A through F are attached to this Agreement and, by this reference, are made a part hereof. Capitalized terms used and not otherwise defined herein have the meanings given to them in the Bond Resolution (as defined below).

Section 1. Agreement To Purchase and Sell. Upon the terms and conditions and upon the basis of the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Agency, and the Agency hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of: \$[_____] aggregate principal amount of its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) (the “**Bonds**”), for a purchase price of \$[_____] (being the principal amount of the Bonds, plus a [net] original issue premium of \$[_____] (the “**Purchase Price**”), subject to an Underwriter fee of \$_____.

The Bonds shall mature on the dates, and shall bear interest at the rates, as set forth in the Official Statement (defined below) and on Exhibit A hereto, and shall otherwise be in the form and have the terms provided in the Bond Resolution.

The Agency acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Agency and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a municipal advisor (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended), or an agent, advisor or fiduciary to the Agency, (c) the Underwriter has not assumed any advisory or fiduciary responsibility in favor of the Agency with respect to the offering of the Bonds contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to the Agency on other matters) and the Underwriter has no obligation to the Agency with respect to the offering of the Bonds contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriter has financial and other interests that differ from those of the Agency, and (e) the Agency has consulted with its own legal, financial, tax, accounting, and other advisors, as applicable, to the extent it deemed appropriate in connection with the offering of the Bonds.

Section 2. Use of Proceeds of Bonds. The Bonds have been authorized by a resolution of the Agency adopted on March 29, 2016 (the "**Bond Resolution**"). The Bond Resolution pledges to the payment of the Bonds (i) all right, title and interest of the Agency to all payments under that certain Lease Agreement (Annual Appropriation) between the Agency as lessor and the Greater Boise Auditorium District, Ada County, State of Idaho (the "**District**"), as lessee, dated as of the Closing Date (the "**Lease**"), including Rent, excluding Occupancy Expenses; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under the Bond Resolution and all moneys and investments now and hereafter held therein (collectively, the "**Pledged Revenues**") as security for the payment of the Bonds. Said Lease contains an option to purchase the Financed Project by the District and was authorized by the Agency under the Bond Resolution and by the District by its resolution adopted on March 29, 2016 (the "**District Resolution**"). The District previously entered into a Purchase and Sale Agreement dated December 17, 2015 (the "**PSA**"), with City Center Plaza Meeting, LLC, and has assigned the PSA to the Agency pursuant to an Assignment and Assumption Agreement (the "**Purchase Assignment**"). In addition, since the Financed Project is being acquired after the Closing, certain escrow instructions (the "**Escrow Instructions**") will be entered into between the District, the Agency and First American Title and Escrow Company providing for holding in escrow, the Deed of Trust and for recording of the Deed of Trust upon purchase of the Financed Project by the Agency. The Agency is issuing the Bonds to acquire the Financed Project under the PSA and to simultaneously lease the same to the District pursuant to the Lease. The District is paying Rent as provided under the Lease, subject to its annual budgeting and appropriation therefor, from a room tax in the amount of 5% of receipts of hotels and motels within the District (the "**Tax Receipts**") and net income from operations of the District (the "**District Net Operating Income**"). The District adopted its resolution providing for the levy of a sales tax on hotel and motel room rentals of 5% on July 10, 2006 (the "**District Tax Resolution**"). In addition, the Bonds are further to be secured by the Deed of Trust from the Agency for the benefit of Zions Bank, a division of ZB, National Association as trustee for the Bonds (the "**Trustee**").

Section 3. Offering of Bonds. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial offering prices and yields set forth in Exhibit A attached hereto. Following the initial offering, the offering prices (or yields) may be changed from time to time by the Underwriter. The Bonds may be offered and sold to certain underwriters (including the Underwriter and other broker/dealers depositing such Bonds into investment trusts) at prices lower than such initial offering prices.

Section 4. Preliminary Official Statement, Official Statement and Continuing Disclosure.

(a) The Agency hereby ratifies and approve the preparation, use and distribution by the Underwriter for the offering and sale of the Bonds of the Preliminary Official Statement dated March 17, 2016 relating to the Bonds (which, including the cover page and all appendices and statements included therein, incorporated by reference therein or attached thereto, is referred to as the “**Preliminary Official Statement**”). The District has deemed the Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 under the Securities and Exchange Act of 1934 (the “**Rule**”), as amended, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Agency has deemed the statements and information contained in the Preliminary Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency” final as of its date within the meaning of the Rule.

The Agency hereby authorizes and approves the preparation, use and distribution by the Underwriter of a final Official Statement in connection with the public offering and sale of the Bonds by the Underwriter, in substantially the same form as the Preliminary Official Statement with such changes therein as are not inconsistent with the Bond Resolution (such final Official Statement, including the cover page and all appendices and statements included therein, incorporated by reference therein or attached thereto being herein called the “**Official Statement**”). The Agency and District shall prepare and deliver or cause to be prepared and delivered the Official Statement to the Underwriter, as promptly as practicable, but in no event later than seven (7) business days of the date of this Agreement. The Agency and District shall also deliver or cause to be prepared and delivered to the Underwriter a sufficient number of copies of the Official Statement to enable the Underwriter to distribute a single copy of the Official Statement to any potential customer of the Underwriter requesting an Official Statement during a period of 90 days following the date of this Agreement.

(b) The Agency hereby ratifies and confirms the use by the Underwriter prior to the date hereof of copies of the Preliminary Official Statement, and authorizes the use of the Official Statement, in connection with the public offering and sale of the Bonds by the Underwriter.

(c) The Agency agrees to furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under, and to comply generally with, the securities laws and regulations of such states and other jurisdictions

of the United States as the Underwriter may designate; provided that neither the Agency nor the District shall be required to consent to service of process in any jurisdiction.

(d) The Underwriter will acknowledge receipt of the Official Statement from the Agency and the sufficiency of the number of copies received. The Underwriter shall send a copy of the Official Statement to each purchaser of Bonds in compliance with the Rule and the rules of the Municipal Securities Rulemaking Board (“MSRB”). The Underwriter agrees to file a copy of the Official Statement, including any supplements prepared by the Agency or District, with the MSRB on a timely basis after its receipt.

(e) For the benefit of the owners of the Bonds, the District shall undertake in the Continuing Disclosure Undertaking dated as of the Closing Date, with the Trustee (the “**Continuing Disclosure Undertaking**”), as provided for in the Bond Resolution, to provide certain annual financial and operating information relating to the District and notices of certain events relating to the Bonds. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Section 5. a. Agency Representations, Warranties and Agreements. The Agency represents and warrants to, and agrees with the Underwriter as follows:

(1) The Agency is an urban renewal agency of the City of Boise City, Idaho and public body, duly organized and validly existing under the laws of the State of Idaho.

(2) In connection with the issuance of the Bonds and the execution of this Agreement, the Agency has complied in all material respects with the Constitution and laws of the State.

(3) At the Closing, the Agency will have full legal right, power and authority (a) to adopt, perform its obligations under and comply with the provisions of the Bond Resolution; (b) to issue, execute, deliver and perform its obligations under the Bonds; (c) to execute, deliver and perform its obligations under the Lease, the Purchase Assignment, and this Agreement, and to execute the Deed of Trust, which will be held in escrow until the time of recording; and (d) to carry out and consummate the transactions contemplated by this Agreement, the Lease, the Purchase Assignment, the Bond Resolution, the Official Statement, and the Deed of Trust, when recorded; and the Lease, the Purchase Assignment, this Agreement, the Bond Resolution, the Escrow Instructions have been or will be at the Closing, as the case may be, duly executed and delivered, and the Deed of Trust has been or will be at the Closing, as the case may be, duly executed and held in escrow until the time of recording, and the Lease, the Purchase Assignment, , this Agreement, the Bond Resolution, and the Bonds constitute or will constitute at the Closing, as the case may be, and the Deed of Trust will constitute upon recording, valid and legally binding obligations of the Agency, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion in

appropriate cases and to the limitations on legal remedies against public bodies in the State of Idaho.

(4) At or prior to the Closing, the Agency will (a) have duly adopted the Bond Resolution; (b) have duly authorized (i) the issuance, sale, execution and delivery of and performance of its obligations under the Bonds; (ii) the performance of its obligations under the Bond Resolution; (iii) the execution, delivery and performance of its obligations under the Lease, the Purchase Assignment, and this Agreement; (iv) the execution of the Deed of Trust and delivery into escrow; and (v) the execution and delivery of the Official Statement; (c) have duly issued the Bonds; (d) have duly executed the Deed of Trust and duly executed and delivered the Bonds, the Lease, the Purchase Assignment, this Agreement, and the Official Statement; (e) have duly authorized the use by the Underwriter, in connection with the offering and sale of the Bonds, of the Official Statement; (f) have duly ratified the use by the Underwriter of the Preliminary Official Statement, prior to the date hereof, in connection with the offering of the Bonds; (g) have performed all obligations which are required to be performed by it at or prior to the Closing under the Bonds, the Bond Resolution, the Lease, the Purchase Assignment, this Agreement and the Escrow Instructions; and (h) be in compliance with all provisions of the Bonds, the Bond Resolution, the Lease, the Purchase Assignment, this Agreement and the Escrow Instructions.

(5) None of the following will materially conflict with, or constitute a material breach by the Agency of or material default by the Agency under, any law, any court decree or order, any governmental regulation, rule or order, any resolution or any agreement, indenture, mortgage or other instrument to which the Agency is subject or by which it is bound: (a) the Agency's adoption and performance of its obligations under the Bond Resolution; (b) the Agency's issuance, sale, execution and delivery of, and performance of its obligations under, the Bonds; (c) the Agency's execution and delivery of, and performance of its obligations under the Bond Resolution, the Lease, the Deed of Trust, this Agreement and the Escrow Instructions; (d) the Agency's execution and delivery of the Official Statement; or (e) any action contemplated by or pursuant to the items referred to in this Section 5(a).

(6) At or prior to the Closing, except as may be required under Blue Sky or other securities laws of any state, all approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to any of the actions to be taken by the Agency with respect to the Bonds prior to the date of Closing will have been obtained and will be in full force and effect.

(7) Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry, investigation or controversy of any nature pending, or to the Agency's knowledge threatened, involving the Agency (a) with respect to the Bond Resolution, in any way questioning (i) the authority of any officer of the Agency to exercise the duties and responsibilities of his or her office; or (ii) the existence, powers or authority of the Agency material to the Bonds or the security for the Bonds; (b) seeking to restrain or enjoin (i) the issuance, sale, execution

or delivery of, or the performance by the Agency of its obligations under, the Bonds; or (ii) the pledge of the Pledged Revenues under the Bond Resolution; (c) in any way contesting or affecting (i) the issuance, sale, execution or delivery of the Bonds; or (ii) the validity or enforceability of the Bonds, the Bond Resolution, the Lease, the Purchase Assignment, the Deed of Trust, this Agreement or any action contemplated by or pursuant to any of the foregoing; or (iii) any of the rights, powers, duties or obligations of the Agency with respect to the Pledged Revenues or the pledge thereof under the Bond Resolution; (d) which may result, either individually or in the aggregate, in final judgments against the Agency materially adversely affecting the validity of the Bonds or (e) asserting that the Preliminary Official Statement or the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(8) The statements and information contained in the Preliminary Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency,” as of its date, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (excluding therefrom the information relating to DTC (as defined herein), as to which no representations or warranties are made). At the date hereof and on the date of Closing, the statements and information contained in the Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency” did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the statements and information contained in the Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency” are supplemented or amended pursuant this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing, the statements and information contained in the Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency” as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(9) Any certificate or copy of any certificate signed by any official of the Agency, and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation by the Agency to the Underwriter as to the truth of the statements made therein.

(10) The Agency will not amend or supplement the Official Statement without the prior consent of the Underwriter, which consent shall not be unreasonably withheld.

(11) The Agency is not in default, and at no time within the immediately preceding 10 years has been in default, in the payment of principal of, premium, if any, or interest on,

any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(12) The Agency shall not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution or which cause the interest on the Bonds to be includible in gross income for federal income tax purposes.

(13) Except for the pledge of Pledged Revenues made pursuant to the Bond Resolution and the execution of the Deed of Trust, the Agency has not otherwise pledged or encumbered and will not pledge or encumber any of the Financed Project or the Pledged Revenue under the Bond Resolution.

b. District's Letter of Representations. Simultaneously with Agency's execution and delivery of this Agreement, the District shall execute and deliver to the Agency its Letter of Representations and Agreement (the "**Letter of Representations**"). By execution of this Agreement, the Agency hereby assigns its interest and rights under the Letter of Representations to the Underwriter. **The Closing.** At 9:30 a.m., prevailing Mountain Time, on April 29, 2016, or at such other time or on such other business day as is mutually agreed upon by the Agency and the District and the Underwriter (the "**Closing Date**"), the Agency will deliver or cause to be delivered to the Underwriter the Bonds in typed or printed fully registered form and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), through the facilities of DTC or its agent pursuant to a "FAST" closing and the Underwriter shall accept delivery of the Bonds through the facilities of DTC upon satisfaction of the conditions set forth in Section 7 hereof, and will pay the Purchase Price of the Bonds as set forth in Section 1 hereof by delivering federal or other immediately available funds in the amount of such Purchase Price to the Trustee for the benefit of the Agency and District. The Agency and the District, as applicable, will deliver to the Underwriter the other documents hereinafter mentioned at the offices of Hawley Troxell Ennis & Hawley LLP, in Boise, Idaho, or at such other place as may be mutually agreed upon by the Agency and the District and the Underwriter. The payments and deliveries described in the preceding sentences are referred to as the "**Closing.**" If at the Closing, the Agency fails to deliver the Bonds to the Underwriter as provided herein, or if, at the Closing, any of the conditions specified in Section 7 hereof shall not have been fulfilled to the satisfaction of the Underwriter, the Underwriter may elect to terminate this Agreement as provided in Section 8 hereof.

Section 6. Conditions to Closing. The Underwriter has entered into this Agreement (a) in reliance upon the representations, warranties and agreements of the Agency contained herein, (b) in reliance upon the representations, warranties and agreement of the Letter of Representations as assigned by Agency to Underwriter, and (c) in reliance upon the performance by the Agency of its obligations hereunder. The Underwriter's obligations under this Agreement are and shall be subject to the following further conditions:

(a) the representations, warranties and agreements of the Agency herein shall be true, complete and correct in all material respects at the Closing with the same effect as if made on and as of such date;

(b) the representations, warranties and agreements of the District under the Letter of Representations shall be true, complete and correct in all material respects at the Closing with the same effect as if made on and as of such date;

(c) at the time of the Closing, (i) the Bonds, the Bond Resolution, the District Resolution, the District Tax Resolution, the Lease, the Deed of Trust, the PSA, and the Purchase Assignment, the Official Statement, the Continuing Disclosure Undertaking, and all other agreements, documents, instruments and certificates which have been executed and delivered prior to, or are executed and delivered at, the Closing, except for the Deed of Trust, which will be delivered at the time of recording, shall be in full force and effect, and shall not have been amended, modified or supplemented (except as may have been agreed to by the Underwriter), and the Deed of Trust shall be in proper form to secure the Bonds subject to encumbrances permitted by the Lease; and (ii) the Agency and District shall perform or have performed all obligations thereunder and hereunder which are to be performed by the Agency and District at or prior to the Closing and shall be in compliance with all provisions of the Bonds, the Bond Resolution, the District Resolution, the District Tax Resolution, the Lease, the Deed of Trust when recorded and delivered, and the Purchase Assignment, the Continuing Disclosure Undertaking, and all other agreements, documents, instruments and certificates relating to the Bonds which have been executed and delivered prior to, or are executed and delivered at, the Closing;

(d) evidence that the ratings on the Bonds of “A” by Standard and Poor’s (“S&P”), are in full force and effect on the Closing Date;

(e) on or before the Closing, the Underwriter shall have the right in its absolute discretion, reasonably exercised, to terminate the obligations of the Underwriter under this Agreement by written notification to the Agency and District if at any time after the date hereof and prior to the Closing:

(i) any event shall have occurred, or information becomes known, which, in the Underwriter’s reasonable opinion, either (A) makes untrue or incorrect, in any material respect, any statement or information contained in the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement), or (B) is not reflected in the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement) but should be reflected therein to make the statements contained therein not misleading in any material respect, and the Agency or District refuse to permit the Official Statement to be supplemented to correct or supply such statement or information, or the Official Statement as so corrected or supplemented is such as, in the judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale of the Bonds, at the contemplated offering prices (or yields), by the Agency;

(ii) additional material restrictions in the Underwriter’s reasonable opinion not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(iii) the United States shall have become engaged in hostilities, whether or not a war shall have been declared, or there shall have occurred an escalation of any hostilities involving the armed forces of any country, or any other national emergency or national calamity relating to the effective operation of the U.S. government or of the financial community which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(iv) there shall have occurred a general suspension of or material limitation of trading on the New York Stock Exchange or other national securities exchange as the result of an event affecting the national economy, or minimum or maximum prices for trading shall have been established on any such exchange and be in force, or minimum or maximum ranges for prices for securities shall be in force on any such exchange;

(v) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall have imposed, as to the Bonds or obligations of the general character of the Bonds, any material restrictions in the Underwriter's reasonable opinion not now in force or being enforced, or have increased materially in the Underwriter's reasonable opinion those now in force or being enforced with respect to the extension of credit by, the charge to the net capital requirements of, or financial responsibility requirements of, the Underwriter;

(vi) a general banking moratorium shall have been established by federal, New York or Idaho authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearing services shall have occurred;

(vii) any rating of the Bonds shall have been downgraded, suspended or withdrawn by any rating service which, in the Underwriter's reasonable opinion, materially adversely affects the marketability of the Bonds;

(viii) legislation is adopted by either house of the United States Congress, or favorably reported for passage to either house of the United States Congress by any committee of such house to which such legislation has been referred for consideration, or actively considered for enactment by the United States Congress, or is recommended to the United States Congress for passage by the President of the United States, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made, with respect to the federal taxation of interest received on obligations of the general character of the Bonds, which, in the opinion of nationally recognized bond counsel has, or will have, the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation;

(ix) any other action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal or state income tax consequences of any of the transactions contemplated in connection herewith or contemplated by the Official Statement, the Bond Resolution, or the Lease, and this Agreement and, in the reasonable judgment of the Underwriter, materially adversely affects the market or security for the Bonds or the sale, at the contemplated offering prices (or yields), by the Agency, of the Bonds;

(x) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the Closing Date, or a decision by a court of the United States of America shall be rendered, or a ruling or regulation by the Securities and Exchange Commission (the “SEC”) or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect or the Bond Resolution is subject to qualification under the Trust Indenture Act of 1939, as amended and as then in effect; and

(xi) a stop order, ruling or regulation by the SEC shall be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein or in the Official Statement, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect;

(f) subsequent to the respective dates of the Preliminary Official Statement and the Official Statement, up to and including the Closing, the District shall not have incurred any material liabilities affecting the security for the Bonds, direct or contingent, and there shall not have been any material adverse change in the financial position or projections, results of operations or conditions, financial or otherwise, of the District or its operations, except as described in the Official Statement;

(g) the Agency and District shall have delivered or cause to be delivered to the Underwriter, within seven business days after the final acceptance of this Agreement and in sufficient time to accompany any confirmation that requires payment from any customer, copies of the Official Statement in sufficient quantity to enable the Underwriter to comply with the Rule and the rules of the MSRB;

(h) at or prior to the Closing, the Underwriter shall have received the following, all of which shall be in form and substance satisfactory to the Underwriter:

(i) copies, duly certified by the Secretary of the Board of Commissioners of the Agency, of the Bond Resolution, as adopted by the Agency and all proceedings relating thereto; and copies duly certified by the Secretary of

the District, of the District Resolution, and the District Tax Resolution as adopted by the District, and all proceedings relating thereto;

(ii) executed copies of the Lease, the PSA, the Purchase Assignment, this Agreement and the Continuing Disclosure Undertaking and the Deed of Trust shall be in proper form for recording to secure the Bonds;

(iii) written evidence satisfactory to the Underwriter that the Bonds have been rated by S&P at least at the level described in Section 7(c) hereof;

(iv) two executed copies of the Official Statement;

(v) a certificate or certificates of the Agency, dated the date of the Closing and executed by the appropriate officers of the Agency, certifying that (A) the Agency has the legal right, power and authority to execute, deliver and perform its obligations under the Bond Resolution, the Bonds, the Lease, the Purchase Assignment, the Deed of Trust, when recorded and delivered, and this Agreement; (B) the Agency has duly authorized the execution, delivery and performance of its obligations under the Bond Resolution, the Bonds, the Lease, the Purchase Assignment, the Deed of Trust, and this Agreement, and all actions contemplated by or referred to therein or contemplated by or referred to in the Official Statement; (C) the statements and information contained in the Preliminary Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency” as of its date did not, and the statements and information contained in the Official Statement under the captions “THE AGENCY” and “LITIGATION – The Agency” as of its date did not and as of the Closing does not, contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (D) all of the representations and warranties of the Agency in this Agreement are true, complete and correct in all material respects on and as of the time of the Closing with the same effect as if made on and as of such date; (E) the Agency has complied with and performed all of its covenants and agreements in this Agreement to be complied with and performed at or prior to the Closing; (F) the Agency has duly executed and delivered the Official Statement; (G) the Agency has duly authorized the use by the Underwriter, in connection with the offering and sale of the Bonds, of the Official Statement and has ratified the use by the Underwriter of the Preliminary Official Statement; (H) except as may be required under Blue Sky or other securities laws of any state, all approvals, consents and orders of any governmental authority having jurisdiction in the matter have been given which would constitute a condition precedent to any of the actions required to be taken prior to the date of Closing; [(I) any certificate signed by any official of the Agency and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation by the Agency to the Underwriter as to the truth of the statements made therein;] and (J) except as disclosed in the Official Statement, there is no action, suit, proceeding or investigation before or

by any court, public board or body pending or, to their knowledge, threatened, involving the Agency (1) with respect to the Bond Resolution, in any way questioning (a) the authority of any officer of the Agency to exercise the duties and responsibilities of his or her office; or (b) the existence, powers or authority of the Agency material to the Bonds or the security for the Bonds; (2) seeking to restrain or enjoin (a) the issuance, sale, execution or delivery of, or the performance by the Agency of its obligations under, the Bonds; or (b) the pledge of the Pledged Revenues thereof under the Bond Resolution; (3) in any way contesting or affecting (a) the issuance, sale, execution or delivery of the Bonds; or (b) the validity or enforceability of the Bonds, the Bond Resolution, the Lease, the Purchase Assignment, the Deed of Trust, this Agreement, or any action contemplated by or pursuant to any of the foregoing; or (c) any of the rights, powers, duties or obligations of the Agency with respect to the Pledged Revenues or the pledge thereof under the Bond Resolution; or (4) asserting that the Preliminary Official Statement or the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) A certificate of the District dated the date of the Closing and executed by the appropriate officers of the District certifying to the facts and representations substantially in the form attached to this agreement as Exhibit F.

(vii) the approving opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, dated the date of the Closing, in substantially the form attached to the Official Statement, and accompanied by a letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, stating that such opinion may be relied upon by the Underwriter to the same extent as if it were addressed to them;

(viii) the opinion of Givens Pursley LLP, District Counsel, in substantially the form attached hereto as Exhibit B.

(ix) the supplemental opinion of Bond Counsel and Disclosure Counsel, in substantially the form attached hereto as Exhibit C.

(x) an opinion of Elam & Burke, P.A., Agency Counsel, in substantially the form attached hereto as Exhibit D.

(xi) an approving opinion of Bond Counsel of the Deed of Trust, in substantially the form attached hereto as Exhibit E.

(xii) an executed copy of the Blanket Representation Letter relating to the Bonds between the Agency and DTC;

(xiii) a tax certificate of the Agency and District and a commitment by the Agency to file a Form 8038-G for the Bonds after Closing;

(xiv) a commitment from First American Title and Escrow Company to issue a Lender's Title Policy in form acceptable to Underwriter and its counsel;

(xv) such additional agreements, documents, instruments and certificates as the Underwriter, Bond Counsel, and Counsel to the Underwriter may reasonably deem necessary to evidence the validity of the Bonds and the tax status of the interest thereon, the truth and accuracy as of the time of Closing of the representations and warranties of the Agency and District contained in this Agreement and the due performance or satisfaction at or prior to such time of all other conditions to be satisfied pursuant to this Agreement.

Section 7. Underwriter's Right to Terminate Agreement. If any of the conditions to the obligations of the Underwriter contained in Section 7 hereof or elsewhere in this Agreement shall not have been satisfied when and as required herein, the Underwriter may waive such conditions or all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing by written notice to the Agency and District.

Section 8. (Reserved)

Section 9. Notices. Any notice or other communication to be given under this Agreement may be given (a) to the Agency by delivering the same in writing to the 121 N. 9th St., Suite 501, Boise, Idaho 83702, Attention: Chairman; (b) to the District at 850 West Front Street, Boise, Idaho 83702, Attention: Chairman and (c) to the Underwriter, by delivering the same in writing to: U.S. Bancorp Investments, Inc., One California Street, Suite 350, San Francisco, CA 94111, Attention: Michael Placencia.

Section 10. Entire Agreement; Parties in Interest. This Agreement when accepted by the Agency and District in writing as heretofore specified shall constitute the entire agreement between the Underwriter, the District, and the Agency and is made solely for the benefit of the Agency, the District and the Underwriter, and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 11. Special Limited Obligations. No provision, covenant or agreement contained in this Agreement or any obligation in this Agreement imposed upon the Agency or the District or the breach thereof, shall constitute an indebtedness of the Agency or the District within the meaning of any constitutional provision or statutory limitation or shall constitute or give rise to a charge against the taxing powers of the District. All of the obligations of the Agency or the District under this Agreement are payable from, and in making the agreements, provisions and covenants set forth in this Agreement, the Agency and District have not obligated themselves except with respect to, the Pledged Revenues and the proceeds of the Deed of Trust, which shall be applied as provided in this Agreement, the Lease and the Bond Resolution.

Section 12. No Liability of Officers and Employees. No recourse shall be had for any payments required of the Agency or District pursuant to this Agreement or for any claim based thereon or upon any other obligation, covenant or agreement in this Agreement against any past, present or future officer, employee or member of the Agency or District and all such liability of any such officer, employee or member as such is hereby expressly waived and released as a

condition of and in consideration for the execution of this Agreement and the issuance of the Bonds by the Agency.

Section 13. Survival of Representations and Warranties. The representations and warranties of the Agency set forth in or made pursuant to this Agreement, shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of, and shall remain operative and in full force regardless of (a) any investigation made by or on behalf of the Underwriter, and (b) delivery of and payment of the Bonds hereunder.

Section 14. Effectiveness. This Agreement shall become effective and binding upon the respective parties hereto only upon the execution, acceptance and delivery hereof by the Agency and approval by the Agency of the execution and delivery hereof.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 16. Counterparts. This Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

[Remainder of this page is intentionally left blank]

Very truly yours,

U.S. BANCORP INVESTMENTS, INC.

By _____
Name _____
Title _____

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST SET FORTH ABOVE
AT _____ P.M. MOUNTAIN DAYLIGHT TIME:

URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO

By _____
Chairman

ATTEST:

By _____
Secretary

EXHIBIT A

**[\$[AMOUNT]]
URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO
LEASE REVENUE BONDS, SERIES 2016
(GREATER BOISE AUDITORIUM DISTRICT EXPANSION PROJECT)**

Maturity Date Principal Amount Interest Rate Price Yield

Optional Redemption. The Bonds maturing on and after ____ 15, ____ shall be subject to prior redemption at the Agency's option on ____ 15, ____, or on any date thereafter in whole or in part, in such order of maturities as the Agency may determine (and by lot within a maturity if less than all of the Bonds of such maturity is called), in integral multiples of \$5,000 at the redemption price equal to [100% of the principal amount thereof plus accrued interest thereon to the redemption date].

[Mandatory sinking Fund Redemption. The Bonds maturing on ____ 15, ____ are subject to mandatory sinking fund redemption on ____ 15 of the years set forth below at a redemption price equal to 100% of the principal amount of the Bonds, or portions thereof, redeemed plus accrued interest thereon to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on ____ 15, ____, there shall be redeemed on the following dates the following principal amounts of such bonds:

<u>December 15</u>	<u>Principal</u>
<u>of the Year</u>	<u>Amount</u>

EXHIBIT B
DISTRICT COUNSEL OPINION

[Givens Pursley Letterhead]

[Date of Issuance]

Greater Boise Auditorium District
850 W. Front Street
Boise, ID 83702

Urban Renewal Agency of Boise City, Idaho, aka
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, ID 83702

Zions Bank, a division of ZB, National Association
Corporate Trust
800 W. Main Street, Ste. 700
Boise, ID 83702

U.S. Bancorp Investments, Inc.
One California Street, Suite 350
San Francisco, CA 94111

Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000
Boise, ID 83702

RE: *Urban Renewal Agency of Boise City, Idaho, aka Capital City
Development Corporation Lease Revenue Bonds, Series 2016 (Greater
Boise Auditorium District Expansion Project)*

Ladies and Gentlemen:

We are counsel to the Greater Boise Auditorium District, Ada County, Idaho, a public body organized and operating as an auditorium district pursuant to Chapter 49, Title 67, Idaho Code (the “**District**”), and are giving you our opinion on various matters in connection with the issuance by the Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation (the “**Agency**”), of the its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) in the aggregate principal amount of \$_____ (the “**Bonds**”) pursuant to an authorizing resolution of the Board of Commissioners of the Agency adopted on _____, 2016 (the “**Bond Resolution**”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State of Idaho and of the United States of America as we have deemed necessary to render this opinion

letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution or the Appropriation Lease (defined below).

Pursuant to its statutory authority, the District has decided to undertake a large project to expand and improve the “Boise Centre,” its existing convention center and public event facilities, in downtown Boise (the “**Project**”). As part of the Project, the District intends to acquire the Financed Project (as defined below) to be operated by the District as an addition to the Boise Centre. The Agency, at the request of the District, has agreed to issue the Bonds 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.

Along with other funds of the District, the proceeds of the Bonds will be used to: (i) fund the purchase of certain condominium units consisting of a new ballroom, related kitchen and ancillary facilities encompassing approximately 47,000 square feet in a new building to be known as the “Centre Building” being constructed by the Developer south of the existing U.S. Bank office tower in close proximity to the Boise Centre, along with related soft costs, fixtures and equipment (collectively, the “**Financed Project**”); (ii) pay costs of issuance incurred in connection with the issuance of the Series 2016 Bonds; (iii) fund the Capitalized Interest Account (as defined in the Bond Resolution); and (iv) fund the Debt Service Reserve Account (as defined in the Bond Resolution).

In connection with the Financed Project, the District and City Center Plaza Meeting, LLC have entered into that certain Purchase and Sale Agreement for the Center Facilities dated December 17, 2015 (the “**PSA**”) with respect to the condominium units containing the Financed Project. In addition, the District and the Agency have entered into (i) that certain Amended and Restated Development Agreement dated December 9, 2014, as further amended on December __, 2015 (the “**Development Agreement**”), and (ii) that certain Assignment and Assumption Agreement (Purchase and Sale Agreement for Centre Facilities) dated December __, 2015, wherein the District assigns to the Agency its rights under the PSA to purchase the Financed Project (the “**Assignment**”).

Upon completion of construction, the Agency, pursuant to the Assignment, will purchase the Financed Project from the Developer using the proceeds of the Bonds. The District anticipates that the Certificate of Occupancy for the Financed Project will be received on or about August 1, 2016 with purchase by the Agency scheduled to occur within 30 days thereafter. Following acquisition, the Agency will lease the Financed Project to the District under that certain Lease Agreement (Annual Appropriation), which has been judicially confirmed as valid (the “**Appropriation Lease**”).

The Bonds are special revenue obligations of the Agency, payable from and secured solely by a pledge of all Pledged Revenues, including (i) all right, title and interest of the Agency to all Rent under the Appropriation Lease, excluding Occupancy Expenses; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under the Bond Resolution and all moneys and investments held therein. “**Rent**” is defined in the Appropriation Lease to include payment of Lease Payments, Prepayments, Debt Service Reserve Payments, Rebate Fund Payments and Occupancy Expenses during the Initial Term and any applicable Renewal Term of the Appropriation Lease.

The Appropriation Lease obligates the District to pay Rent monthly during the Lease Term. To secure its payments of Rent, the District has pledged, and granted a senior lien on, Tax Receipts during the Lease Term. To the extent funds are budgeted and the Appropriation Lease is affirmatively renewed, the District will make monthly Lease Payments under the Appropriation Lease sufficient to pay principal and interest on the Bonds (the “**Lease Payments**”).

The Appropriation Lease is a “non-appropriation lease” meaning that unless the District affirmatively acts in a public meeting to renew and extend for another year, the Appropriation Lease ends. The District then has no further obligation, nor exposure to penalty or recourse except that it surrenders possession of the Financed Project. The initial term of the Appropriation Lease shall terminate at the end of the District’s Fiscal Year (November 30, 2016) subject to 20 one-year renewal options. In addition, the Appropriation Lease provides the District with the option to buy the Financed Project for a nominal sum once the Bonds are paid, even if another party pays or otherwise extinguishes the Bonds.

In rendering this opinion, we have relied upon certain facts and information certified to us as correct and complete by officers and employees of the District and have not undertaken independently to verify the accuracy of the factual matters represented, warranted, or certified in such documents.

We have examined the Constitution and laws of the State of Idaho as they relate to the opinions rendered below. In particular we have examined (i) chapter 49, Title 67, Idaho Code, as amended (the “**Act**”), and (ii) applicable sections of chapters 20 and 29, Title 50, Idaho Code (the “**Urban Renewal Law**”). We have also examined the District’s Documents and the proceedings of the Board of Directors of the District (the “**Board**”) authorizing the District Documents, and such other laws, resolutions, documents, proceedings, minutes, and other matters as we have deemed relevant or necessary in order to render the following opinions. More particularly we have examined the following:

- (1) An executed copy of the Bond Resolution;
- (2) Executed Development Agreement, as amended;
- (3) Executed PSA;
- (4) Executed Assignment;
- (5) Executed Appropriation Lease;
- (6) Executed Bond Purchase Agreement between the Agency and U.S. Bancorp Investments, Inc., pursuant to the authority granted in the Resolution (the “**Bond Purchase Agreement**”);
- (7) Letter of Representations

- (8) Executed Continuing Disclosure Undertaking delivered by the District and Zions Bank, a division of ZB, National Association, as Disclosure Agent, in connection with the issuance of the Bonds (the “**Continuing Disclosure Undertaking**”);
- (9) Executed Tax Certificate between Zions Bank, a division of ZB, National Association, as trustee, the Agency and the District (the “**Tax Certificate**”);
- (10) Executed resolution of the District adopted on _____ authorizing the District to enter the Appropriation Lease (the “**District Resolution**”);
- (11) Executed resolution of the District providing for the levy of a sales tax on hotel and motel room rentals of 5% adopted on July 10, 2006 (the “**District Tax Resolution**”);
- (12) Relevant judicial interpretations and precedents of the appellate and district courts of the State of Idaho; and
- (13) Such other laws, resolutions, documents, proceedings, minutes, and other matters as we have deemed relevant and necessary in order to render the following opinions.

The Development Agreement, the PSA, the Assignment, the Appropriation Lease, the Bond Purchase Agreement, [the Letter of Representation,]the Continuing Disclosure Undertaking, the Tax Certificate, the District Resolution, and the District Tax Resolution are collectively referred to herein as the “**District Documents.**”

This opinion is rendered pursuant to Section 7 of the Bond Purchase Agreement.

Based upon the foregoing, we are of the opinion that:

1. The District has been duly created and is a validly existing auditorium district and body politic and corporate of the State of Idaho with the corporate power to enter into and execute the Appropriation Lease and perform the agreements on its part contained therein.
2. The proceedings of the Board at which the District Documents were authorized, approved or ratified by the Board, were called and held pursuant to law, all public notices required by law were given, and the actions taken thereat, insofar as such actions relate to the District Documents, were legally and validly taken.
3. The District has duly authorized the execution, delivery and performance of the District Documents, and each of the District Documents is a legal, valid and binding obligation of the District enforceable in accordance with its terms.
4. The Preliminary Official Statement has been duly authorized and delivered by the District; and the Official Statement has been duly authorized, executed and delivered by the District.
5. The Lease Payments under the Appropriation Lease are payable from hotel/motel room sales tax receipts of the District pursuant to Title 67, Chapter 49, of the Idaho Code.

6. To the best of our knowledge, after undertaking due diligence in connection therewith, we are not aware of any other approvals, consents, authorizations, orders of or filings or registrations required by or from any governmental authority, board, agency, or commission having jurisdiction which would constitute a condition precedent to, or in the absence of which would materially adversely affect, the performance by the District of its duties and obligations under the District Documents.

7. No action, suit, proceeding, at law or in equity, before or by any court, regulatory agency, public board, or body is pending or, to our knowledge, threatened in any way affecting the existence of the District or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale, or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Resolution, the collection or application of the Rent, funds, accounts, and other items pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or the proceeds of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bond Resolution and District Documents, or any other agreement made by the District in connection with this financing or any action of the District contemplated by any of said documents, or in any way contesting the powers of the District or its authority with respect to the District Documents, or any action on the part of the District contemplated by any of said District Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the exclusion from gross income of the interest paid on the Bonds for federal income purposes and the exemption thereof from State of Idaho taxable income.

8. The execution and delivery of the District Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or instrument known to us to which the District is a party or under any existing law, regulation, court order or consent decree known to us to which the District is subject.

9. The information contained in the Official Statement under the headings titled "INTRODUCTION AND BACKGROUND," "SECURITY FOR THE SERIES 2016 BONDS," "THE DISTRICT," "THE FINANCED PROJECT," "HISTORICAL DISTRICT REVENUES," "PROJECTED DISTRICT REVENUES AND DEBT SERVICE COVERAGE," "RISK FACTORS," "LITIGATION -- THE DISTRICT," AND "FINANCIAL STATEMENTS OF THE DISTRICT," is true and correct in all material respects, and nothing has come to our attention which would lead us to believe that the information under such headings contains an untrue statement of a material fact or that such information, taken collectively, omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, that no opinion is expressed as to any statistical or financial information contained therein.

The foregoing opinions are qualified to the extent that enforcement of the District Documents may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws (including the application of equitable principles) relating to the enforcement of creditors' rights or contractual obligations generally.

Except as stated above, we express no opinion as to any matter other than as expressly set forth above and, in conjunction therewith, specifically express no opinion concerning the following:

- (1) THE APPLICATION OF OR COMPLIANCE WITH THE REGISTRATION PROVISIONS OF ANY FEDERAL SECURITIES LAWS, INCLUDING BUT NOT LIMITED TO THE SECURITIES ACT OF 1933, AS AMENDED, AND THE TRUST INDENTURE ACT OF 1939, AS AMENDED, ANY STATE SECURITIES OR "BLUE SKY" LAW, OR ANY FEDERAL, STATE, OR LOCAL TAX LAW, AS RESPECTING THE BONDS;
- (2) THE STATE OF COMPLIANCE OR POTENTIAL PROBLEMS OR LIABILITIES RELATED TO TOXIC OR HAZARDOUS WASTES, INCLUDING THE APPLICATION OR COMPLIANCE WITH THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, THE TOXIC SUBSTANCES CONTROL ACT OF 1976, AS AMENDED, THE FEDERAL WATER POLLUTION CONTROL ACT, THE CLEAN WATER ACT OF 1977, OR ANY ISSUE RELATING TO UNDERGROUND STORAGE TANKS; AND
- (3) THE EFFECT OF ANY LAW ADOPTED AFTER THE DATE OF THIS OPINION OR OF A SUBSEQUENT CHANGE, MODIFICATION, ALTERATION, OR AMENDMENT IN OR TO ANY EXISTING LAW AFTER THE DATE OF THIS OPINION AS A RESULT OF A DECISION BY THE SUPREME COURT OF IDAHO OR THE LEGISLATURE OF THE STATE OF IDAHO.

Our opinion is limited to matters of Idaho law and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is furnished solely for your benefit and may not, without our joint express written consent, be relied upon by any other person. We undertake no duty to notify any person or entity of changes in the facts or information which may become known to us after the date of this opinion which might cause our opinion to be modified in any way.

Very truly yours,

GIVENS PURSLEY

EXHIBIT C

SUPPLEMENTAL OPINION OF BOND COUNSEL AND DISCLOSURE COUNSEL

[Hawley Troxell Letterhead]

[Date of Issuance]

Urban Renewal Agency of Boise City, Idaho
also known as Capital City Development
Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Greater Boise Auditorium District
850 W. Front Street
Boise, ID 83702

Zions Beneficiary, a division of ZB, National
Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, ID 83702

U.S. Bancorp Investments, Inc.
One California Street, Suite 350
San Francisco, CA 94111

RE: *Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project)*

We have acted as counsel with respect to disclosure matters to The Greater Boise Auditorium District, Ada County, Idaho (the “**District**”) in connection with the sale by the Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation (the “**Agency**”), of the its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) in the aggregate principal amount of \$_____ (the “**Bonds**”), pursuant to the Bond Purchase Agreement dated _____, 2016 (the “**Bond Purchase Agreement**”), between the Agency and U.S. Bancorp Investments, Inc. (the “**Underwriter**”).

In connection therewith, we have examined duly certified copies of certain proceedings of the Board of Commissioners of the Agency (the “**Commissioners**”) relating to the authorization and issuance of the Bonds, including the authorizing resolution of the Commissioners adopted on _____, 2016 (the “**Bond Resolution**”), the Preliminary

Official Statement dated March 17, 2016 (the “**Preliminary Official Statement**”), and the Official Statement dated _____, 2016 (the “**Official Statement**”), the Continuing Disclosure Undertaking dated as of the date hereof, the proceedings of the Board of Directors of the District authorizing the Preliminary Official Statement and the Official Statement, and such other documents as we deemed necessary to render this opinion.

In our capacity as disclosure counsel, we also have examined originals or reproduced or certified copies of all such other corporate records, agreements, communications, certificates of officers and other instruments of the Agency and the District, as well as such certificates of public officials and other documents as we have deemed relevant and necessary as a basis for the opinions set forth below. We also have examined executed counterparts of the opinions, addressed to us, of Agency Counsel and District Counsel.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or reproduced copies. As to various questions of fact and material to such opinions, we have relied upon certificates of officers of the Agency and the District, the representations and warranties of the Agency set forth in the Bond Resolution, and upon the representations and warranties of the Agency and the District set forth in the Bond Purchase Agreement.

Based upon such examination, it is our opinion that:

1. The information contained in the Preliminary Official Statement and Official Statement under the headings entitled “THE SERIES 2016 BONDS,” “SECURITY FOR THE 2016 BONDS,” “TAX EXEMPTION,” “LEGAL MATTERS,” and APPENDIX A to the Preliminary Official Statement and the Official Statement titled “Appropriation Lease,” and APPENDIX B to the Preliminary Official Statement and the Official Statement titled “Bond Resolution,” present a fair summary of the relevant provisions of the Bonds and the other matters discussed or presented therein, except that we express no opinion with respect to any financial, statistical or operating data contained in the information included under such headings.

Additionally, we have rendered assistance with respect to certain disclosures in the Preliminary Official Statement and the Official Statement. We participated in conferences with the Underwriter, the representatives of the District and the Agency and certain other persons involved in the preparation of the information contained in the Preliminary Official Statement and the Official Statement, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. We solicited from the District and the Agency, and in response received, certain information about the District and the Agency.

While we are not passing upon, and (except as otherwise expressly set forth in opinion paragraph number 1) do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, on the basis of the information that was developed in the course of the performance of the services referred to above and (except as otherwise expressly set forth in opinion paragraph number 1) without having undertaken to verify independently such accuracy, completeness or fairness,

nothing has come to the attention of the attorneys in our firm providing legal services in connection with the issuance of the Bonds that caused us to believe that the Preliminary Official Statement as of its date or as of the date of the Bond Purchase Agreement or Official Statement, as of its date and the date hereof (apart from (i) the financial statements and other economic, demographic, financial and statistical data, (ii) information regarding The Depository Trust Company, contained in the Preliminary Official Statement and the Official Statement, as to which we do not express any opinion or belief) contains or contained any untrue statement of a material fact or omits or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

2. The Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and of Section 304(a)(4) of the Trust Indenture Act of 1939, as amended; and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution under the Trust Indenture Act of 1939, as amended.

HAWLEY TROXELL ENNIS & HAWLEY LLP

EXHIBIT D
AGENCY COUNSEL OPINION

[Elam & Burke Letterhead]

[Date of Issuance]

Board of Commissioners
Urban Renewal Agency of
Boise City, Idaho, also known as
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, ID 83702

Zions Beneficiary, a division of ZB, National Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, ID 83702

U.S. Bancorp Investments, Inc.
One California Street, Suite 350
San Francisco, CA 94111
Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000
Boise, ID 83702

RE: *Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project)*

Ladies and Gentlemen:

As counsel to the Urban Renewal Agency of Boise City, Idaho, also known as the Capital City Development Corporation (the “**Agency**”), we are giving you our opinion on various matters in connection with the issuance of the Agency’s Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) in the aggregate principal amount of \$_____ (the “**Bonds**”) pursuant to an authorizing resolution of the Board of Commissioners of the Agency adopted on _____, 2016 (the “**Resolution**”). In such capacity, we have examined the Agency’s certified proceedings and such other documents and such law of the State of Idaho and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Resolution or the Appropriation Lease (defined below).

The Agency has issued the Bonds at the request of the Greater Boise Auditorium District, a public body organized and operating as an auditorium district pursuant to Chapter 49, Title 67, Idaho Code (the “**District**”), to finance the acquisition of certain condominium units containing the new ballroom facility, the related kitchen, and ancillary facilities in the Centre Building in Boise, Idaho (the “**Financed Project**”), as part of the District’s existing convention center and public events facilities known as the Boise Centre.

In connection with the Financed Project, the District and City Center Plaza Meeting, LLC have entered into that certain Purchase and Sale Agreement for the Center Facilities dated December 17, 2015 (the “**PSA**”) with respect to the condominium units containing the Financed Project. In addition, the District and the Agency have entered into (i) that certain Amended and Restated Development Agreement dated December __, 2014, as further amended on December 19, 2015 (the “**Development Agreement**”), and (ii) that certain Assignment and Assumption Agreement (Purchase and Sale Agreement for Centre Facilities) dated December __, 2015, wherein the District assigns to the Agency its rights under the PSA to purchase the Financed Project (the “**Assignment**”).

The Agency and District have additionally entered into that certain Lease Agreement (Annual Appropriation) dated as of the date hereof, a form of which has been judicially confirmed as valid, under which the Agency leases to the District the Financed Project (the “**Appropriation Lease**”). The Appropriation Lease obligates the District to pay Rent monthly during the Lease Term. To secure its payments of Rent, the District has pledged, and granted a senior lien on, Tax Receipts during the Lease Term. To the extent funds are budgeted and the Appropriation Lease is affirmatively renewed each year, the District will make monthly Lease Payments under the Appropriation Lease sufficient to pay principal and interest on the Bonds.

The Bonds are special revenue obligations of the Agency, payable from and secured solely by a pledge of all Pledged Revenues, including (i) all right, title and interest of the Agency to all Rent under the Appropriation Lease, excluding Occupancy Expenses; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under the Resolution and all moneys and investments held therein. “**Rent**” is defined in the Appropriation Lease to include payment of Lease Payments, Prepayments, Debt Service Reserve Payments, Rebate Fund Payments and Occupancy Expenses during the Initial Term and any applicable Renewal Term of the Appropriation Lease.

The Appropriation Lease is a “non-appropriation lease” meaning that unless the District affirmatively acts in a public meeting to renew and extend for another year, the Appropriation Lease ends. The District then has no further obligation, nor exposure to penalty or recourse except that it surrenders possession of the Financed Project. The initial term of the Appropriation Lease shall terminate at the end of the District’s Fiscal Year (November 30, 2016) subject to 20 one-year renewal options. In addition, the Appropriation Lease provides the District with the option to buy the Financed Project for a nominal sum once the Bonds are paid, even if another party pays or otherwise extinguishes the Bonds.

This opinion is rendered pursuant to Section 7 of the Bond Purchase Agreement.

We have examined the laws of the State of Idaho, including the Idaho Urban Renewal Law, being title 50, chapter 20, of the Idaho Code, as it now exists (the “**Urban Renewal Law**”), and various other materials as we have deemed to be appropriate. More particularly we have examined the following:

- (1) An executed copy of the Resolution, more fully titled:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF LEASE REVENUE BONDS, SERIES 2016 (GREATER BOISE AUDITORIUM DISTRICT EXPANSION PROJECT) SETTING FORTH THE PURPOSE OF THE BONDS; DESCRIBING THE BONDS AND PROVIDING FOR THE EXECUTION, REGISTRATION, PAYMENT, REDEMPTION, TRANSFER, AND OTHER MATTERS RELATING TO THE BONDS; PROVIDING FOR THE COLLECTION, HANDLING, AND DISPOSITION OF LEASE REVENUES; ESTABLISHING COVENANTS WITH RESPECT TO THE BONDS, THE USE OF THE PROCEEDS OF THE BONDS, AND THE TAX-EXEMPT STATUS OF THE INTEREST ON THE BONDS; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, DEED OF TRUST, AN ASSIGNMENT OF PURCHASE AGREEMENT, AN OPTION TO PURCHASE AND LEASE AGREEMENT (ANNUAL APPROPRIATION); PROVIDING FOR OTHER MATTERS RELATING TO THE ISSUANCE AND SALE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

- (2) The Boise Central District 2007 Amended And Restated Urban Renewal Plan adopted January 26, 2007, by virtue of the approval of The Boise City Council Of Ordinance No. ____6576 (The “**Urban Renewal Plan**”);
- (3) Executed Development Agreement, as amended;
- (4) Executed Assignment;
- (5) Executed Deed Of Trust, Fixture Filing and Assignment Of Leases And Rents among the Agency, _____, as trustee, and Zions Bank, a division of ZB, National Association, as trustee for the benefit of the beneficial owners of the Bonds, relating to real property in Ada County, Idaho (the “**Deed Of Trust**”);
- (6) Executed Appropriation Lease;
- (7) Executed Bond Purchase Agreement between the Agency and U.S. Bancorp Investments, Inc., pursuant to the authority granted in the Resolution (the “**Bond Purchase Agreement**”);

- (8) Executed Tax Certificate between Zions Bank, a division of ZB, National Association, as trustee, the Agency and the District (the “**Tax Certificate**”); and
- (9) Such other laws, resolutions, documents, proceedings, minutes, and other matters as we have deemed relevant and necessary in order to render the following opinions.

The Development Agreement, the Assignment, the Deed of Trust, the Appropriation Lease, the Bond Purchase Agreement, and the Tax Certificate are collectively referred to herein as the “**Agency Documents**.”

In rendering this opinion, we have relied upon certain facts and information certified to us as correct and complete by officers and employees of the Agency and have not undertaken independently to verify the accuracy of the factual matters represented, warranted, or certified in such documents.

We have examined the Constitution and the laws of the State of Idaho as they relate to the opinions rendered below. In particular we have examined the Urban Renewal Law which grants to the Agency the authority to issue revenue bonds or notes and to enter into leases. We have also examined relevant judicial interpretations and precedents of the appellate and district courts of the State of Idaho.

The Agency’s authority to finance the Financed Project and to receive Rent under the Appropriation Lease is governed by the Urban Renewal Plan which was adopted and deemed effective as of publication of Ordinance No. _____ and Ordinance No. _____. Under Idaho Code Section 50- 2027 if the validity of the Urban Renewal Plan is not raised within thirty (30) days after the effective date of the Urban Renewal Plan, the legality thereof shall be conclusively presumed, and no court shall thereafter have authority to inquire into such matters. No challenge to the Urban Renewal Plan has been filed within thirty (30) days of the effective date of the Urban Renewal Plan. The same restrictions apply to the Resolution. In compliance with Idaho Code Section 50-2012, the Agency caused to be published a Notice of Resolution No. _____. Idaho Code Section 50-2027 restricts a challenge to the Resolution if a challenge to the Resolution is not filed within thirty (30) days of the effective date of the Resolution. No challenge to the Resolution has been filed within thirty (30) days of the effective date of the Resolution.

Based upon the foregoing, we are of the opinion that:

- (1) The Agency is a duly organized and existing body corporate and politic established by and acting pursuant to the Urban Renewal Law with full power and authority under the Urban Renewal Law to enter into the Agency Documents and to pledge the Rent received under the Appropriation Lease as security for the Bonds.
- (2) The Agency, as authorized by the Urban Renewal Law, has duly and lawfully adopted the Urban Renewal Plan and the Resolution and is fully and lawfully authorized to do so and to carry out the rights, duties, obligations, and actions provided therein, which, *inter alia*, provided for the issuance of the Bonds and the execution of the Agency Documents.

- (3) The Resolution has been duly authorized, executed, and delivered by the Agency.
- (4) The Agency has duly authorized the execution, delivery, and performance of the Agency Documents.
- (5) The Preliminary Official Statement has been duly authorized and delivered by the Agency; and the Official Statement has been duly authorized, executed and delivered by the Agency.
- (6) The Agency Documents have been duly authorized, executed, and delivered by the Agency, except for the Deed of Trust, which will be delivered at the time of recording, and are legal, valid, and binding obligations of the Agency, enforceable in accordance with their terms.
- (7) To the best of our knowledge, after undertaking due diligence in connection therewith, we are not aware of any other approvals, consents, authorizations, orders of or filings or registrations required by or from any governmental authority, board, agency, or commission having jurisdiction which would constitute a condition precedent to, or in the absence of which would materially adversely affect, the performance by the Agency of its duties and obligations under the Agency Documents.
- (8) No action, suit, proceeding, at law or in equity, before or by any court, regulatory agency, public board, or body is pending or, to our knowledge, threatened in any way affecting the existence of the Agency or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale, or delivery of the Bonds, the application of the proceeds thereof in accordance with the Resolution, the collection or application of the Rent, funds, accounts, and other items pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or the proceeds of the Bonds, or in any way contesting or affecting the validity or enforceability of the Resolution and Agency Documents, or any other agreement made by the Agency in connection with this financing or any action of the Agency contemplated by any of said documents, or in any way contesting the powers of the Agency or its authority with respect to the Agency Documents, or any action on the part of the Agency contemplated by any of said Agency Documents.
- (9) To the best of our knowledge, the adoption of the Urban Renewal Plan, the Resolution, and the execution and delivery of the Agency Documents, and the other documents or instruments contemplated by any of such documents to which the Agency is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of Idaho, the United States, or any department, division, agency, or instrumentality of either thereof or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the Agency is a party or is otherwise subject or bound.
- (10) The information contained in the Official Statement under the headings titled "THE AGENCY," and "LITIGATION -- THE AGENCY," is true and correct in all material respects, and nothing has come to our attention which would lead us to believe that the

information under such headings contains an untrue statement of a material fact or that such information, taken collectively, omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, that no opinion is expressed as to any statistical or financial information contained therein.

The foregoing opinions are qualified to the extent that enforcement of the Resolution and Agency Documents may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws (including the application of equitable principles) relating to the enforcement of creditors' rights or contractual obligations generally.

Except as stated above, we express no opinion as to any matter other than as expressly set forth above and, in conjunction therewith, specifically express no opinion concerning the following:

- (1) The application of or compliance with the registration provisions of any federal securities laws, including but not limited to the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, any state securities or "Blue Sky" law, or any federal, state, or local tax law, as respecting the Bonds;
- (2) The state of compliance or potential problems or liabilities related to toxic or hazardous wastes, including the application or compliance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act of 1976, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act, the Clean Water Act of 1977, or any issue relating to underground storage tanks; and
- (3) The effect of any law adopted after the date of this opinion or of a subsequent change, modification, alteration, or amendment in or to any existing law after the date of this opinion as a result of a decision by the Supreme Court of Idaho or the Legislature of the State of Idaho.

Our opinion is limited to matters of Idaho law and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is furnished solely for your benefit and may not, without our express written consent, be relied upon by any other person. We undertake no duty to notify any person or entity of changes in the facts or information which may become known to us after the date of this opinion which might cause our opinion to be modified in any way.

Sincerely,

ELAM & BURKE
A Professional Association

EXHIBIT E

DEED OF TRUST OPINION OF BOND COUNSEL

[Hawley Troxell Letterhead]

March ____, 2016

Urban Renewal Agency of Boise City, Idaho
also known as Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Greater Boise Auditorium District
850 W. Front Street
Boise, ID 83702

Zions Bank, a division of ZB, National Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, ID 83702

U.S. Bancorp Investments, Inc.
One California Street, Suite 350
San Francisco, CA 94111

RE: Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project)

We have examined the Constitution and laws of the State of Idaho and certified copies of the record of the proceedings of the Board of Commissioners of the Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation (the “**Agency**”), and the Board of Directors of the Greater Boise Auditorium District (the “**District**”), and other documents relevant to the issuance by the Agency of its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) in the aggregate principal amount of \$_____ (the “**Bonds**”), issued by the Agency under and pursuant to a Bond Resolution dated March ____, 2016 (the “**Bond Resolution**”) adopted by the Agency.

In such capacity, we have reviewed the following documents, in connection with the Bonds:

- (i) The Bond Resolution;
- (ii) The Deed of Trust, Fixture Filing and Assignment of Leases and Rents dated effective as of _____, 2016 (the “**Deed of Trust**”), among the Agency as grantor, First American Title & Escrow, as the trustee, and Zions Bank, a division Of ZB, National Association, as trustee for the benefit of the beneficial owners of the Bonds (the “**Beneficiary**”), relating to certain condominium units in the Centre Building in Boise, Ada County, Idaho (the “**Financed Project**”), to be built as part of the existing convention center and public events facilities of the District.

The Bond Resolution and Deed of Trust are collectively referred to herein as the “**Bond Documents.**”

The real property that is subject to the Deed of Trust shall be referred to herein as the “**Property.**”

In basing the opinions set forth in this opinion on “our knowledge”, the words “our knowledge” signify that, in the course of our representation as Bond Counsel to the District, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate or that the Bond Documents are not accurate and complete. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters. Further, with words “our knowledge” and similar language as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in the issuance of the Bonds.

In preparing our opinions, we have made the following assumptions:

- (i) Each person executing the Bond Documents, whether individually or on behalf of an entity, is duly authorized to do so.
- (ii) Each natural person executing the Bond Documents is legally competent to do so. However, we confirm to Beneficiary that we have no reason to believe any such natural person is not legally competent.
- (iii) All signatures of parties on the Bond Documents are genuine.
- (iv) All documents submitted to us as originals are authentic; all documents submitted to us as certified or photostatic copies conform to the original document, and all public records reviewed are accurate and complete. (v) That there are no modifications, amendments, agreements or understandings, verbal or written, between the Beneficiary and the Agency which would modify or affect the obligations of Agency under the Bond Documents. There has been no waiver of any of the provisions of the Bond Documents, by written agreement, actions, conduct of the parties, or otherwise.
- (vi) That the parties will perform their obligations under the Bond Documents in good faith and in a commercially reasonable manner.

(vii) The Beneficiary will enforce its rights under the Bond Documents in a commercially reasonable manner.

(viii) The execution of the Deed of Trust which was, or is to be, recorded was properly acknowledged before a notary public.

(ix) The delivery to, or for the benefit of, Agency at the closing of the Bonds of the Bond proceeds pursuant to the Bond Documents has occurred.

(x) The Bond Documents comply with any test required by the law of good faith or fairness, and each party will act in accordance with the terms and conditions of the Bond Documents.

(xi) The Property is located in Ada County, State of Idaho.

(xii) The Deed of Trust will be duly filed, indexed, and recorded in the official records of the Office of the Clerk of Ada County, State of Idaho, which is the county where the Property is located (“Recording Office”), with all fees, charges, and taxes, if any, having been paid.

(xiii) Contemporaneously with the execution and delivery of the Bond Documents, the proceeds of the Bonds have been actually advanced to or for the benefit of the Agency.

We understand that all of the foregoing assumptions are acceptable to Beneficiary.

We express no opinion with respect to (i) the title to or the rights or interests of Agency in the Property, (ii) the adequacy of the description of the Property, or (iii) the priority of any liens thereon and/or security interests therein.

The law covered by this opinion is limited to the federal law of the United States and the law of the State of Idaho. We express no opinion with respect to the law of any other jurisdiction and, unless otherwise specified, no opinion with respect to the statutes, administrative decisions, rules, regulations or requirements of any county, municipality, subdivision or local authority of any jurisdiction. We have assumed that Beneficiary has complied with all state and/or federal laws and regulations applicable to Beneficiary arising out of the Bonds and the Deed of Trust or status as Beneficiary therein.

Based on the foregoing, and upon such investigation as we have deemed necessary, and subject to the qualifications and exceptions herein contained, we are of the opinion that:

1. The Deed of Trust is a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with its terms.
2. The Deed of Trust is in proper form for recording in the Recording Office, and is in proper form to constitute a “fixture filing” under Article 9 of the Uniform Commercial Code as adopted and in effect in the State of Idaho (the “Commercial Code”) upon filing in the Recording Office.

3. Upon recordation of the Deed of Trust in the Recording Office, the Deed of Trust will create, as security for the payment and performance of the Agency's obligations secured thereby, a valid and enforceable lien of record in that portion of the Property in which the Agency has rights and which constitutes real property (including fixtures to the extent such fixtures constitute real property) as described in the Deed of Trust and defined as real property under Idaho law, and a valid assignment of and perfected security interest in the leases and rents described therein.
4. No fees, taxes or other charges, except for nominal filing or recording fees, including, without limitation, intangible, documentary, stamp, mortgage, transfer or recording taxes or similar charges, are payable to the State of Idaho solely on account of the execution, delivery recordation, filing or perfection, as applicable, of the Deed of Trust.
5. The Deed of Trust, without the need for the filing of a financing statement with the Recording Office, will perfect Beneficiary's security interest in all fixtures, as defined by the Commercial Code, described in the Deed of Trust.
6. No registration with, consent, authorization, or approval of, notice to or other action by any governmental entity or agency of the State of Idaho is required for the execution, delivery, performance or enforceability of the Deed of Trust.
7. The fixture filing under the Deed of Trust is in proper form for filing in the Recording Office.

This opinion is subject to the qualifications that (i) the enforceability of the Bond Documents may be limited by bankruptcy, insolvency and similar laws affecting creditors' rights generally (ii) the enforceability of the Bond Documents may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and (iii) the enforceability of certain rights and remedies provided in the Deed of Trust is or may be unavailable or limited by certain laws and judicial decisions.

In addition, our opinions expressed above are subject to the following qualifications and exceptions:

(a) The enforceability of interests is subject to the rights, if any, of lessees under existing leases of the Property.

(b) The enforceability of the Bond Documents is subject to the qualification that certain remedies, waivers and other provisions of the Bond Documents may be rendered ineffective, or limited, by applicable Idaho laws or judicial decisions governing such remedies, waivers and other provisions, but the inclusion of such remedies, waivers and other provisions does not render provisions of the Bond Documents, taken as a whole, inadequate for the practical realization of the principal legal rights and benefits contemplated by the Bond Documents provided the Beneficiary proceeds in accordance with Idaho law. Without limiting the generality of the preceding qualification, we advise Beneficiary that:

(i) limitations on the form of action and the order in which remedies may be exercised under the Bond Documents are imposed by Idaho Code §§ 45-1503 and 45-1505(4) if the Deed of Trust is foreclosed by exercise of the power of sale granted therein, or by Idaho Code § 6-101 if the Deed of Trust is foreclosed judicially in the manner of a mortgage;

(ii) limitations on the procedure for obtaining, and the amount of, a deficiency judgment against the Agency are imposed by Idaho Code § 45-1512 if the Deed of Trust is foreclosed by exercise of the power of sale granted therein, or by Idaho Code § 6-108 if the Deed of Trust is foreclosed judicially in the manner of a mortgage;

(iii) the amount necessary to redeem property sold under execution following mortgage foreclosure proceedings is limited to the amounts specified in Idaho Code § 11-402;

(iv) limitations are imposed by Idaho Code § 29-115 on the amount of retainage which may be withheld from a progress payment under a construction contract for certain private works of improvement;

(v) limitations are imposed by Idaho Code § 8-601 on the right to obtain the appointment of a receiver; and

(vi) every stipulation or condition in a contract, by which any party thereto is restricted from enforcing his rights under the contract by the usual proceedings in the ordinary tribunals, or which limits the time within which he may thus enforce his rights, is void pursuant to Idaho Code § 29-110.

(c) The Idaho Code provides that there can be only one action for the recovery of any debt, or the enforcement of any right, secured by a deed of trust or mortgage upon real estate (which action must be a judicial proceeding for foreclosure under the provisions applicable to foreclosure of mortgages or the power of sale for a deed of trust under the applicable statutes) (the "One Action Rule"). Idaho state law provides that no deficiency judgment or other judgment may thereafter be obtained on the foreclosed obligation, except after foreclosure of the Property and then only in accordance with the statutory requirements. We note that under Idaho law certain exceptions to the One Action Rule are available. Further, any partial foreclosure sales are subject to certain procedural limitations set forth in Idaho Code §§ 6-103, 45-1503 and to the rights of a debtor under Idaho Code § 11-304 to direct the order of sale if not established by the court.

(d) We express no opinion on the enforceability of the assignment of rents provisions of the Deed of Trust as an absolute present assignment. No controlling state supreme court or appellate court precedent exists holding that an assignment of leases or rents which purports to be an absolute assignment but which, in fact, is subject to defeasance upon payment of a debt owed by assignor to assignee, is enforceable as an absolute assignment. The Idaho courts have held on numerous occasions that the form of an instrument yields to its underlying purpose and, therefore, that instruments (such as deeds, options, and assignments of a vendor's interest in a land sale contract) were liens rather than conveyances. However, in 1987 the United States District Court for the District of Idaho held (applying Idaho law) in a case on appeal from the United States bankruptcy Court that an assignment of rent clause in a deed of trust, exercisable

upon default in the payment of a debt, created an absolute assignment of, rather than a lien on, the rents. This decision is not binding upon Idaho state courts, and there is, therefore, no assurance that Idaho state courts would adopt the holding of the United States District Court case.

(e) Insofar as the Deed of Trust secures future advances, the lien of the Deed of Trust as to a future advance will be entitled to priority over liens first appearing of record after the date of recording of the Deed of Trust, but prior to the date on which such advance is made, so long as Beneficiary was legally bound to make the advance or the advance was actually applied to the maintenance and/or preservation of the Property covered by the Deed of Trust.

(f) The enforceability of waiver of rights to a jury trial, and certain rights to indemnity contained in the Deed of Trust, including, without limitation, a right to indemnification for one's own negligence, may be limited by public policy considerations.

(g) We wish to point out that a default under an obligation secured by a deed of trust may be cured and the obligation and deed of trust reinstated, the same as if no acceleration of maturity of such obligation had occurred, in accordance with Idaho Code § 45-1506(12).

(h) We wish to point out that any provision of a Bond Document which purports to allow Beneficiary or its agents to take over possession, custody and control of the Property prior to a foreclosure sale may be unenforceable; and any provision of a Bond Document which purports to require indemnification of any person in respect of the willful misconduct or gross negligence of such person may be unenforceable.

(i) We have not made any investigation of and do not express an opinion as to, any matters of title. We have made no examination of, and express no opinion as to, the status of title to the real or personal property covered by the Deed of Trust, the existence of any liens, charges or encumbrances thereon or the accuracy of the description of the real and personal property contained in the Deed of Trust. Further, we express no opinion as to the relative priority of the Deed of Trust lien and security interests created by the Deed of Trust.

(j) Any provision in a Bond Document which purports to grant power of attorney to any person is subject to the general principles applicable to powers of attorney and to Idaho Code § 55-806, which provides that an instrument of conveyance of real property executed by an attorney in fact must not be recorded until the power of attorney authorizing the execution of the instrument is filed for record in the same office. In order to be so filed, the Bond Document must be properly acknowledged before a notary public or other authorized officer.

(k) We express no opinion with respect to any lien created under the Deed of Trust that purports to secure any present or future obligations or liabilities of the Agency to the Beneficiary that are determined not to have been within the contemplation of the Agency and the Beneficiary at a time the Bond Documents were executed, or are determined not to be of the same character or class as the obligations and liabilities of the Agency to the Beneficiary presently created under or secured by the Deed of Trust.

(l) In rendering the opinions, we have relied upon the factual circumstances of the transactions contemplated by the Deed of Trust, and, except as expressly set forth in this opinion

letter, we have relied upon and have assumed the accuracy of the factual matters referred to in the Deed of Trust, including, without limitation, the factual statements, factual representations and factual warranties of the parties contained in the Deed of Trust. Except as expressly set forth in this opinion letter, we have not independently investigated or verified any such facts, and we do not opine as to or confirm the accuracy or completeness of such factual matters.

(m) The opinions set forth above with respect to enforceability may be limited by applicable laws or judicial decisions, including, without limitation: (a) the unenforceability of any provision constituting a restraint on alienation under applicable law; (b) the unenforceability of election of remedies provisions; (c) compliance with any applicable state and federal securities and environmental laws and regulations; (d) any and all constitutional requirements, including, but not limited to, those of notice and due process; and (e) principles of and defenses arising under the law of guaranty and suretyship.

(n) The opinions set forth herein that relate to the Deed of Trust do not extend to documents, agreements, or instruments referred to in said agreements or documents (even if incorporated therein by reference), or to any exhibits, annexes, or schedules that are not identified in this opinion letter.

(o) The opinions set forth herein are limited to the matters expressly stated herein, and no opinion is implied or may be inferred beyond the matters expressed.

(p) We wish to point out that any provision of the Deed of Trust which purports to allow Beneficiary or its agents to take over possession, custody and control of the trust property prior to a foreclosure sale may be unenforceable; and any provision of the Deed of Trust which purports to require indemnification of any person in respect of the willful misconduct or gross negligence of such person may be unenforceable.

(q) Except as expressly stated otherwise herein, we express no opinion regarding any zoning or land use issues, nor as to the need for or existence of any general business licenses or permits.

(r) This opinion is limited to the matters set forth herein and no opinion may be inferred or implied beyond those explicitly stated herein. We have no continuing obligation to inform Beneficiary of changes in law or facts subsequent to the date hereof or facts of which we become aware after the date hereof.

(s) This opinion is based and relies upon the current status of the law and existing facts and is subject to and may be limited by future legislation as well as by developing case law.

(t) To the extent our opinion relates to the creation or perfection of a security interest in general intangibles or an assignment thereof, Beneficiary should be aware that Idaho law may limit or otherwise affect the creation or perfection of a security interest or an assignment in licenses, permits, agreements, or similar consents or certificates issued by an Idaho governmental authority (such as water right permits, liquor licenses, operating licenses, regulatory agreements, and tax credit agreements) to the extent that applicable statutes or regulations prohibit or limit the creation or enforcement of a security interest therein or require authorization, approval or

other action by, or notice to or filing with, any Idaho governmental authority for the creation or enforcement of such a security interest.

(u) We express no opinion as to the perfection of any security interests or other (non-mortgage) liens as to which the filing of a financing statement is not required. Further, our opinions are subject to: the limitations on perfection of security interests in proceeds resulting from the operation of Section 9-315 of the Commercial Code; the limitations with respect to buyers in the ordinary course of business imposed by Sections 9-320, 9-323 and 9-330 of the Commercial Code; the limitations with respect to documents, instruments and securities imposed by Section 9-331 of the Commercial Code; the rights of holders of security interests in goods that are or are to become fixtures under Section 9-334 of the Commercial Code; the limitations with respect to accessions and commingling imposed by Sections 9-335 and 9-336 of the Commercial Code; the provisions of Sections 9-204, 9-322, 9-323 and 9-324 of the Commercial Code relating to the time of attachment and priority of a security interest in the items of the property which are not now owned and in the possession of the Agency; Sections 544 and 552 of Title 11 of the United States bankruptcy Code (the "Bankruptcy Code") with respect to any of the property acquired by the Agency after the commencement of a case by or against the Agency under the Bankruptcy Code; and the rights of account debtors or obligors and any claims or defenses of such account debtors or obligors, subject to Sections 9-404, 9-405, 9-406 and 9-408 of the Commercial Code, against the Agency arising under or outside notes, agreements or contracts and the terms of such notes, agreements or contracts between the Agency and the account debtors or obligors.

(v) We hereby advise Beneficiary that Idaho courts have applied certain of the legal requirements and restrictions discussed in Paragraphs (c) and (d) above to guaranties, which by their terms were not secured by the deeds of trust involved in those cases. We therefore except from the opinions set forth herein any opinion concerning the extent to which the application of the matters discussed in Paragraphs (c) and (d) above may limit the rights and remedies of Beneficiary under an environmental indemnity agreement or any guaranty of the obligations secured by the Deed of Trust or of any other separate obligations which are found to be substantially the same as the obligations secured by the Deed of Trust.

(w) We express no opinion as to the enforceability of any particular provision of the Deed of Trust relating to or constituting (i) waivers of rights to object to jurisdiction or venue, consents to jurisdiction or venue, or waivers of rights to (or methods of) service of process, (ii) waivers or variations of provisions which are not capable of waiver or variation under Section 1-102 of the Commercial Code or other applicable provisions of the Commercial Code, (iii) provisions in the Bond Documents, rendered ineffective or unenforceable by Sections 2A-303, 9-406, 9-407 or 9-408 of the Commercial Code, or (iv) the grant of powers of attorney proxies to the Beneficiary.

(x) To the extent the Deed of Trust purports to create a security interest in governmental permits, rights represented by a judgment, claims arising out of tort without sufficient identification of such claims, or particular types of property as to which a security interest is subject to any statute of the United States of America, such security interests may be unenforceable.

(y) We wish to point out that Idaho Code Sections 45-1502(1) and (4) and 45-1504 set forth requirements regarding who may act as trustee under the Deed of Trust. We assume for purposes of this opinion that the trustee under the Deed of Trust is qualified to serve as a trustee under Idaho law.

(z) We have assumed that the descriptions of all real property contained in the Deed of Trust is legally sufficient to enable a subsequent purchaser or mortgagor to identify such property, and, where applicable, to enable the Recording Office to properly record such documents, including, without limitation, appropriate tax serial numbers (sometimes called “tax parcel I.D. numbers”). We have assumed that all fixtures included in the real property are located on the real property comprising the Property and that Agency will have an interest of record in such real property at the time of Beneficiary’s recording of the Deed of Trust mentioned above in this paragraph.

(aa) Without limiting anything contained herein, we have not reviewed and do not provide an opinion in any way or manner as to: (i) compliance with zoning, health, safety, building, environmental, land use or subdivision laws, ordinances, codes, rules and regulations; (ii) ERISA laws, rules and regulations; (iii) federal or state taxation, intellectual property, antitrust, banking, securities, food and drug, or “blue sky” laws, rules or regulations; or (iv) whether or not any specific consent or approval is required from any federal or local agency or department.

(bb) We wish to point out that under Idaho law, recording of a document in the real property records imparts constructive notice of only the terms set forth in the document itself, and not of any terms incorporated by reference from other documents which are not recorded in the same office.

(cc) We express no opinion regarding provisions for penalties, liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, charging interest on interest, late charge, increased rent after default or maturity or prepayment premiums, or provisions that are unconscionable as a matter of law.

This opinion is furnished by us as Bond Counsel for the District solely for the purposes contemplated by the Bond Documents. The opinions expressed herein may be relied upon only by Beneficiary and any successor trustee for the Bonds.

The opinions set forth in this opinion are limited to the matters expressly stated herein, and no opinion is implied or may be inferred beyond the matters expressly so stated. The opinions rendered herein may not be used or relied upon by or published or communicated to any person or entity other than the addressee hereof, its counsel and any subsequent holder or assignee of the Bond Documents, for any purpose whatsoever without our prior written consent in each instance.

HAWLEY TROXELL ENNIS & HAWLEY LLP

EXHIBIT F

FORM OF CERTIFICATIONS TO BE DELIVERED BY DISTRICT

(A) the District has the legal right, power and authority to execute, deliver and perform its obligations under the District Resolution, the District Tax Resolution, the Lease, the Purchase Assignment, the PSA, and the Continuing Disclosure Undertaking;

(B) the District has duly authorized the execution, delivery and performance of its obligations under the District Resolution, the PSA, the Lease, the Purchase Assignment, and the Continuing Disclosure Undertaking, and all actions contemplated by or referred to therein or contemplated by or referred to in the Official Statement;

(C) statements and information contained in the Preliminary Official Statement under the captions "INTRODUCTION AND BACKGROUND," "SECURITY FOR THE SERIES 2016 BONDS," "THE DISTRICT," "THE FINANCED PROJECT," "HISTORICAL DISTRICT REVENUES," "PROJECTED DISTRICT REVENUES AND DEBT SERVICE COVERAGE," "RISK FACTORS," "LITIGATION -- THE DISTRICT," and "FINANCIAL STATEMENTS OF THE DISTRICT," as of its date did not, and the Official Statement as of its date under the captions "INTRODUCTION AND BACKGROUND," "SECURITY FOR THE SERIES 2016 BONDS," "THE DISTRICT," "THE FINANCED PROJECT," "HISTORICAL DISTRICT REVENUES," "PROJECTED DISTRICT REVENUES AND DEBT SERVICE COVERAGE," "RISK FACTORS," "LITIGATION -- THE DISTRICT," and "FINANCIAL STATEMENTS OF THE DISTRICT," did not and as of the Closing does not, contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(D) all of the representations and warranties of the District in the Letter of Representations are true, complete and correct in all material respects on and as of the time of the Closing with the same effect as if made on and as of such date;

(E) the District has complied with and performed all of its covenants and agreements in the Letter of Representations to be complied with and performed at or prior to the Closing;

(F) the District has duly executed and delivered the Official Statement;

(G) the District has duly authorized the use by the Underwriter, in connection with the offering and sale of the Bonds, of the Official Statement and has ratified the use by the Underwriter of the Preliminary Official Statement;

(H) except as may be required under Blue Sky or other securities laws of any state, all approvals, consents and orders of any governmental authority having jurisdiction in the matter have been given which would constitute a condition precedent to any of the actions required to be taken prior to the date of Closing;

(I) any certificate signed by any official of the District and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation by the District to the Underwriter as to the truth of the statements made therein;

(J) subsequent to the respective dates as of which information is given in the Preliminary Official Statement and the Official Statement up to and including the date of Closing, there has been no material adverse change in the financial position, results of operations or condition, financial or otherwise, of the District or its operations; and

(K) except as disclosed in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or, to their knowledge, threatened, involving the District (1) with respect to the District Resolution and District Tax Resolution, in any way questioning (a) the authority of any officer of the District to exercise the duties and responsibilities of his or her office; or (b) the existence, powers or authority of the District material to the Bonds or the security for the Bonds; (2) seeking to restrain or enjoin (a) the issuance, sale, execution or delivery of, or the performance by the District of its obligations under, the Bonds or the Lease; or (b) the collection of the Pledged Revenues or the pledge thereof under the Bond Resolution; (3) in any way contesting or affecting (a) the issuance, sale, execution or delivery of the Bonds; or (b) the validity or enforceability of the Bonds, the Bond Resolution, the District Resolution and the District Tax Resolution, the Lease, the Purchase Assignment, the Deed of Trust, or any action contemplated by or pursuant to any of the foregoing; or (c) any of the rights, powers, duties or obligations of the District with respect to the Pledged Revenues or the pledge thereof under the Bond Resolution; (4) which may result, either individually or in the aggregate, in final judgments against the District materially adversely affecting its financial condition; or (5) asserting that the Preliminary Official Statement or the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO
LEASE REVENUE BONDS, SERIES 2016
(GREATER BOISE AUDITORIUM DISTRICT EXPANSION PROJECT)**

**GREATER BOISE AUDITORIUM DISTRICT
LETTER OF REPRESENTATIONS**

March 29, 2016

Urban Renewal Agency of Boise City, Idaho
also known as Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Ladies and Gentlemen:

This Letter of Representations is being provided in connection with the issuance by the Urban Renewal Agency of Boise City, Idaho (the “Agency”) of its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) (the “Bonds”) on behalf of the Greater Boise Auditorium District, Ada County, State of Idaho (the “District”), the proceeds of which will be used by the Agency to (i) finance costs of the acquisition of certain condominium units consisting of a new ballroom, related kitchen and ancillary facilities, along with related soft costs, fixtures and equipment to expand and improve the “Boise Centre,” the District’s existing convention center and public event facilities in downtown Boise, Idaho (the “Financed Project”); (ii) fund capitalize interest on the Bonds through August 31, 2016; (iii) fund a reserve fund, and (iv) pay the costs of issuing the Bonds.

The Financed Project is being constructed by KC Gardner Company (the “Developer”). The District has assigned to the Agency the District’s rights to purchase the Financed Project from the Developer, or affiliate thereof, pursuant to an Assignment and Assumption Agreement (Purchase and Sale Agreement for Centre Facilities) (the “Assignment of Purchase Agreement”). Upon consent of the District, the Agency shall use proceeds of the Bonds to acquire the Financed

Project. The Agency has agreed to lease the Financed Project to the District pursuant to a Lease Agreement (Annual Appropriation) between the Agency, as lessor, and the District as lessee, effective the date of acquisition of the Financed Project (the "Lease"). In accordance with, and subject to, the terms of the Lease, the District has agreed to pay rent to the Agency, subject to annual appropriation, sufficient to pay, among other things, debt service on the Bonds during the Initial Term and any Renewal Term of the Lease.

The Bonds shall be as described in, and shall be issued and secured under the provisions of the Agency's Bond Resolution adopted March 29, 2016 (the "Bond Resolution"). The Agency expects to sell the Bonds pursuant to a Bond Purchase Agreement dated the date hereof (the "Purchase Agreement"), by and between the Agency and U.S. Bancorp Investments, Inc. (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement and in the Bond Resolution.

In conjunction with the commitment by the Agency to issue and sell the Bonds to the Underwriter, the District hereby undertakes the following representations, warranties and agreements:

(A) Representations and Warranties. As of the date hereof, the District represents and warrants to the Agency as follows:

(1) The District is a taxing district and public body, duly organized and validly existing under the laws of the State of Idaho.

(2) In connection with the issuance of the Bonds, the execution of the Lease, this Letter of Representations, the Assignment of Purchase Agreement, the Option to Purchase Agreement between the Agency and the District (the "Option to Purchase"), the Official Statement for the Bonds (the "Official Statement"), and the Continuing Disclosure Undertaking between the District and Zions Bank, a division of ZB, National Association, as dissemination agent (the "Undertaking") (the Lease, this Letter of Representations, the Assignment of Purchase Agreement, the Option to Purchase, the Official Statement and the Undertaking, collectively, the "District Documents"), the District has complied in all material respects with the Constitution and laws of the State.

(3) At the closing of the Bonds (the "Closing"), the District will have full legal right, power and authority (a) to adopt, perform its obligations under and comply with the provisions of the Resolution adopted by the District on March 29, 2016, to authorize the District Documents (the "Authorizing Resolution") and the Resolution adopted by the District on July 10, 2006, providing for the levy of a sales tax on hotel and motel room rentals of 5% (the "Tax Resolution"), and said actions shall be in full force and effect; (b) to execute, deliver and perform its obligations under the District Documents; and (c) to carry out and consummate the transactions contemplated by the District Documents and the District Documents have been or will be at the Closing, as the case may be, duly executed and delivered; and the District Documents constitute or will constitute at the Closing, as the case may be, valid and legally binding obligations of the District, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the

application of equitable principles whether or not sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public bodies in the State of Idaho.

(4) At or prior to the Closing of the Bonds, the District will (a) have duly adopted the Authorizing Resolution; (b) have duly authorized (i) the performance of its obligations under the Authorizing Resolution; (ii) the execution, delivery and performance of its obligations under the District Documents; (c) have duly executed and delivered the District Documents; (d) have duly authorized the use by the Underwriter, in connection with the offering and sale of the Bonds, of the Official Statement; (e) have duly ratified the use by the Underwriter of the Preliminary Official Statement, prior to the date hereof, in connection with the offering of the Bonds; (f) have performed all obligations which are required to be performed by it at or prior to the Closing under the Bonds and District Documents; and (g) be in compliance with all provisions of the Bonds, the Bond Resolution, and the District Documents.

(5) None of the following conflicts or will materially conflict with, or constitute a material breach by the District or of material default by the District under, any law, any court decree or order, any governmental regulation, rule or order, any resolution or any agreement, indenture, mortgage or other instrument to which the District is subject or by which it is bound: (a) the District's adoption and performance of its obligations under the District's Authorizing Resolution and Tax Resolution; (b) the District's execution and delivery of, and performance of its obligations under the District Documents; the District's approval of the Agency's execution and delivery of the Official Statement; or (d) any action contemplated by or pursuant to the items referred to in this section.

(6) At or prior to the Closing, except as may be required under Blue Sky or other securities laws of any state, all approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to any of the actions to be taken by the District with respect to the Bonds prior to the date of Closing will have been obtained and will be in full force and effect.

(7) Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry, investigation or controversy of any nature pending, or to the District's knowledge threatened, involving the District (a) with respect to the District's Authorizing Resolution, in any way questioning (i) the authority of any officer of the District to exercise the duties and responsibilities of his or her office; or (ii) the existence, powers or authority of the District material to the Bonds or the security for the Bonds; (b) seeking to restrain or enjoin (i) the issuance, sale, execution or delivery of, or the performance by the District of its obligations under the Bonds or the Lease; or (ii) the receipt or collection of the Pledged Revenues, as defined in the Bond Resolution, or the pledge thereof under the Bond Resolution or the Lease; (c) in any way contesting or affecting (i) the issuance, sale, execution or delivery by the Agency of the Bonds; or (ii) the validity or enforceability of the Bonds, the District's Authorizing Resolution or Tax Resolution, the District Documents or any action contemplated by or pursuant to any of the foregoing; or (iii) any of the rights, powers, duties or obligations of the District with respect to the Pledged Revenues or the pledge thereof under the Bond Resolution; (d) which may result, either individually or in the aggregate, in final judgments against the District materially adversely affecting its financial condition; or (e) asserting that the

Preliminary Official Statement or the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(8) The Preliminary Official Statement (other than information allowed to be omitted by the Rule), as of its date, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (excluding therefrom the information relating to The Depository Trust Company, as to which no representations or warranties are made). At the date hereof and on the date of Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to the Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(9) The financial statements of the District contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the District as of the date and for the period therein set forth, and the District has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied, and, except as disclosed in the Preliminary Official Statement and the Official Statement, there has been no material adverse change in the financial condition of the District since November 30, 2015.

(10) Any certificate or copy of any certificate signed by any official of the District, and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation by the District to the Underwriter as to the truth of the statements made therein.

(11) Subsequent to the date as of which information is given in the Preliminary Official Statement up to and including the date hereof, there has been no material adverse change in the financial position, results of operations or condition, financial or otherwise, of the District except as described in the Preliminary Official Statement.

(12) The District is not in default, and at no time within the immediately preceding 10 years have been in default, in the payment of principal of, premium, if any, or interest on, any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(13) The District shall not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution or which cause the interest on the Bonds to be includible in gross income for federal income tax purposes.

(14) The District has not pledged or encumbered any of the Tax Receipts, other than pursuant to the Lease when executed.

(B) Agreement of the District.

(1) The District agrees to notify the Underwriter promptly of any material change in the affairs or financial condition of the District which may occur prior to the Closing. The District further agrees to notify the Underwriter of any material developments impacting the District, the Bonds, or the Pledged Revenues, or of any event which might or would cause the Official Statement to contain any untrue statement of material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, of which the District becomes aware, between the date of the Purchase Agreement and a date which is twenty-five (25) days after the end of the underwriting period for purposes of the Rule, which end of the underwriting period shall be deemed to be (i) the Closing, unless the Underwriter informs the District in writing to the contrary on or prior to the Closing, or (ii) the date on which the “end of the underwriting period” for the Bonds has occurred under the Rule. After such notification, if, in the reasonable opinion of the District or the Underwriter, a change would be required in the Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, then such change will be made by amendment or supplement, and the Official Statement as so amended or supplemented will be prepared and furnished to the Underwriter, at the expense of the District, in reasonable quantities for distribution. The District agrees that the Official Statement will not be changed without the approval of the Underwriter which shall not be unreasonably withheld.

(2) The District agrees to furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under, and to comply generally with, the securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided that neither the Agency nor the District shall be required to consent to service of process in any jurisdiction.

(3) As of the Closing Date, for the benefit of the owners of the Bonds, the District shall enter into the Undertaking, in the form attached to the Official Statement, to provide certain annual financial and operating information relating to the District and notices of certain events relating to the Bonds.

(4) Payment of Expenses. The District shall pay, from proceeds of the Bonds, the following costs of issuance of the Bonds: (a) the reasonable fees and disbursements of Bond Counsel; (b) the fee of S&P for rating the Bonds; (c) the reasonable costs of any experts, accountants, consultants or advisors retained by the Agency or District and required for issuance of the Bonds; (d) all travel and other expenses associated with obtaining the rating on the Bonds; and (f) all other expenses incurred in connection with the issuance of the Bonds.

The Underwriter shall pay from its fee the following costs of issuance of the Bonds: (i) the reasonable fees and disbursements of Counsel to the Underwriter; (ii) the cost of preparing,

printing and delivering the Preliminary Official Statement, the Official Statement and of this Agreement; (iii) the cost of all “blue sky” and legal investment memoranda and related filing fees; (iv) all advertising expenses, and (v) other fees reasonably related to the issuance of the Bonds.

If the Bonds are not issued by the Agency, the Underwriter shall be under no obligation to pay the costs of issuance, and the District shall pay the costs of issuance from other legally available moneys of the District

(C) Headings. The headings of the sections of this Letter of Representations are inserted for convenience only and shall not be deemed to be part hereof.

If the foregoing is in accordance with your understanding of the agreement among us, please sign and return to us this Letter of Representations, whereupon this will constitute a binding agreement between us in accordance with the terms hereof.

Very truly yours,

GREATER BOISE AUDITORIUM DISTRICT,
ADA COUNTY, STATE OF IDAHO

By: _____
Chairman, Board of Directors

The foregoing is hereby accepted as of the date first written above.

URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO

By: _____

EXHIBIT C

NOTICE OF
BOND RESOLUTION NO. 1435

Public notice is hereby given by the Urban Renewal Agency of Boise City, Idaho a/k/a Capital City Development Corporation (the “Agency”), that on _____, 2016, the Board of Commissioners of the Agency approved and adopted Resolution No. 1435 (the “Bond Resolution”).

The Bond Resolution authorizes the issuance of the Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) (the “Bonds”) in the aggregate principal amount of \$_____, maturing in the years ____ to ____, inclusive.

The Bonds are being issued to provide funds for (a) the acquisition of certain condominium units containing a new ballroom facility, the related kitchen, and ancillary facilities and equipment to expand and improve the Boise Centre or the Grove, (b) to establish and make a deposit into the Debt Service Reserve Account equal to the Reserve Account Requirement with respect to the Bonds, (c) to make a deposit into the Capitalized Interest Account and (d) to pay issuance expenses of the Bonds.

Under the Bond Resolution, the Agency has pledged the Pledged Revenues to pay the amount of interest coming due on each semiannual interest payment date and to pay the amount of principal coming due on each annual principal payment date. Pledged Revenues are defined as (i) all right, title and interest of the Agency to all payments, including Rent, excluding Occupancy Expenses, Lease Payments, revenues, rents and receipts received or receivable by the Agency under the Lease; and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under this Bond Resolution and all moneys and investments now and hereafter held therein. The Bonds are further secured by the Deed of Trust (subject to the District’s Option to Purchase), as described in the Bond Resolution.

Neither the City of Boise City, Idaho, Ada County, Idaho, the State of Idaho, its Legislature, nor any political subdivision thereof is liable for the payment of the principal or interest or redemption premium, if any, on the Bonds.

The Bond Resolution and other supporting material is available for public inspection at the offices of the Agency at 121 N. 9th Street, Suite 501, Boise, Idaho, Monday through Friday, 9:00 a.m. to 5:00 p.m. (telephone [208] 384-4264).

The Bond Resolution became effective upon its passage and approval on _____, 2016.

In accordance with the provisions of Section 50-2027 of the Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bonds shall be brought

prior to the effective date of the Bond Resolution authorizing the Bonds or after the expiration of thirty (30) days from and after the effective date of the Bond Resolution authorizing the Bonds.

By Order of the Board of Commissioners of the Urban Renewal Agency of Boise City, Idaho dated the ___ day of _____, 2016.

URBAN RENEWAL AGENCY OF BOISE CITY,
IDAHO

By _____
, Chairperson

ATTEST:

, Secretary

EXHIBIT D

INVESTMENT SECURITIES

- (a) United States Government Obligations;
- (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the full and timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States;
- (c) bonds, notes or other evidences of indebtedness rated “AA” or better by S&P and “Aa” or better by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (d) U.S. dollar denominated banker’s acceptances with domestic commercial banks that have a rating on their short-term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase, ratings on holding companies not being considered as the rating of the bank;
- (e) repurchase agreements that (i) are fully secured by obligations of the kind specified in paragraph (a) or (b) of this definition having a fair market value not less than 102% of the repurchase agreement; (ii) are provided pursuant to a master repurchase agreement or other specific written agreement that: (A) specifies the interest rate; (B) requires a deposit of additional collateral if the level of the collateral falls below the required level on a valuation date (the procedures and notice provisions for satisfying a request for additional collateral to be specified in writing, and the Trustee being required to liquidate collateral in the event of any failure to maintain the requisite collateral level); (C) specifies events of default, with the Trustee being required to terminate the agreement within one Business Day following notice of default; (D) provides for transfer of funds in cash or by wire; and (E) at all times remains in compliance with applicable laws and regulations; (iii) are with a broker/dealer subject to the jurisdiction of the Securities Investors’ Protection Corporation or any commercial bank, if such broker/dealer or bank has uninsured, unsecured and unguaranteed long-term debt rated by S&P and Moody’s in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) of such agencies for long-term debt of that nature or, if such financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of which is rated by S&P and Moody’s in the highest rating category (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) of such agencies for obligations of that nature and (iv) meet the following additional requirements: (A) the underlying obligations are held free and clear of any lien by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (1) a Federal Reserve Bank, or (2) a bank that is a member of the Federal Deposit Insurance Corporation and has combined capital, surplus and undivided profits of not less than \$20,000,000 and the Trustee shall have received written confirmation from such third party that it holds such underlying obligations, free of any lien, as agent for the Trustee; (B) a perfected first security interest under the Idaho Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et

seq. or 31 CFR 350.0 et seq., in the underlying obligations, is created for the benefit of the Trustee; and (C) the repurchase agreement has a term of 90 days or less and the Trustee values the underlying obligations not less frequently than monthly and liquidates the underlying obligations if any deficiency in the required collateral level is not restored within two Business Days of such valuation;

(f) commercial paper that is rated at the time of purchase “A-1+” by S&P and “P-1” by Moody’s and that matures no more than 270 days after the date of purchase;

(g) investments in a taxable or tax-exempt money market fund (i) of the Trustee, or (ii) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by Moody’s of “Aa,” or better, including, to the extent permitted by State law, those for which the Trustee, its parent holding company or any affiliates or subsidiaries of the Trustee or such parent holding company provide investment advisory or other management services; and

(h) any bonds or other obligations of the State or of any agency or instrumentality of the State or general obligation bonds of any local governmental unit of the State that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on a date certain and that (i) are rated, based on an escrow fund, in at least the second highest rating category of S&P and Moody’s; or (ii)(A) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) of this definition, which escrow fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

EXHIBIT E

MATURITY SCHEDULE, OPTIONAL REDEMPTION PRICES
AND MANDATORY REDEMPTION AMOUNTS

EXHIBIT F

ASSIGNMENT OF PURCHASE AGREEMENT

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(Purchase and Sale Agreement for Centre Facilities)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Assignment**”) is entered into as of the ___ day of April, 2016, between the Greater Boise Auditorium District, Ada County, State of Idaho, an auditorium district organized and operating under the laws of the State of Idaho (the “**District**”), created and maintained under the provisions of Title 67, Chapter 49, Idaho Code, as amended, and the Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation (the “**Agency**”), a public body, corporate and politic, organized and operating pursuant to Title 50, Chapters 20 and 29, Idaho Code.

Recitals

WHEREAS, the District and the Agency have entered into that Amended and Restated Development Agreement, dated as of the 19th day of December, 2014, as amended from time to time (the “**Development Agreement**”);

WHEREAS, pursuant to the Development Agreement, the Agency agreed to work with the District in the expansion of its existing convention center facilities in Boise, Idaho (the “**Project**”) by providing non-appropriation lease financing for a portion thereof;

WHEREAS, the District has entered into a Purchase and Sale Agreement for Centre Facilities (the “**Purchase Agreement**”), dated as of December 17, 2015, attached hereto as Exhibit A, with City Center Plaza Meeting, LLC, a Utah limited liability company, (the “**Seller**”) for the purchase of a portion of the Project known as the “**Centre Facilities**”, which Centre Facilities are more particularly defined and legally described in the Purchase Agreement;

WHEREAS, all capitalized terms used and not defined herein shall have the meanings given to them in the Purchase Agreement;

WHEREAS, in furtherance of the Development Agreement, the District desires to assign the Purchase Agreement to the Agency and the Agency desires to accept assignment of the Purchase Agreement, assume the District’s obligations under the Purchase Agreement and consummate the purchase of the Centre Facilities pursuant to the terms thereof; and

WHEREAS, in Section 4 of the Purchase Agreement, Seller approved the District’s assignment of the Purchase Agreement to the Agency.

Agreement

NOW, THEREFORE, in consideration of the recitals set forth above, which the parties acknowledge are true and correct, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment: The District hereby assigns and transfers to the Agency all of the District’s right, title and interest in, to, and under the Purchase Agreement, subject to the rights

of the District under Section 4 of the Purchase Agreement to approve any use of the Contingency and the final Purchase Price.

2. Assumption: The Agency hereby accepts assignment of the Purchase Agreement, assumes the District's obligations thereunder, except as set forth in Section 1 above, and agrees to perform, pay, and discharge all of the obligations of the District thereunder and to purchase the Centre Facilities pursuant to the terms and conditions thereof.

3. Further Assurances: Each party to this Assignment hereby covenants and agrees to perform all such further acts and deliver all such further agreements, instruments and other documents as the other party shall reasonably request to consummate this Assignment and to close the purchase of the Centre Facilities pursuant to the terms of the Purchase Agreement.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be duly executed on the date first written above.

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

By: _____
Chairman

GREATER BOISE AUDITORIUM DISTRICT

By: _____
Chairman

By: _____
Executive Director

EXHIBIT A

**Purchase and Sale Agreement for Centre Facilities
(attached)**

EXHIBIT G
DEED OF TRUST

AFTER RECORDING RETURN TO:

Zions Bank, a division of ZB, National Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, Idaho 83702
Attention: Twyla Lehto

**DEED OF TRUST, FIXTURE FILING
AND ASSIGNMENT OF LEASES AND RENTS**

Among

URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, A/K/A
CAPITAL CITY DEVELOPMENT CORPORATION, Grantor

FIRST AMERICAN TITLE & ESCROW, Trustee

and

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION,
AS TRUSTEE FOR THE BONDS, Beneficiary

**THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH
ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE
STATE OF IDAHO.**

By Debtor: Urban Renewal Agency of Boise City,
Idaho, a/k/a Capital City Development
Corporation
121 N. 9th Street
P.O. Box 987
Boise, Idaho 83702

To Secured Party: Zions Bank, a division of ZB, National
Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, Idaho 83702

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**DEED OF TRUST, FIXTURE FILING
AND ASSIGNMENT OF LEASES AND RENTS**

THIS DEED OF TRUST, FIXTURE FILING AND ASSIGNMENT OF LEASES AND RENTS (the “**Deed of Trust**”) is dated effective as of the ____ day of _____, 2016, between **Urban Renewal Agency of Boise City, Idaho, a/k/a Capital City Development Corporation**, an independent public body politic and corporate constituting a public instrumentality of the State of Idaho (“**Grantor**”), whose address is 121 N. 9th Street, P.O. Box 987, Boise, Idaho 83702, First American Title & Escrow (“**Trustee**”), whose address is 3540 E. Longwing Lane, Suite 230, Meridian, Idaho 83646, and Zions Bank, a division of ZB, National Association, as trustee for the benefit of the beneficial owners of the Bonds, hereinafter defined (“**Beneficiary**”), whose address is 800 W. Main Street, Ste 700, Boise, Idaho 83702.

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness recited and the trust created in this Deed of Trust, the receipt of which is hereby acknowledged:

1. Creation of Trust Estate. Grantor irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the provisions of this Deed of Trust all of Grantor’s right, title and interest in and to the condominium units, together with related common areas, located in the County of Ada, State of Idaho, legally described in attached **Exhibit A** (the “**Property**”), subject to the Permitted Encumbrances (defined below);

TOGETHER WITH all existing and future buildings, structures, improvements, and fixtures, located on, attached to or used or acquired for use in connection with the Property, but excluding any such personal property in which the Grantor does not have an ownership interest (the “**Improvements**”); and together with all additions, accessions, replacements, substitutions and proceeds to or of the Improvements. All Improvements are deemed to be part of, and not severable without material injury to, the Property;

TOGETHER WITH all right, title and interest of Grantor in and to that certain Lease Agreement (Annual Appropriation) dated _____, 2016, and Memorandum thereof recorded _____, 2016, as Instrument No. _____, Records of Ada County, Idaho, between the Grantor, as lessor, and the Greater Boise Auditorium District, a public body organized and operating as an auditorium district pursuant to Chapter 49, Title 67, Idaho Code (the “**District**”), as lessee (the “**Annual Appropriation Lease Agreement**”), and all revenues received thereunder, including payments and obligations due from the District thereunder, which Annual Appropriation Lease Agreement is subject to annual renewal by the District;

TOGETHER WITH all right, title and interest of Grantor in and to present and future leases and agreements for use and occupancy of the Property and/or Improvements, whether written or oral, including all extensions, renewals and subleases and all guaranties of lessees’

performance thereunder (collectively with the Annual Appropriation Lease Agreement, the “Leases”);

TOGETHER WITH all present and future rents, issues, profits, royalties, income and other benefits derived from the Leases, the Property and/or the Improvements (in any form, including cash, notes, contracts, contract rights, chattel paper, instruments or documents), including: all security deposits; minimum, advance, additional, percentage and deficiency rents; maintenance, tax, insurance and other property expense contributions or payments; liquidated damages following default in any Lease including all payments resulting from the rejection of any Lease in a bankruptcy or other insolvency proceeding; all proceeds payable to Grantor under any policy of insurance covering loss of rents; all proceeds payable as a result of a lessee’s exercise of an option to purchase the Property and/or Improvements; and all other rights and claims which Grantor may have against any lessee or occupant of the Property and/or Improvements (collectively, the “Rents”), subject to the right, power and authority of Grantor to collect and apply the Rents as provided in this Deed of Trust;

TOGETHER WITH all easements, rights-of-way and means of access; irrigation, well, ditch, reservoir and water rights, water and water stock; mineral, oil and gas rights; and all other tenements, privileges, hereditaments and appurtenances pertaining to the Property and/or Improvements, including all common areas thereof;

TOGETHER WITH the rights granted to Grantor under the Annual Appropriation Lease Agreement with respect to insurance and condemnation proceeds; and

TOGETHER WITH with all proceeds of the foregoing and all other present and future estate, rights, title, interests, or claims, both in law and in equity, of Grantor in the Property and/or Improvements.

The Property is either located within an incorporated city or village or does not exceed forty (40) acres in size. The entire estate, property and interest conveyed to Trustee is referred to in this Deed of Trust as the “Trust Estate.”

OBLIGATIONS SECURED

THIS DEED OF TRUST IS GIVEN FOR THE PURPOSE OF SECURING:

A. Payment of principal and interest due under the “Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project),” in the aggregate principal amount of \$_____ (the “Bonds”), issued by the Grantor under and pursuant to a Bond Resolution dated March 29, 2016 (the “Bond Resolution”) adopted by the Grantor, wherein the Beneficiary is named the Trustee for the benefit of the beneficial owners of the Bonds.

B. Payment of all sums advanced or paid out by Beneficiary under any provision of this Deed of Trust or any other Bond Documents (as defined below) or to protect the Trust Estate or to enforce Beneficiary’s rights under any Bond Documents with interest on such sums at the highest applicable rate as provided in the Bond Documents.

C. Performance by Grantor of the provisions of this Deed of Trust, the Bonds and any other Bond Documents.

The indebtedness, obligations and liabilities of Grantor described in paragraphs A through C above are referred to as the “**Obligations.**” This Deed of Trust, the Bond Resolution and the Bonds, and all other instruments or documents executed in connection with, or given to evidence or further secure the payment and performance of, the Obligations are referred to as the “**Bond Documents.**” Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to said terms in the Bonds or Bond Resolution.

ARTICLE I

REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTOR

GRANTOR REPRESENTS, WARRANTS, COVENANTS AND AGREES TO AND WITH BENEFICIARY AS FOLLOWS:

1.1 Payment and Performance. Grantor will pay or perform the Obligations and all other sums required to be paid or actions required to be performed under the Bond Documents when due without setoff or deduction and will strictly comply with all the provisions of the Bond Documents.

Notwithstanding the foregoing, the Obligations shall not constitute indebtedness within the meaning of any Constitutional or statutory debt limitation or restriction, and shall not constitute a general obligation or debt of Ada County, Idaho, the City of Boise City, Idaho, the State of Idaho, or any of its political subdivisions. In no event shall the Obligations give rise to a general obligation or liability of the Grantor, Ada County, Idaho, the City of Boise City, Idaho, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the Grantor specifically pledged therefor.

1.2 Waiver of Offset. Grantor will pay all sums due under the Obligations without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and except as expressly provided in this Deed of Trust or the Bond Resolution, the Obligations will not be released, discharged or otherwise affected by reason of: (i) any damage to or destruction, impairment or taking of the Trust Estate; (ii) any restriction of or interference with any use of the Trust Estate; (iii) any title defect or encumbrance or any eviction from all or any part of the Trust Estate by title paramount or otherwise; or (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary; whether or not Grantor has notice or knowledge of any of the foregoing.

1.3 Warranties of Title. Grantor holds title to the Trust Estate, free and clear of any interests or claims of any person whatsoever except for the Permitted Encumbrances and as otherwise as expressly provided herein. Grantor has the right and authority to convey the Trust Estate as security for the Obligations of Grantor secured hereby as herein provided; Grantor has not encumbered the Property except as may be provided on **Exhibit B** hereto entitled

“**Permitted Encumbrances**” (if any); and Grantor will forever warrant and defend the title, subject to the Permitted Encumbrances, to the Trust Estate unto the Beneficiary against all claims and demands of all persons whomsoever.

1.4 Impairment of the Trust Estate. Grantor will not, without the prior written consent of Beneficiary, change the general nature of the use of the Trust Estate or initiate or acquiesce in any change in any public or private restrictions affecting the Trust Estate (including a zoning reclassification), or take or permit any other action, which would impair the Trust Estate or Beneficiary’s lien on the Trust Estate. Notwithstanding anything in the foregoing to the contrary, Grantor (or the District if Grantor assigns such rights to the District) shall have the right to approve changes to the Condominium Documents that do not affect the value, enforceability or priority of this Deed of Trust or the rights or powers of Beneficiary under the Condominium Documents.

1.5 Further Assurances. Grantor hereby authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements with or without signature of Grantor as authorized by applicable law. Grantor will, from time to time, within fifteen (15) days after request by Beneficiary, execute, acknowledge (if requested) and deliver any other document reasonably requested by Beneficiary in order to perfect, preserve, continue, evidence, extend or maintain the priority of the lien and/or security interest created by or granted under this Deed of Trust. Grantor will pay all costs and expenses incurred by Beneficiary in connection with the preparation, execution, recording, filing or refiling of any of the foregoing documents, including charges for examining title and issuing title insurance endorsements and fees of lawyers for rendering an opinion as to the validity, enforceability or priority of the lien and/or security interest created by or granted under this Deed of Trust.

1.6 Actions Affecting Trust Estate. Grantor will appear in and defend any action or proceeding which may affect the Trust Estate, the value, enforceability or priority of this Deed of Trust, or the rights or powers of Beneficiary or Trustee (an “action”). Beneficiary or Trustee may appear in and prosecute or defend any action brought by Grantor or a third party, and Beneficiary may in good faith elect to commence and prosecute an action which appears necessary to preserve or protect the Trust Estate or the lien and/or security interest created by or granted under this Deed of Trust.

1.7 Compliance with Laws. Grantor will comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Trust Estate and will not commit or permit any act upon or concerning the Trust Estate in violation of the same. If a law, ordinance or regulation requires any correction, alteration, improvement or retrofitting of the Trust Estate, Grantor will promptly undertake the required actions and complete such actions with due diligence.

1.8 CC&Rs. Grantor will promptly and completely observe, perform and discharge each and every condition, obligation, covenant and agreement affecting the Property, whether the same is prior and superior or subject and subordinate hereto, including, without limitation, that certain Amended Plat for U.S. Bank Plaza Condominiums and that certain Amended and

Restated Declaration of Covenants, Conditions and Restrictions for US Bank Plaza Condominiums recorded in the real property records of Ada County, Idaho.

1.9 Inspections. Beneficiary, its employees or agents may inspect the Trust Estate at reasonable times prior to an Event of Default after reasonable notice and, if an Event of Default has occurred, are authorized to enter any part of the Trust Estate at any time without notice for the purpose of performing any of the acts Beneficiary is authorized to perform under the Bond Documents.

1.10 Waiver of Recovery. Grantor waives any and all right to claim or recover against Beneficiary, its officers, directors, employees, agents and representatives, for loss of or damage to Grantor, the Trust Estate, Grantor's property or the property of others under Grantor's control from any cause insured against or required to be insured against by this Deed of Trust or the Annual Appropriation Lease Agreement.

1.11 Transfer of Interest. Should Grantor sell, convey, transfer, assign, lease, encumber, or in any other manner, dispose of the Trust Estate or any part thereof, or turn over to another the possession, management or operation of the Trust Estate or any part thereof, or sell, convey, transfer, encumber, or enter into a binding agreement to do the same, without prior written consent of the Beneficiary, then Beneficiary shall have the right at its option to declare all Obligations secured hereby immediately due and payable, provided, however, the foregoing shall not apply to the lease pursuant to the Annual Appropriation Lease Agreement. Consent to any such transaction shall not be deemed to be consent or waiver of the necessity of consent to any other transactions. If Beneficiary consents to any such transaction and/or to the assumption of the Obligations secured hereby, Grantor shall not thereby be released from any Obligations secured hereby. Upon the occurrence of any sale, conveyance, or transfer of the Trust Estate or any part thereof, in addition to the consent required aforesaid, Beneficiary shall be paid a reasonable service charge for changing its records to reflect such transaction. Subject to the restrictions in the Annual Appropriation Lease Agreement, Grantor may enter into joint ventures or similar agreements that relate to the Trust Estate, provided that the lien of this Deed of Trust upon any portion of the Trust Estate shall not be released without prior written consent of the Beneficiary.

1.12 Beneficiary's Powers. Without affecting the liability of any other person liable for payment and/or performance of the Obligations, and without affecting the lien of this Deed of Trust upon any portion of the Trust Estate not then or previously released as security for the Obligations, Beneficiary may, from time to time without notice, although Beneficiary agrees to provide notice to Grantor within a reasonable amount of time thereafter, (i) release any person liable for payment of the Obligations, (ii) extend the maturity or alter any provisions of the Obligations, (iii) subordinate Beneficiary's lien on the Trust Estate, (iv) grant other indulgences, (v) release all or any part of the Trust Estate, (vi) take or release any other or additional security or guaranties for the Obligations, (vii) sell or otherwise realize on any other security for the Obligations before, concurrently with or after a sale of the Trust Estate, (viii) make advances pursuant to the Bond Documents including advances in excess of the Bonds amount, (ix) consent to the making of any map or plat of the Property, (x) join in granting any easement or creating any restriction on the Property, (xi) assign or otherwise transfer this Deed of Trust or (xii) make compositions or other arrangements with debtors in relation to the Obligations or Trust Estate.

1.13 Provisions as to Beneficiary's Advances, Expenses and Payments.

(a) **Subrogation.** Beneficiary will be subrogated to all rights, security interests and liens, whether legal or equitable, of all beneficiaries, mortgagees, lienholders, sellers, owners and other persons directly or indirectly paid off or satisfied, in whole or in part, by any funds advanced by Beneficiary under the Bond Documents, whether or not the rights, security interests or liens are released upon payment.

(b) **Fees, Costs and Expenses.** Grantor will, at all times during the term of the Annual Appropriation Lease Agreement, use its best efforts to cause District to reimburse Beneficiary for all out-of-pocket fees, costs and expenses, including fees for lawyers (including allocated costs for in-house legal services), accountants, appraisers, architects, engineers, environmental consultants and other professionals and costs of title information and title insurance, incurred in connection with the origination, closing and administration of the Bond Resolution, with any default by Grantor under the Bond Documents, or with the exercise or enforcement by, or on behalf of, Trustee or Beneficiary of any rights or remedies contained in the Bond Documents, whether or not a legal action or proceeding is involved, including any fees, costs and expenses incurred: (i) in any judicial or nonjudicial foreclosure of this Deed of Trust; (ii) in any arbitration or mediation; (iii) in any action contesting or seeking to enforce, restrain, enjoin, stay or postpone the exercise of any right of remedy in which Beneficiary prevails; (iv) in any bankruptcy, probate, receivership or other proceeding involving Grantor; (v) on appeal or review of any action or proceeding; and (vi) in connection with all negotiations, documentation, and other actions relating to any workout, compromise, settlement or satisfaction of the Obligations.

(c) **Repayment of Beneficiary's Expenditures.** Grantor will, at all times during the term of the Annual Appropriation Lease Agreement, use its best efforts to cause District to pay within fifteen (15) days after written notice from Beneficiary all sums advanced or expenses incurred by Beneficiary or Trustee in making any payment, taking any action or exercising any right or remedy pursuant to the Bond Documents, including those expenses listed or described in paragraph (b) above. All such expenditures by Beneficiary will be part of the Obligations and will be secured by this Deed of Trust.

(d) **Use of Proceeds and Property.** The proceeds of the Bonds will be used as required in the Bond Resolution. The Property is not and will not be used principally, or at all, for agricultural or farming purposes.

ARTICLE II

ASSIGNMENT OF LEASES AND RENTS

2.1 Assignment of Rents. Grantor presently, absolutely and irrevocably assigns and transfers to Beneficiary the Leases and Rents, together with the immediate and continuing right, power and authority to collect the Rents and administer the Leases, subject only to the license to collect the Rents and administer the Leases given to Grantor in Section 2.3. Beneficiary may notify the lessees or occupants under any Lease of this assignment. This assignment of the

Leases and Rents is intended to be an absolute present assignment from Grantor to Beneficiary and not merely the creation of a lien or security interest. This assignment will be subject to and, to the extent of any conflict, governed by the provisions of any existing or future separate assignment of the Leases and/or Rents from Grantor to Beneficiary.

2.2 Representations, Warranties and Covenants Regarding Leases. With respect to the Leases and Rents, Grantor represents, warrants, covenants and agrees to and with Beneficiary as follows:

(a) Grantor will fully perform its obligations under, and comply with the terms of, the Leases and will do everything necessary to preserve the Leases in force;

(b) Grantor has made no prior assignment and will make no subsequent assignment of the Leases and/or Rents without the prior written consent of Beneficiary and Grantor will execute, acknowledge and deliver such further assignments of the Leases and Rents as Beneficiary may from time to time request;

(c) Grantor has not collected and will not collect or accept payment of any Rent more than one month in advance of the due date;

(d) With respect to any Lease involving an initial term of three (3) years or more, Grantor will not, without the prior written consent of Beneficiary, (i) permit the lessee to assign its rights or sublet all or any part of the premises unless the right to assign or sublet is expressly reserved by lessee under the Lease, (ii) reduce the term of, or the amount of rent reserved in, the Lease, (iii) terminate the Lease or accept a surrender of the leasehold except as provided in the Lease in the event of a default by lessee; and

(e) Subject to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for US Bank Plaza Condominiums and the Annual Appropriation Lease Agreement, if the Trust Estate is partially condemned or suffers a casualty, Grantor will promptly repair and restore the Trust Estate in order to comply with the Annual Appropriation Lease Agreement provided that Grantor's actions will be consistent with the rights of Beneficiary with respect to any Net Proceeds (as defined in the Annual Appropriation Lease Agreement).

2.3 Collection of Rents and Administration of Leases.

(a) **License to Grantor.** The Beneficiary gives Grantor a license to collect the Rents and administer the Leases, which license may be terminated by Beneficiary without notice to Grantor at any time after an Event of Default (as defined in Section 3.1) has occurred, except for the Annual Appropriation Lease Agreement. So long as no Event of Default has occurred and Beneficiary has not elected to terminate the license, Grantor may collect the Rents as they become due and administer the Leases in the ordinary course of Grantor's business, subject, however, to Section 2.2 and paragraph (c) below. Subject to the Annual Appropriation Lease Agreement, Grantor will use the Rents to pay the normal operating expenses for the Trust Estate and the Obligations.

(b) **Rights of Beneficiary.** If an Event of Default occurs, Beneficiary may terminate Grantor's license without notice to Grantor (other than the notice, if any, required to create an

Event of Default) and, thereafter, Beneficiary, its agent or a court appointed receiver may collect the Rents and administer the Leases. In doing so, Beneficiary may (i) demand that the lessees or occupants of the Trust Estate pay all amounts due under the Leases directly to Beneficiary, (ii) enter upon and take possession of the Trust Estate, (iii) sue for or otherwise collect any past due Rent, (iv) evict any lessee or occupant for nonpayment of Rent or other default, including nonrenewal of the Annual Appropriation Lease Agreement, (v) terminate any tenancy or occupancy in any lawful manner or (vi) lease the Trust Estate in the name of the then owner on such terms as Beneficiary deems best. The Rents received will be applied to payment of collection costs (including a reasonable fee to Beneficiary, its agent or a receiver), operating expenses for the Trust Estate and sums due on the Obligations, in such order as Beneficiary may determine. Any excess will be paid to District; however, Beneficiary may retain a reasonable amount to pay sums anticipated to become due which exceed the anticipated future Rents. Any Rents paid to Beneficiary or a receiver will be credited against the amount due from any lessee under a Lease. Beneficiary's right to collect the Rents at any time after an Event of Default has occurred will not be affected by Beneficiary failing or ceasing to collect the Rents at any other time when it was entitled to do so. The collection of the Rents by Beneficiary will not cure or waive any Event of Default. Beneficiary or a receiver will have no obligation to perform Grantor's duties under the Leases. In exercising its right under this Section 2.3, Beneficiary will not be liable to Grantor, anyone claiming under or through Grantor, or anyone having an interest in the Trust Estate for any act or omission of Beneficiary other than for the proper application of and accounting for the Rents collected by Beneficiary or its agents. For the purpose of carrying out the provisions of this paragraph (b), Grantor irrevocably appoints Beneficiary the true and lawful attorney-in-fact of Grantor to do and perform, from time to time any and all actions necessary and incidental to such purpose and does by these presents ratify and confirm any and all actions of Beneficiary as attorney-in-fact in and with respect to the collection of Rents and administration of the Leases.

(c) **Non-Ordinary Course Payments; Bankruptcy.** Despite Grantor's license to collect the Rents, any proceeds or damages received as a result of a default in any Lease which exceed the rent due and payable under the Lease up to the date the premises are relet or sublet will be paid to Beneficiary, at its option, and applied against the Obligations even though no amount may be then due and payable. The granting of a license to Grantor to collect the Rents does not constitute or evidence Beneficiary's consent to the use of cash collateral in any bankruptcy proceeding. If any lessee becomes the subject of a proceeding under the Bankruptcy Code or any other statute which provides for the possible rejection of a lease and if that lessee's Lease is rejected, no damages settlement will be made without the prior written consent of Beneficiary. Any check in payment of damages for rejection or termination of that Lease will be made payable to both Grantor and Beneficiary and, upon request of Beneficiary, Grantor will duly endorse the check to the order of Beneficiary who may apply the proceeds against the Obligations even though no amount may be then due and payable.

ARTICLE III

DEFAULT AND REMEDIES

3.1 Events of Default. Any of the following events or circumstances will constitute an “Event of Default” under this Deed of Trust:

- (a) there shall be an "Event of Default" under the Bond Resolution or Bonds, or an “Event of Nonrenewal” under the Annual Appropriation Lease Agreement; or
- (b) if Grantor violates the provisions of Section 1.11; or
- (c) if there has occurred a breach of or Event of Default under any term, covenant, agreement, condition, provision, representation or warranty in any of the Bond Documents, this Deed of Trust or any part thereof, not referred to previously in this Section, and the failure of Grantor to cure the same following thirty (30) days’ written notice to Grantor.

3.2 Remedies. Upon the occurrence of any Event of Default, Beneficiary may exercise at any time thereafter any one or more of the following rights and remedies; provided, however, any exercise of remedies by Beneficiary shall be subject to the rights of the District under the Annual Appropriation Lease Agreement so long as such agreement is in effect, and subject to the rights of the District under the Option to Purchase (as defined in the Annual Appropriation Lease Agreement):

(a) **Acceleration.** In the event of any Event of Default, Beneficiary (as and to the extent that Beneficiary may exercise remedies under the Annual Appropriation Lease Agreement and Bond Resolution) may declare all Obligations to be immediately due and payable and the same shall be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Grantor.

(b) **Nonjudicial Foreclosure.** Beneficiary may elect to foreclose by exercise of the power of sale granted in this Deed of Trust and, in doing so, to deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Grantor’s interest in the Trust Estate to be sold (the “**Notice of Default**”), together with this Deed of Trust and the Bond Resolution and such receipts or other evidence of expenditures made by Beneficiary and secured by this Deed of Trust as Trustee may require; or

(c) **Judicial Foreclosure.** Beneficiary may commence an action to judicially foreclose this Deed of Trust as a mortgage. The Trust Estate may be sold at one or more sales, as a whole or in such parcels or lots, with such elements of real and/or personal property, and in such manner or order as the Beneficiary, in its sole discretion, may elect in accordance with applicable law. Beneficiary will be entitled to possession of the Trust Estate during any redemption period allowed under the laws of the State of Idaho. However, if Grantor remains in possession of the Trust Estate after it has been sold, Grantor will become a tenant at will of the purchaser of the Trust Estate and will pay a reasonable rental for the use thereof while the same is in Grantor’s possession. During any redemption period, the purchaser may make such repairs and alterations to the Trust Estate as may be reasonably necessary for its proper operation, care, preservation or protection; pay any taxes or other charges which become due; insure the

Improvements against loss by casualty and itself against liability arising from its ownership and use of the Trust Estate; pay liens not extinguished by the foreclosure; and pay any other amounts relating to the Trust Estate as they become due. Any sums so paid, together with interest thereon from the date of the expenditure at the rate allowed under Idaho law during the period of redemption, will be included in the amount required to be paid to redeem the Trust Estate; or

(d) **Specific Performance.** Beneficiary may institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained in the Bond Documents; or

(e) **Appointment of Receiver.** Beneficiary may apply for the appointment of a receiver of the Trust Estate, as a matter of right and without notice, without bond and without regard to the adequacy of the security for the Obligations or the solvency of Grantor or any other person liable on the Obligations. Grantor and each other person so liable waives, or is deemed to have waived, notice and the necessity to disprove adequacy of security or solvency and consents to, or is deemed to have consented to, such appointment. The receiver will be vested with the fullest powers permitted under applicable law and all rights and powers granted to Beneficiary by the Bond Documents; or

(f) **Remedial Advances and Actions; Right to Protect Trust Estate.** Beneficiary may make any payment which Grantor has failed to make and/or perform any or all required actions which Grantor has failed to perform. Beneficiary may also make any other payment or perform any other action in such manner and to such extent as it may, in good faith, deem necessary to protect the Trust Estate or the security of this Deed of Trust. In exercising the general powers granted to Beneficiary in this paragraph (f), Beneficiary may take, but is not limited to, any of the following actions: (i) pay, purchase, contest or compromise any amounts due under any Lease, contract, encumbrance, tax or other charge, claim or debt or the premium for any required insurance policy; (ii) commence and prosecute or appear in and defend any action or proceeding which may affect the Trust Estate, the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee; (iii) enter upon and take possession of the Trust Estate; (iv) make additions, alterations, repairs and improvements to the Trust Estate which Beneficiary considers necessary or proper to keep the same in good and lawful condition and repair; or (v) incur such expenses as Beneficiary in its absolute discretion deems necessary, including the cost of obtaining a current appraisal of the Trust Estate and the cost of the title premium for the trustee sale guaranty (or equivalent policy). Payment or performance by Beneficiary as provided in this paragraph (f) will not cure or waive any existing Event of Default or release Grantor from any Obligation under this Deed of Trust; or

(g) **Right of Entry.** With or without initiating any action or proceeding, Beneficiary may enter upon and take possession of the Trust Estate and do any acts which Beneficiary, in good faith, deems necessary or desirable to (i) preserve the value, marketability or rentability of the Trust Estate; (ii) protect the security of this Deed of Trust; (iii) collect the Rents and administer the Leases as provided in Article II; or (iv) operate and preserve (to the extent reasonably possible) any business of Grantor conducted on the Trust Estate. While in possession of the Trust Estate, Beneficiary, at the expense of Grantor and the Trust Estate, may (w) insure or reinsure the Improvements, (x) complete any construction in progress on the Trust Estate and, in that connection, pay bills, borrow funds, employ contractors and make any changes in plans and

specifications as it deems appropriate, (y) make all necessary or proper repairs, replacements, alterations, additions and improvements and (z) exercise all rights and powers of Grantor with respect to the Trust Estate, either in Grantor's name or otherwise. For the purpose of carrying out the provisions of this paragraph (g), Grantor irrevocably appoints Beneficiary the true and lawful attorney-in-fact of Grantor to do and perform, from time to time, any and all actions necessary and incidental to such purpose. The entering upon and taking possession of the Trust Estate, and the collection of Rents, will not cure or waive any Event of Default, invalidate any act done in response to an Event of Default or pursuant to a notice of default or constitute an election of remedies. If Beneficiary exercises any of the rights or remedies contained in this paragraph (g) or Article II, Beneficiary will not be deemed to have entered upon or taken possession of the Trust Estate, except upon the exercise of its option to do so evidenced by its demand and overt act for such purpose, nor will it be deemed a beneficiary or mortgagee in possession by reason of such entry or taking possession. Beneficiary will not be liable to account for any action taken pursuant to any such exercise, other than for application of Rents actually received by Beneficiary, or be liable for any loss sustained by Grantor resulting from any failure to lease the Trust Estate or from any other act or omission of Beneficiary, except to the extent such loss is caused by the gross negligence or willful misconduct of Beneficiary; or

(h) **Bond Documents and General Remedies.** In addition to the remedies provided for in this Section 3.2, Beneficiary may exercise any right or remedy provided for in any Bond Document, including the assignment of Leases and Rents contained in Article II of this Deed of Trust and may take any other action permitted, or pursue any other right or remedy available, under applicable law.

3.3 Expenses. In any judicial or nonjudicial proceeding to foreclose or to enforce any other remedy under this Deed of Trust, there will be allowed and included as an addition to and a part of the Obligations in the notice of sale, decree for sale or other judgment or decree, all expenditures and expenses which may be paid or incurred in connection with the exercise by Beneficiary of any of its rights and remedies provided or referred to in this Deed of Trust or any other Bond Document, including fees and disbursements of lawyers, together with interest thereon at the highest applicable rate provided in the Bond Documents, and the same will be part of the Obligations and will be secured by this Deed of Trust, subject to the limitations under Section 8.12 of the Annual Appropriation Lease Agreement.

3.4 Additional Provisions as to Remedies.

(a) **No Waiver of Default.** Beneficiary's exercise of any of its rights and remedies will not constitute a waiver or a cure of an Event of Default. Beneficiary's delay in exercising, or refusal or failure to exercise, any right or remedy when an Event of Default has occurred will not operate as a waiver of the existing, or any other or future, Event of Default.

(b) **No Waiver of Rights or Remedies.** Beneficiary's delay in asserting, or failure or refusal to assert, any right or remedy when an Event of Default has occurred will not operate as a waiver of such right or remedy with regard to the existing, or any other or future, Event of Default. Beneficiary's waiver of any right or remedy with regard to a particular Event of Default will not operate as a waiver of that right or remedy with regard to any other or future Event of Default.

(c) **No Waiver of Obligations.** Beneficiary's exercise of any of its rights and remedies will not constitute a waiver of, or release Grantor from, any Obligation. Beneficiary's failure or refusal to require any payment or performance of the Obligations when due will not constitute a waiver of such payment or performance or of any other or future required payment or performance of the Obligations. Beneficiary's acceptance of a late payment of any sum secured by this Deed of Trust will not waive its right to require prompt payment of any other sums when due or to declare a default for failure to pay, and acceptance of any partial payment will be deemed an acceptance on account only.

(d) **Remedies Cumulative and Optional.** The rights and remedies provided in the Bond Documents are not mutually exclusive and each right or remedy is cumulative and in addition to every other right or remedy provided in the Bond Documents or available at law or in equity. Every right or remedy provided in the Bond Documents may be exercised concurrently or independently, from time to time as often as desired and in such order and manner as Beneficiary and/or Trustee may elect and whether or not consistent with any other right or remedy which has been or may be exercised. Beneficiary is not obligated to enforce any rights or remedies granted under, or to take any action authorized by, this Deed of Trust.

3.5 Waiver of Rights and Defenses. To the full extent Grantor may lawfully do so, Grantor waives the following:

(a) All rights to a marshalling of Grantor's assets, including the Trust Estate, or to a sale in inverse order of alienation in the event of a foreclosure of the liens and security interests created by this Deed of Trust;

(b) Notice of a default by any party (including another Grantor) liable on the Obligations, except notices required to be given to Grantor by this Deed of Trust;

(c) Diligence, demand for performance, notice of nonperformance, presentment, protest and notice of dishonor and notice of new or additional indebtedness of any party (including another Grantor) liable on the Obligations, except notices required to be given to Grantor by this Deed of Trust;

(d) Any defense arising out of or related to any pending financing, additional financing or other arrangements not pertaining to the Trust Estate between Beneficiary and Grantor or any other party (including another Grantor) liable on the Obligations. Any defense arising out of the absence, impairment or loss of any or all rights of recourse, reimbursement, contribution or subrogation or any other rights or remedies of Beneficiary against Grantor or any other party (including another Grantor) liable on the Obligations; and

(e) Any obligation of Beneficiary to see the proper use and application of any proceeds advanced pursuant to the Bond Documents.

ARTICLE IV

TRUSTEE

4.1 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

4.2 General Powers. At any time or from time to time, without liability therefor and without affecting the liability of any person for payment of the Obligations or the lien of this Deed of Trust upon the remainder of the Trust Estate, upon written request of Beneficiary and presentation of this Deed of Trust together with the Bonds, Trustee may (i) reconvey or reassign any part of the Trust Estate, (ii) consent in writing to the making of any map or plat of the Property, (iii) join in granting any easement or creating any restriction on the Trust Estate or (iv) join in any extension, subordination or other agreement affecting the lien of this Deed of Trust.

4.3 Powers and Duties on Default. Upon receipt of a written declaration of default and demand for sale from Beneficiary, Trustee will cause the Notice of Default (as defined in Section 3.2(b)) to be recorded, published and delivered to Grantor in accordance with law. When not less than the time then required by law after recordation of the Notice of Default has elapsed and when a “**Notice of Sale**” has been given as required by law, the Trustee, without demand on Grantor, will sell the Trust Estate at the time and place of sale fixed in the Notice of Sale, either as a whole or in separate parcels or by item and in such order as it may determine (subject to any statutory right of Grantor to direct the order in which property consisting of several known lots or parcels must be sold), at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale.

In accordance with applicable law, Trustee may postpone the sale of the Trust Estate from time to time and, without further notice, may sell the remaining portions of the Trust Estate at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Trustee will deliver to each purchaser at the sale its good and sufficient deed and/or bill of sale conveying the property so sold, but without any covenant or warranty, express or implied. The recital in such deed of any matters of fact will be conclusive proof of the truthfulness thereof. Any person, including Grantor or Beneficiary, may purchase at the sale and Grantor covenants that it will warrant and defend the title of any purchaser.

After deducting all costs, fees and expenses of Trustee and of this trust, including costs of evidence of title and fees and disbursements of lawyers in connection with the sale, Trustee will apply the sale proceeds to payment of: (i) all sums expended under the provisions of this Deed of Trust and not previously repaid; (ii) all other Obligations; and (iii) the remainder, if any, to the person or persons legally entitled thereto in accordance with law.

4.4 Release of Property. Upon request by the Grantor, the Beneficiary may, in its sole and absolute discretion, release collateral securing the Obligations prior to Grantor satisfying all Obligations under the Bond Resolution and Bonds. If reconveyance is granted by the Beneficiary, such release may occur without a reduction in the principal amount of the Obligation.

4.5 Reconveyance. Upon written request of Beneficiary stating that all Obligations have been paid, surrender of this Deed of Trust and the Bonds to Trustee for cancellation and retention, and payment by Grantor of Trustee's fees, Trustee will reconvey the Trust Estate without warranty. If the Bonds are not available for surrender, the Trustee shall provide such other evidence as necessary to establish that all Obligations have been paid. The recitals in a reconveyance of any matters of fact will be conclusive proof of the truthfulness of such matters. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

4.6 Appointment of Successor Trustee. Beneficiary may, from time to time, in the manner provided by statute, appoint a successor to the named Trustee or any successor Trustee. Thereupon, the existing Trustee will be discharged and the appointed successor will be substituted as Trustee under this Deed of Trust and will have all of the powers of the original named Trustee upon the recordation of Substitution of Trustee in the real property records of Ada County.

4.7 Request for Notice. Grantor requests that a copy of any Notice of Default and any Notice of Sale given under this Deed of Trust be mailed to it at the address set forth in Section 5.8 of this Deed of Trust.

ARTICLE V

ADDITIONAL PROVISIONS

5.1 Governing Law. This Deed of Trust will be governed by, and construed in accordance with, the law of the State of Idaho.

5.2 Priority This Deed of Trust is junior in priority and subordinate to the Annual Appropriation Lease Agreement and that certain Option Agreement by and between the Grantor and the District, as provided in Article XI of the Annual Appropriation Lease Agreement.

5.3 Partial Invalidity. If any provision of this Deed of Trust, or the application of the provision to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Deed of Trust, or the application of the provision to other persons or circumstances, will not be affected, and each provision of this Deed of Trust will be valid and will be enforced to the fullest extent permitted by law.

If it is determined that the lien of this Deed of Trust does not secure any part of the Obligations, the unsecured portion will be completely paid prior to the payment of the secured portion, and all payments made on the Obligations, whether voluntary or otherwise, will be deemed to have been first applied to the full payment of that portion of Obligations which are not secured by the lien of this Deed of Trust.

If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Trust Estate, the lien on the remainder of the Trust Estate will continue to secure the Obligations until they have been paid in full.

5.4 Matters to be in Writing. The provisions of this Deed of Trust cannot be waived, changed, discharged, released or terminated except in a writing signed by the party against whom enforcement is sought. Any waiver of a provision in a Bond Document will apply only to the time and occasion specified in the waiver.

5.5 Time of Performance. Time is of the essence with respect to the payment and performance of the Obligations when due under the Bond Documents.

5.6 Limitation of Interest. It is the specific intent of Grantor and Beneficiary that the Obligations bear a lawful rate of interest. The provisions of the Bond Documents will not be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted by applicable law. No person will be liable for, or required to pay, that portion, if any, of the interest on the Obligations which exceeds the maximum permitted by law. If any interest rate provided for in the Bond Documents exceeds the maximum permitted by law, that interest rate will be reduced to the highest rate permitted by applicable law and any excess interest which has been collected will be immediately returned to the Grantor. This Section 5.6 will control over all provisions of the Bond Documents which are or may be inconsistent with it.

5.7 Statements of Amount Owing. Beneficiary, within twenty (20) days after a request by Grantor, will furnish a written statement, duly executed and acknowledged, of the amounts due on the Obligations and whether any offset or defense exists against the Obligations.

5.8 Notices. Any notice, demand, request, consent, approval or other communication (a "notice") required or permitted under this Deed of Trust, or any other Bond Document, must be in writing and will be effective (1) on actual delivery to the party receiving the notice or (2) on the third day after it is sent by registered or certified United States mail, postage prepaid, return receipt requested, addressed:

in the case of Grantor, to:

Urban Renewal Agency of Boise City, Idaho, a/k/a
Capital City Development Corporation
121 N. 9th Street
P.O. Box 987
Boise, Idaho 83702

and in the case of Beneficiary, to:

Zions Bank, a division of ZB, National Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, Idaho 83702

with a copy to each of:

Greater Boise Auditorium District
850 West Front Street
Boise, Idaho 83702
Attention: Pat Rice, Executive Director

S. C. Danielle Quade
Hawley Troxell Ennis & Hawley LLP
P.O. Box 1617
Boise, Idaho 83701-1617

or with respect to the Grantor, to the address at which Beneficiary has customarily or last communicated with Grantor. Any person will have the right to specify, from time to time, as its address or addresses for notice purposes, any other address or addresses upon giving fifteen (15) days' written notice thereof to each other person then entitled to receive notices under this Deed of Trust.

5.9 Discretion of Beneficiary and Trustee. Whenever Beneficiary's or Trustee's judgment, consent or approval is required for any matter, or either has an option or election under this Deed of Trust, such judgment or the decision whether or not to consent to or approve the matter or to exercise the option or election will be within the sole and absolute discretion of Beneficiary or Trustee, as the case may be.

5.10 Construction of Provisions. The following rules of construction apply to this Deed of Trust and all documents and instruments supplemental to it, unless the context otherwise requires:

(a) The Article, Section and Exhibit captions are used for reference only and do not limit or describe the scope or intent of, or in any way affect, the provisions of this Deed of Trust.

(b) The terms "include," "including" and similar terms will be construed as if followed by the phrase "without being limited to."

(c) The terms "Property," "Improvements," "Trust Estate," "Leases," "Rents" and "Obligations" will be construed as if preceded by the phrase "all or any part of."

(d) The term "Obligations" will be construed as if followed by the phrase "or any other sums secured by all or any part of this Deed of Trust."

(e) The use of either the singular or plural form includes the other form, and the use of any gender includes all other genders.

(f) The term "person" includes natural persons, firms, partnerships, corporations and any other public and private legal entities.

(g) The term “provisions,” when used with respect to this Deed of Trust or any other document or instrument, will be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions and/or."

(h) All Obligations and any action which Grantor is required or permitted to satisfy, perform or take under the Bond Documents will be satisfied, performed or taken by or on behalf of Grantor at Grantor’s sole cost and expense.

(i) The term “Grantor” means and includes all named Grantors and their respective heirs, devisees, legal representatives, successors and assigns and refers to all Grantors collectively and to each Grantor individually. The term "Beneficiary" means the named beneficiary and/or each owner and holder who has an undivided interest or participation in the Bonds and such person’s respective heirs, devisees, legal representatives, successors and assigns. The term "Trustee" includes its legal representatives, successors and assigns.

5.11 Binding Effect. This Deed of Trust applies to, inures to the benefit of and binds all of the parties and their respective heirs, devisees, legal representatives, successors and assigns. If there is more than one Grantor of this Deed of Trust, their liability will be joint and several.

5.12 Fixture Filing. This Deed of Trust is given to secure Obligations incurred for the financing of the purchase of the Property and construction of the Improvements, including fixtures, on the Property and shall be effective as a “fixture filing” under Article 9 of the UCC when recorded in the real estate records of Ada County, Idaho.

5.13 Limitation on Liability. Notwithstanding any other provision herein to the contrary, all payments to be made by Grantor under this Deed of Trust are not general obligations of Grantor, but are special, limited obligations secured by and payable solely from (i) the Annual Appropriation Lease Agreement and all right, title and interest of Grantor under and pursuant to the terms thereof, and all payments, including Lease Payments (as defined in the Annual Appropriation Lease Agreement), revenues, rents and receipts received or receivable by Grantor under the Annual Appropriation Lease Agreement; and (ii) amounts realized pursuant to the exercise of remedies under this Deed of Trust. Nothing herein shall be construed to pledge revenues from, or give a security interest in, any revenues, properties or facilities of Grantor except as hereinabove provided.

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust dated effective as of the day and year first above written.

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

By: _____
Chairman, Board of Commissioners

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 2016 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 (the “Agency”), and the person that executed the within instrument on behalf of the Agency, and acknowledged to me that the Agency 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 _____

EXHIBIT A

Legal Description of Property

EXHIBIT B

Permitted Encumbrances

[Amended Plat for U.S. Bank Plaza Condominiums and that Amended and Restated Declaration of Covenants, Conditions and Restrictions for US Bank Plaza Condominiums]

[Annual Appropriation Lease Agreement]

[Option to Purchase Agreement]

[Exceptions to title per lender's title commitment]

EXHIBIT H

LEASE

**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

\$ _____

**Lease Revenue Bonds
Series 2016**

(Greater Boise Auditorium District Expansion Project)

Dated as of _____

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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 City, 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 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 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 Agency to dedicate, sell, convey or lease any of its respective interests in any property to the District, 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) purchase a new ballroom facility, related kitchen and ancillary facilities, and (ii) purchase related fixtures 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 the parcel to the south of the existing U.S. Bank office tower in close proximity to the Boise Centre; and

WHEREAS, the District and the Developer have entered into an Amended and Restated Master Development Agreement, as amended (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 a parcel to the south of the existing U.S. Bank office tower, 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, fixtures and equipment (collectively, the “**Financed Project**”) and related reserves, capitalized interest and financing costs, and the Financed Project constitutes an “urban renewal project” for purposes of Section 50-2018(10) of the Idaho Code; and

WHEREAS, the Agency has determined, at the request of the District, to issue revenue bonds to provide funds to finance the acquisition of the Financed Project and related reserves, capitalized interest and financing costs to be undertaken by the District and the Agency, which bonds shall be designated the “**Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project)**,” in an aggregate principal amount of \$_____ (the “**Bonds**”), under and pursuant to a Bond Resolution dated _____ (the “**Bond Resolution**”) adopted by the Agency; and

WHEREAS, the District and the Agency intend for the Agency to acquire the Financed Project with the proceeds of the Bonds; and

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, the Bonds shall be secured by, among other things, the Pledged Revenues, as that term is defined in the Bond Resolution; and

WHEREAS, the Bonds shall be secured by the grant of a first lien (subject to the District's Option to Purchase) in the Financed Project pursuant to a Deed of Trust, Fixture Filing and Assignment of Leases and Rents from the Agency for the benefit of the Trustee on behalf of the Bond Holders, which Deed of Trust shall be executed, delivered and recorded in the records of Ada County, Idaho immediately following closing of the acquisition of the condominium units pursuant to the Purchase Agreement between the District and the Developer, as assigned to the Agency pursuant to the Assignment of Purchase Agreement; and

WHEREAS, the issuance and delivery of the Bonds and the execution and delivery of this Lease have been in all respects duly and validly authorized by the Bond Resolution, and all things necessary to make this Lease and the Bonds, 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 Bonds, have 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 Bonds will be sold that were or will be (i) sold pursuant to the same plan of financing as the Bonds and (ii) reasonably expected to be paid from substantially the same source of funds as the Bonds.

(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.

(l) The District has budgeted sufficient funds to pay Rent, as estimated, during the Initial Term.

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 corporate and politic 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 of Purchase Agreement, has assigned the District’s right to purchase the Financed Project under the Purchase Agreement to the Agency. After issuance of the Bonds 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 condominium units containing the new ballroom facility, related kitchen and ancillary facilities from the Developer pursuant to the terms and conditions of the Purchase Agreement and the Assignment of Purchase Agreement and shall purchase and/or reimburse the District for related soft costs, fixtures and equipment. 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. On the date of acquisition of the condominium units containing the new ballroom facility, related kitchen and ancillary facilities from the Developer pursuant to the terms and conditions of the Purchase Agreement and the Assignment of Purchase Agreement (the “**Acquisition 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 the Lease is not renewed pursuant to Section 5.1 herein, 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 BONDS

Section 4.1 Agreement to Issue Bonds. In order to provide funds to purchase the Financed Project and to fund the Acquisition Fund, Capitalized Interest Account, Debt Service Reserve Account and Costs of Issuance Fund, the Agency will, pursuant to the Bond Resolution, sell and cause to be delivered the Bonds 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 Bond Proceeds as follows:

- (a) In the Capitalized Interest Account, a sum sufficient to capitalize interest on the Bonds through August 31, 2016;
- (b) In the Debt Service Reserve Account, a sum equal to the Reserve Requirement with respect to the Bonds;
- (c) In the Costs of Issuance Fund, a sum equal to the Costs of Issuance of the Bonds;
and
- (d) In the Acquisition Fund, and the accounts created therein, the balance of the Net Bond Proceeds.

Section 4.2 Disbursements from the Acquisition Fund. The Trustee is authorized and required upon satisfaction of the requirements in Section ____ of the Bond Resolution to make payments from the Acquisition Fund to pay costs of acquisition of the Financed Project.

Section 4.3 Costs of Issuance; Disbursements from Costs of Issuance Fund. The Trustee is authorized, pursuant to Section ____ of the Bond Resolution, to make payments from the Costs of Issuance Fund to pay Costs of Issuance. Each such payment shall be made upon receipt by the Trustee of a written certificate in the form required pursuant to Section ____ of the Bond Resolution.

Section 4.4 Cooperation of the Parties. The District and the Agency agree to cooperate with each other in furnishing to the Trustee the written certificate required in the Bond Resolution, as referred to in Section 4.3 hereof.

Section 4.5 Investment of Moneys. Any moneys held as a part of the funds created in the Bond Resolution shall be invested and reinvested and transferred to other funds by the Trustee as provided in the Bond Resolution and subject to applicable law. The District shall provide the Trustee with a written certificate setting forth the manner in which the funds shall be invested.

Section 4.6 Tax Covenant. The District covenants for the benefit of the Bond 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 Bonds, the proceeds thereof, any other funds of the District or any improvements financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to be included in gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds 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 Acquisition Date as provided in Section 3.2 and will end on the November 30 following the Acquisition Date, or on such sooner date as the Bonds shall have been fully paid and retired or provision for such payment shall have been made as provided in the Bond Resolution and all other expenses or sums to which the Agency and the Trustee are entitled, both under this Lease and the Bond Resolution, have been paid.

(b) At any time during the Initial Term and during each Renewal Term thereafter, the District may, in its sole discretion, 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 and the Trustee. 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

immediately 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.

(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 and the Trustee 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 (20) 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 Acquisition Date, and the District agrees to accept possession of the Financed Project upon such date. The Agency covenants and agrees that after the Acquisition Date it will not take any action, other than pursuant to Article X of this Lease and the Bond Resolution 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 September 1, 2016 (the “**Rent 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 Lease Payment Fund pursuant to the terms of the Bond Resolution, provided however that (i) any amounts in the Lease Payment Fund and Debt Service Account on the Lease Payment Date, including funds transferred to the Debt Service Account from the Capitalized Interest Account, 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 Bonds as a result of a partial prepayment or defeasance of the Bonds pursuant to the Bond Resolution. The Agency shall provide, or cause the Trustee to provide 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 Bonds, the District shall forthwith pay such deficiency as Rent hereunder to the Agency for deposit in the Lease Payment Fund.

At the option of the District, to be exercised by delivery of a written certificate to the Agency and the Trustee on or before the forty-fifth (45th) day next preceding any Lease Payment Date, the District may deliver Bonds to the Trustee for cancellation. Each Bond so delivered shall be credited by the Agency at 100% of the principal amount thereof when due against the obligation of the District to make Lease Payments on the applicable Lease Payment Date.

(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 Section 2.5 of the Bond Resolution, 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 Bonds called for prepayment (a "**Prepayment**"). Upon such payment, Exhibit A hereto shall be revised to reflect such prepayment of the Bonds.

(c) Debt Service Reserve Payments. Upon the issuance of the Bonds and pursuant to the Bond Resolution, the Debt Service Reserve Account will be established and funded in an amount equal to the Reserve Requirement. During the Lease Term, the District shall maintain the Reserve Requirement in the Debt Service Reserve 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 Bonds.

(d) Rebate Fund Payments. The District agrees to calculate rebate annually and provide a certificate of the District Treasurer to the Agency and the Trustee as to whether any amount is required to be paid to the United States of America pursuant to Section 148(f) of the Code. The District agrees to pay to the Agency any amount due 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 Trustee Fees and Expenses within fifteen (15) days following receipt from the Agency or the Trustee, 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 Trustee 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 Trustee in form satisfactory to the Agency or the Trustee. 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 Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Agency or the Trustee shall become an additional obligation of the District, payable on demand.

(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.

(g) Tax Receipts are Special Revenues. The District agrees that the Tax Receipts constitute, from and after the Rent Commencement Date, “special excise taxes imposed on particular activities or transactions” of the District for purposes of 11 U.S.C. §902(2)(B) or “other revenues or receipts derived from particular functions” of the District for purposes of 11 U.S.C. §902(2)(D). It is accordingly the intention of District that the pledge of Tax Receipts will constitute, from and after the Rent Commencement Date, a pledge of “special revenues” for purposes of 11 U.S.C. §901 et seq., and that a petition filed by the District under 11 U.S.C. §901 et seq., will not operate as a stay under 11 U.S.C. §362 of application of such Tax Receipts to payment when due of Rent secured by such Tax Receipts on each Lease Payment Date in accordance with this Lease. The District will not take any action inconsistent with its agreement and statement of intention hereunder, and will not deny that the pledge of such Tax Receipts constitutes a pledge of special revenues for purposes of 11 U.S.C. §901 et seq.

(h) Statutory Lien. The pledge of Tax Receipts is a pledge provided for by Section 57-234, Idaho Code.

Section 5.4 Payees of Payments. The Lease Payments, Prepayments and the Debt Service Reserve Payments shall be paid directly to the Trustee 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 Trustee for deposit in the Rebate Fund. The Occupancy Expenses to be paid to the Agency and the Trustee shall be paid directly to the Agency or the Trustee, 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 as required by the Condominium Documents and 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 official's 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 Trustee, as the Bond Holder representative, 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 Trustee. 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 Trustee, but in any case within 60 days after the beginning 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 Trustee. During the Lease Term, in the event the District shall fail to maintain the full insurance coverage required by this Lease and the Condominium Documents 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 Trustee 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 Trustee shall become an additional obligation of the District to the Agency or the Trustee, which amounts 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, the provisions of the Condominium Documents shall control the repair or reconstruction of the Financed Project, and/or the distribution of insurance proceeds. The parties acknowledge and agree that the condominium association will collect the proceeds of any insurance and shall use such proceeds in the manner set forth in the Condominium Documents, subject to the rights of the Trustee on behalf of the Beneficial Owners pursuant to Article XVII of the Condominium Documents. In the event any Net Proceeds of insurance are received by the District or the Agency after payment of all the costs of repair, rebuilding or restoration of the Financed Project, the District or the Agency shall deposit such funds with the Trustee in the Debt Service Account to be applied to the payment or prepayment of the principal of and interest and premium on the Bonds on the next payment date thereof or within thirty (30) days of receipt of such Net Proceeds. In the event the Financed Project is not rebuilt, the Net Proceeds of insurance received by the District or the Agency shall be paid to the Trustee for deposit in the Debt Service Account to be applied by the Trustee to the payment or prepayment of the principal of and interest and premium on the Bonds on the next payment date thereof or within thirty (30) days of receipt of such Net Proceeds. The District will

not be entitled to any postponement, abatement or diminution of Rent as a result of any damage or destruction of the Financed Project.

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 provisions of the Condominium Documents shall control the repair, reconstruction or distribution of any condemnation award. Any balance of the Net Proceeds of any condemnation award remaining after payment of all the costs of restoration, shall be paid to the Trustee for deposit in the Debt Service Account to be applied by the Trustee to the payment or prepayment of the principal of and interest and premium on the Bonds on the next payment date thereof or within thirty (30) days of receipt of such Net Proceeds. In the event the Financed Project is not able to be restored to substantially the same value and condition as it existed prior to such condemnation, the Net Proceeds received by the District or the Agency from any condemnation award shall be paid to the Trustee for deposit in the Debt Service Account to be applied by the Trustee to the payment or prepayment of the principal, interest and premium on the Bonds on the next payment date thereof or within thirty (30) days of receipt of such Net Proceeds. The District will not be entitled to any postponement, abatement or diminution of Rent as a result of a condemnation.

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.

ARTICLE VIII SPECIAL COVENANTS AND PROVISIONS

Section 8.1 Right of Access. During the Lease Term, the District agrees that the Agency and the Trustee 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 Trustee 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 Trustee. 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 and the Trustee. 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 Bonds, or the exclusion from gross income of interest on the Bonds 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 Trustee 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 Bond Resolution. 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 agrees to execute and comply with the terms of any Continuing Disclosure Undertaking that may be required with respect to the Bonds.

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 two (2) 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 for each of the prior three (3) fiscal years, assuming the proposed obligations were issued at the beginning of such three (3) year period, 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 Bond Holder and the right, title and interest of the Agency and the Trustee 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 Trustee for such protection of the interests of the Bond Holders, and shall furnish satisfactory evidence to the Agency and the Trustee of filing and refiling of such instruments and of every additional instrument that shall be necessary to preserve the security of the Bond Holders and the right, title and interest of the Agency and the Bond Holders in and to the Tax Receipts or any part thereof until the principal of and interest on the Bonds issued under the Bond Resolution 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. During the Lease Term, the District hereby agrees to presently budget and commit \$250,000 to be held by the District in a fund to be called the “**Lease Contingency Fund.**”

(a) Moneys in the Lease Contingency Fund shall be held as the sole source of payment for reasonable attorneys’ fees, costs and expenses incurred by the Agency as a result of any claims for bodily injury or property damage, other than property insured, made against the Agency that arise from the negligent acts or omissions of the District, and to reimburse the Agency for the cost of any increased insurance premiums incurred by the Agency resulting solely from its acquisition of the Financed Project or issuance of the Bonds. The Agency and the District agree to seek and use insurance proceeds prior to use of the Lease Contingency Fund.

(b) The Agency 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 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 the Executive Director of the Agency shall meet and attempt to resolve the dispute. In the event the dispute is not resolved the Boards of the District and the Agency shall meet to resolve the dispute. Any amounts due after resolution of a dispute shall be paid within thirty (30) days of such resolution.

(c) The obligation to hold moneys in the Lease Contingency Fund 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 other than as specially provided and budgeted for in Section 8.12.

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 Bond Resolution. 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 Bond Holders 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 Bond Holders 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.

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 as part of its day to day business of operating a convention facility without the prior written consent of the Agency and the Trustee, 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 Bonds from federal income taxation or the validity of the Bonds 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 Trustee 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 X hereof or Article XII of the Bond Resolution, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Financed Project (or its interest therein), (other than Permitted Encumbrances) 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 60 days after written notice, specifying such failure and requesting that it be remedied, given to the District by the Agency or the Trustee, provided, however, that in the event that such failure can be remedied, but cannot reasonably be remedied within such 60 day period, the District shall have the opportunity to remedy to the extent the District has commenced such remedy during such 60 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 Bond Resolution 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 Trustee where so provided herein, may take any one or more of the following remedial steps:

(1) The Trustee, as and to the extent provided in the Bond Resolution, 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 Trustee may terminate the Lease Term and provide the District notice to vacate the Financed Project, or any portion thereof.

(3) The Agency or the Trustee may reenter, repossess, lease part or all of the Financed Project to the extent permitted by law and as provided by Section 12.3 of the Bond Resolution, and apply the proceeds thereof to the District's obligations hereunder and amounts payable under the Bonds and the Bond Resolution.

(4) The Agency or the Trustee 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 and/or exercise, or cause to be exercised, any and all remedies as it may have under this Lease, the Deed of Trust, the Bonds or the Bond Resolution.

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

Notwithstanding the exercise of any remedy, the Agency or the Trustee 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 Trustee 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 Trustee 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

(a) **General Option.** The District is hereby granted an Option to Purchase the Financed Project and to terminate the Lease at any time prior to the expiration of the Lease Term. This Option to Purchase shall survive the termination of the Lease Term, as provided in Section 11.4 below. To exercise such Option to Purchase the District shall give written notice to the Agency and the Trustee, 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 Trustee for giving any required notice of prepayment relating to the Bonds.

(b) **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:

(1) An amount of money or Government Obligations which will be sufficient to either (at the District's option): (i) defease or prepay the then outstanding Bonds in whole or any instrument issued to refund the Bonds 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 all of the outstanding Bonds or any bonds issued to refund the Bonds to and including the maturity date or dates thereof; and

(2) An amount equal to the Agency's Fees and Expenses and the Trustee Fees and Expenses accrued and to accrue until the final payment of the outstanding Bonds or any bonds issued to refund the Bonds; and

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

Section 11.2 Option to Purchase Following Full Payment or Defeasance of the Bonds.

(a) **Option to Purchase Following Full Payment or Defeasance of the Bonds.** Provided that no Bonds or any bonds issued to refund the Bonds shall be outstanding, 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 11.2 within sixty (60) days of full payment or defeasance of the Bonds. The closing of the Option to Purchase shall take place within thirty (30) days following such notice.

(b) **Purchase Price.** The purchase price payable by the District to exercise the Option to Purchase granted in this Section 11.2 shall be the sum of the following:

(1) An amount equal to any unpaid Agency's Fees and Expenses; and

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

Section 11.3 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 Encumbrances. 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 Trustee shall cooperate in executing such documents as are reasonably necessary to accomplish the purpose of this paragraph.

Section 11.4 Survival of Option to Purchase. The Option to Purchase the Financed Project pursuant to Section 11.2 shall survive the termination of the Lease Term and this Lease for a period of ninety (90) days following the time at which the Bonds or any bonds issued to refund the Bonds cease to be outstanding.

Section 11.5 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 certified registered mail, postage prepaid, addressed as follows:

If to the District: Greater Boise Auditorium District
850 W. Front Street
Boise, Idaho 83702
Attention: Pat Rice, Executive Director
Facsimile: 208.336.8803

With a copy to: Kimberly D. Maloney
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: 208.954.5241

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 Trustee: Zions Bank, a division of ZB, National Association
Corporate Trust
800 W. Main Street, Suite 700
Boise, Idaho 83702
Facsimile: 855.855.9705

The Agency, the District, and the Trustee 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 Bond Resolution, this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the District, the Agency, and the Trustee.

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 Bond 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 Bond Resolution or the Bonds 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 Bond Resolution or the Bonds 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 Bond Resolution or the Bonds 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 Bond Resolution or the Bonds 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

“Acquisition Fund” means the Acquisition Fund created by Section 4.1 of the Bond Resolution.

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

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

“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 Bonds, and only if such Bonds are issued, in the amount of \$40,000, less a credit for the \$5,000 pre-financing fee and for so long as the Bonds, or any instrument issued to refund the Bonds, shall be outstanding and the Lease is in effect, an annual fee payable on November 30 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 Bonds and/or the ownership of the Financed Project.

“Assignment of Purchase Agreement” means the Assignment and Assumption Agreement (Purchase and Sale Agreement for the Centre Facilities) entered into between the District and the Agency, as amended from time to time, 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.

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

“Bond Resolution” means the Bond Resolution adopted by the Agency Board on _____, 2016, providing for the issuance of the Bonds.

“Bonds” means the Urban Renewal Agency of Boise City, Idaho aka Capital City Development Corporation Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) issued pursuant to the Bond Resolution.

“Capitalized Interest Account” shall have the meaning set forth in the Bond Resolution.

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

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

“Condominium Documents” means the Amended Plat for U.S. Bank Plaza Condominium and Amended and Restated Condominium Declaration of Covenants, Conditions and Restrictions for U.S. Bank Plaza Condominiums, as amended from time to time, 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 Bonds, executed by the District and Trustee, and dated the date of delivery of the Bonds.

“Costs of Issuance” means the fees and expenses of issuance, sale and delivery of the Bonds, including, but not limited to (i) expenses incurred by the Agency and the District in connection with the issuance, sale and delivery of the Bonds and in connection with the preparation and execution of the Lease, the Deed of Trust and the Bond Resolution, the fees and expenses of the Trustee in connection with the issuance of the Bonds, 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 Section 4.1 of the Bond Resolution.

“Debt Service Account” shall have the meaning set forth in the Bond Resolution.

“Debt Service Reserve Account” shall have the meaning set forth in the Bond Resolution.

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

“Deed of Trust” means the Deed of Trust, Fixture Filing and Assignment of Leases and Rents granting a mortgage on and security interest in the Financed Project from the Agency for the benefit of the Trustee on behalf of the Bond Holders.

“Developer” shall mean KC Gardner Company, L.C, or its affiliate City Center Plaza Meeting, LLC, as applicable.

“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, as further described on Exhibit C “Legal Description” along with related soft costs, fixtures and equipment to be constructed in the Centre Building.

“Funds” shall have the meaning set forth in the Bond Resolution.

“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” means direct obligations of the United States of America, or other securities, the principal and interest of which are unconditionally guaranteed by the United States of America.

“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.

“Holder” or “Bond Holder” shall mean any holder or owner of a Bond or any bond issued to refund the Bonds, as applicable.

“Initial Term” means the initial term of this Lease Agreement commencing on the Acquisition 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 Trustee.

“Investment Securities” shall have the meaning set forth in the Bond Resolution.

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

“Lease Payment Date” means the monthly payment dates commencing September 1, 2016, by which time the District shall make its Lease Payments in accordance with Section 5.3 of this Lease Agreement, and as further described on Exhibit A to the Lease Agreement.

“Lease Payment Fund” shall have the meaning set forth in the Bond Resolution.

“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 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 Bond Proceeds” means the Net Bond Proceeds as defined in the Bond Resolution.

“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.

“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 Bond Resolution.

“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, the Bond Resolution, the Deed of Trust and the Option to Purchase (iii) the Condominium Documents; (iv) purchase money security interests (except with respect to the equipment purchased with proceeds of the sale of the Bonds), (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 Bonds.

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

“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 \$45,000,000.

“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 Section 4.6 of the Bond Resolution.

“Rebate Fund Payments” 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.

“Rent Commencement Date” shall be September 1, 2016.

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

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

“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.

“Trustee” means Zions Bank, a division of ZB, National Association, Corporate Trust Office, Boise, Idaho, being the registrar, paying agent, and trustee under the Bond Resolution, and any successor corporate trustee.

“Trustee Fees and Expenses” means the reasonable and necessary fees and expenses of the Trustee in connection with the Bonds as set forth in the Bond Resolution.

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

EXHIBIT A
LEASE PAYMENTS

EXHIBIT B
PERMITTED ENCUMBRANCES

EXHIBIT C
LEGAL DESCRIPTION

EXHIBIT I
OPTION TO PURCHASE

Recording Requested By and
When Recorded Return to:

Kimberly D. Maloney
Givens Pursley LLP
601 W. Bannock
Boise, ID 83701

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (“**Agreement**”), is dated effective as of the ____ day of _____, 2016 (“**Effective Date**”), by and between the Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation (the “**Seller**”), and the Greater Boise Auditorium District, Ada County, State of Idaho (the “**Buyer**”), as provided in Article XI of that certain Lease Agreement (Annual Appropriation) to be entered into between the Seller, as lessor, and Buyer, as lessee, as of even date herewith (the “**Lease**”).

Recitals

A. Seller is the owner of that certain real property located in Ada County, Idaho, and legally described on Exhibit A (the “**Subject Property**”), consisting of condominium units containing a new ballroom facility, related kitchen, and ancillary facilities in the Centre Building in the project commonly known as City Center Plaza.

B. Pursuant to the Lease, Seller has leased the Subject Property to Buyer.

C. In Article XI of the Lease, Seller granted to Buyer the option to purchase the Subject Property for the purchase price and pursuant to the terms and conditions set forth therein.

D. Section 11.2 of the Lease grants to Buyer an option to purchase the Subject Property following full payment of Seller’s acquisition indebtedness on the Subject Property, as more particularly described below, which option survives the termination of the Lease or nonrenewal of the Lease by Buyer.

E. The parties desire to enter into this Agreement as required by Section 11.5 of the Lease to document the surviving option and to provide further notice of Buyer’s option to purchase the Subject Property following the termination or nonrenewal by Buyer of the Lease.

Agreement

1. Exclusive Option to Purchase. Seller hereby grants to Buyer the right (the “**Option**”) to purchase all of Seller’s right, title and interest in and to the Subject Property. So long as this Agreement is in effect, Seller shall not sell, or grant any other option to purchase the Subject Property to any person or entity.

2. Exercise of Option. Pursuant to Section 11.2 of the Lease, upon payment in full or defeasance of the Seller's Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project) (the "**Bonds**"), the proceeds of which financed the acquisition of the Subject Property, or any bonds issued to refund the Bonds, shall have been paid in full or defeased in full, by either Buyer or any other person or entity, Buyer may exercise the Option granted herein.

Buyer shall provide written notice to Seller of the exercise of its Option within sixty (60) days after receipt of written notice from Seller that the Bonds have been fully paid or defeased as required herein (the "**Exercise Date**"). If Buyer determines that it will not exercise the Option, Buyer shall immediately provide written notice of its waiver of the Option. Buyer agrees to record notice of such waiver in the official records of Ada County, Idaho, at the request of Seller.

3. Option Consideration. As consideration for the Option, Buyer has entered into the Lease with Seller and paid Seller the sum of Five No/100 Dollars (\$5.00), the receipt and sufficiency of which is hereby acknowledged by Seller.

4. No Liens. The Bonds are secured, in part, by a Deed of Trust, Fixture Filing and Assignment of Leases and Rents (the "**Deed of Trust**") in the Subject Property from the Agency in favor of Zions Bank, a division of ZB, National Association, as Trustee, for the benefit of the beneficial owners of the Bonds. The Deed of Trust is granted subject to the Option.

Seller agrees that, other than the Lease and the Deed of Trust, Seller will not create any liens or encumbrances on the Subject Property without the prior written consent of Buyer. Any such liens or encumbrances created by Seller without the consent of Buyer shall be removed by Seller prior to the Closing Date (defined below) at Seller's sole cost.

5. Assignment and Transferability of Option. This Agreement and the Option granted hereby may not be assigned by Buyer without the prior written consent of Seller in each instance; provided, however, that Buyer may assign this Agreement and the Option granted hereby to an entity which is statutorily authorized to be its successor without the consent of Seller. Any assignment that is not permitted by this Agreement is and shall be null and void for all purposes.

6. Term. This Agreement shall commence on the effective date hereof and shall continue until the later of (i) the Exercise Date if Buyer fails to timely exercise the Option; or (ii) in the event Buyer timely exercises the Option, the Closing Date (defined below). In the event Buyer does not timely and properly exercise the Option on or prior to the Exercise Date, this Agreement shall thereafter be of no further force or effect.

7. Conversion to Purchase and Sale Agreement. Upon proper exercise of the Option by Buyer, this Agreement shall convert to a purchase and sale agreement as to the Subject Property and the parties shall consummate such purchase and sale upon the terms and conditions set forth below:

7.1 Purchase Price. The purchase price (the "**Purchase Price**") payable by Buyer for the Subject Property shall be the sum of the following:

- (i) An amount equal to any unpaid Seller's Fees and Expenses, as defined under the Lease; and
- (ii) The sum of Ten Dollars (\$10.00).

7.2 Payment of Purchase Price. On or before the Closing Date (as defined below), Buyer shall pay to the Seller the Purchase Price in immediately available funds.

7.3 Title. Title to the Subject Property shall be conveyed by a special warranty deed (the “**Special Warranty Deed**”), and shall be free and clear of all liens, encumbrances, easements, assessments, restrictions, tenancies and exceptions to title caused or suffered by Seller or anyone claiming by or through Seller, except easements, covenants and restrictions of record as of the date hereof, all condominium declarations or plats creating the Subject Property, liens and encumbrances created by Buyer without the consent of Seller, and those exceptions which are approved by Buyer prior to the Closing Date (collectively, the “**Permitted Exceptions**”). Buyer may obtain title insurance at Buyer’s request and cost. Seller agrees to cooperate with and assist Buyer to obtain any title insurance desired by Buyer.

7.4 No Warranties. Except for the title warranties provided in the Special Warranty Deed, Buyer is purchasing the Subject Property as is, where is, with all defects and without any warranties or representations, express or implied.

7.5 Closing. Within five (5) days from the date Buyer exercises the Option, Buyer shall open escrow with First American Title Insurance Company in Boise, Idaho (“**Escrow Holder**”). Closing shall occur within thirty (30) days from the date of Buyer’s notice to exercise its Option (“**Closing Date**”). In the event closing does not occur on or before the Closing Date, Seller may terminate this Agreement by giving five (5) days’ written notice to Buyer to close. If closing has not occurred within five (5) days after giving such notice, this Agreement and the Option shall automatically terminate and neither Buyer nor Seller shall have any further obligations to the other. On or before the Closing Date, Seller shall deposit with Escrow Holder a duly executed and acknowledged Special Warranty Deed conveying the Subject Property to Buyer, and such other documents as may be reasonably required by the Escrow Holder, with instructions to record the Special Warranty Deed upon confirmation of receipt from Buyer of the Purchase Price, and when Escrow Holder is in a position to issue any title insurance policy requested by Buyer.

7.6 Closing Costs. Buyer shall pay all costs of closing, including recording fees, Escrow Holder closing fees and the cost of any title insurance obtained by Buyer. Seller shall pay the cost to remove any liens or encumbrances as required pursuant to Section 4 hereof.

8. Recordation. This Agreement shall be recorded in the records of Ada County, Idaho, upon commencement of the Lease and purchase of the Subject Property by Seller; provided, however, that upon the expiration of Buyer’s rights under the Option, Buyer will record an appropriate document evidencing the termination of the Option and removing the Option from the public record.

9. Miscellaneous.

9.1 Entire Agreement; Amendment. This Agreement, the Lease and those other project documents and agreements described in the Lease contain the entire agreement of the parties concerning the subject matter hereof. This Agreement can be amended only by written agreement signed by the parties hereto.

9.2 Binding Effect. This Agreement, and the terms, covenants, and conditions in this Agreement contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of each of the parties.

9.3 Notices. Any notice, demand, request, invoice, bill or other instrument which may be or is required to be given under this Agreement (“**Notice**”) shall be delivered in person, via nationally recognized overnight courier, or sent by United States certified or registered mail, postage prepaid, to the principal offices of Seller and Buyer at the addresses set forth below. Notices shall be in writing unless oral notice is expressly permitted by this Agreement and shall be deemed given on the date immediately following deposit with the overnight courier or upon actual receipt, if earlier. A party may change its notice address as set forth herein by delivering notice thereof to the other party. Routine communication may be by first class mail, e-mail, facsimile or telephone.

Buyer:

Greater Boise Auditorium District
850 West Front Street
Boise, Idaho 83702
Attention: Pat Rice, Executive Director
Facsimile: 208.336.8803

Seller:

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

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

9.4 Time. Time is of the essence in all things pertaining to the performance of this Agreement.

9.5 Choice of Law. This Agreement shall be construed in accordance with the laws of the State of Idaho, without reference to its choice of laws rules.

9.6 Headings. The captions and headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

9.7 Counterparts. This Agreement may be executed in multiple counterparts (each of which is to be deemed original for all purposes). Counterparts may be delivered by email, fax or other form of electronic delivery.

9.8 Invalid Provisions. If any provision of this Agreement shall be judicially determined to be invalid, illegal or unenforceable in any respect, the remaining provisions hereof shall not be affected thereby and shall continue in full force and effect.

9.9 Further Assurances. If the execution of any other documents or the taking of any other actions are necessary to effect the terms of this Agreement, each party agrees to undertake and complete that which may be necessary to carry out the intent hereof.

9.10 Attorney Fees. In the event that a dispute arises regarding the breach, application, interpretation, or enforcement of this Agreement, then the prevailing party in such dispute shall be entitled to collect its attorney fees and costs incurred, including attorney fees and costs incurred on appeal. Notwithstanding the foregoing, in the event any dispute of any nature arises between the parties arising from or related to the performance, breach, termination, expiration, application or meaning of this Agreement, the parties shall first attempt to resolve the dispute by direct discussions. To that end, they shall consult and negotiate with each other, and at least set aside one (1) day to meet in person, in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

9.11 Authority. Each of the persons executing this Agreement on behalf of a party hereto represents and warrants that he or she is duly authorized to do so and that this Agreement, upon the full execution hereof, is the legal, binding and enforceable obligation of said party.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated effective as of the date first written above.

BUYER:

SELLER:

Greater Boise Auditorium District, Ada County,
State of Idaho

Urban Renewal Agency of Boise City, Idaho, aka
Capital City Development Corporation

By: _____
Chairman, Board of Directors

By: _____
Chairman, Board of Commissioners

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2016, 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 (the “**Agency**”), and the person that
executed the within instrument on behalf of the Agency, and acknowledged to me that the Agency
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 _____, 2016, 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,
Ada County, State of Idaho (the “**District**”) and the person that executed the within instrument on behalf
of the District, and acknowledged to me that the 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 _____

EXHIBIT A TO OPTION AGREEMENT

Legal Description of Subject Property



URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO
Lease Revenue Bonds, Series 2016
(Greater Boise Auditorium District Expansion Project)

Investor Presentation

March 21, 2016



Disclaimer

This investor presentation does not constitute a recommendation or an offer or solicitation for the purchase or sale of any security or other financial instrument, including the Urban Renewal Agency of Boise City, Idaho, Lease Revenue Bonds, Series 2016 (the “Bonds”), or to adopt any investment strategy. Any offer or solicitation with respect to such Bonds will be made solely by means of a final official statement, which describes the actual terms of any such Bonds. You should consult with your own advisors as to such matters and the consequences of the purchase and ownership of such Bonds. No assurance can be given that any transaction mentioned herein could in fact be executed. **Past performance is not indicative of future returns, which will vary.** Transactions involving such Bonds may not be suitable for all investors. You should consult with your own advisors as to the suitability of the Bonds for your particular circumstances.

This investor presentation contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this investor presentation, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward looking statements speak only as of the date of this investor presentation. The Urban Renewal Agency of Boise City (the “Agency”) and the Greater Boise Auditorium District (the “District”) disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

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**Not a Deposit | Not FDIC Insured | Not Guaranteed by the Bank | May Lose Value |
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Overview of the Series 2016 Financing

LEASE REVENUE BONDS, SERIES 2016

Financing Schedule and Key Contacts

FINANCING SCHEDULE

March 2016							April 2016							Key Dates		Event
S	M	T	W	T	F	S	S	M	T	W	T	F	S	3/18/16 to 3/28/16		Pre-Marketing Period
		1	2	3	4	5						1	2	3/29/2016		Bond Sale
6	7	8	9	10	11	12	3	4	5	6	7	8	9	4/29/2016		Transaction Close
13	14	15	16	17	18	19	10	11	12	13	14	15	16			
20	21	22	23	24	25	26	17	18	19	20	21	22	23			
27	28	29	30	31			24	25	26	27	28	29	30			

Please contact your sales representative with any questions or you may direct your questions and requests to the following:

KEY CONTACTS

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Piper Jaffray @ Co.

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Summary of the Series 2016 Financing

Issuer:	Urban Renewal Agency of Boise City, Idaho (the “Agency”)
Obligor:	Greater Boise Auditorium District (the “District”)
Issue Description:	Lease Revenue Bonds, Series 2016 (the “Series 2016 Bonds”)
Rating:	A rated with Stable outlook from Standard & Poor’s
Par Size:	\$22,820,000*
Use of Proceeds:	<ul style="list-style-type: none"> ▪ Fund the purchase of certain condominium units consisting of a new ballroom, related kitchen and ancillary facilities encompassing approximately 47,000 square feet in a new building to be known as the “Centre Building”, along with related soft costs, fixtures and equipment (the “Financed Project”). ▪ Pay costs of issuance. ▪ Fund the Capitalized Interest Account and the Debt Service Reserve Account.
Security:	<ul style="list-style-type: none"> ▪ Appropriation Lease provides that the District pledges and grants a senior lien on Tax Receipts of the District to the Agency as the source of security for the payment of Rent (i.e., Lease Payments, Prepayments, Debt Service Reserve Payments, Rebate Fund Payments and Occupancy Expenses) during the Lease Term. ▪ The Series 2016 Bonds are secured by Pledged Revenues, including (i) all right, title and interest of the Agency to all Rent, excluding Occupancy Expenses and (ii) all of the right, title and interest of the Agency in and to all Funds and accounts (other than the Rebate Fund) established under the Bond Resolution and all moneys and investments held therein; subject to the right of the District to not renew the Appropriation Lease. ▪ Deed of Trust, Fixture Filing and Assignment of Leases and Rents (“Deed of Trust”).
Principal Due:	December 15 th (preliminary bond structure provided on next slide)
Interest Payment Dates:	June 15 and December 15, commencing December 15, 2016
Call Structure:	Subject to optional redemption at a redemption price of 100%, on or after December 15, [20____]*
Closing Date:	April 29, 2016*
Tax Status:	Federal and Idaho Tax-exempt
Sole Manager:	U.S. Bancorp Investments, Inc.
Financial Advisor:	Piper Jaffray & Co.
Bond Counsel:	Hawley Troxell Ennis & Hawley LLP
Trustee:	Zions Bank

Preliminary Bond Structure

Due Date December 15	Bond Type	Par Amount*	Interest Rate	Yield
2017	Serial	\$715,000		
2018	Serial	745,000		
2019	Serial	775,000		
2020	Serial	805,000		
2021	Serial	835,000		
2022	Serial	880,000		
2023	Serial	920,000		
2024	Serial	970,000		
2025	Serial	1,015,000		
2026	Serial	1,070,000		
2027	Serial	1,120,000		
2028	Serial	1,175,000		
2029	Serial	1,235,000		
2030	Serial	1,300,000		
2031	Serial	1,365,000		
2032	Serial	1,430,000		
2033	Serial	1,500,000		
2034	Serial	1,575,000		
2035	Serial	1,655,000		
2036	Serial	1,735,000		
Total		\$22,820,000		

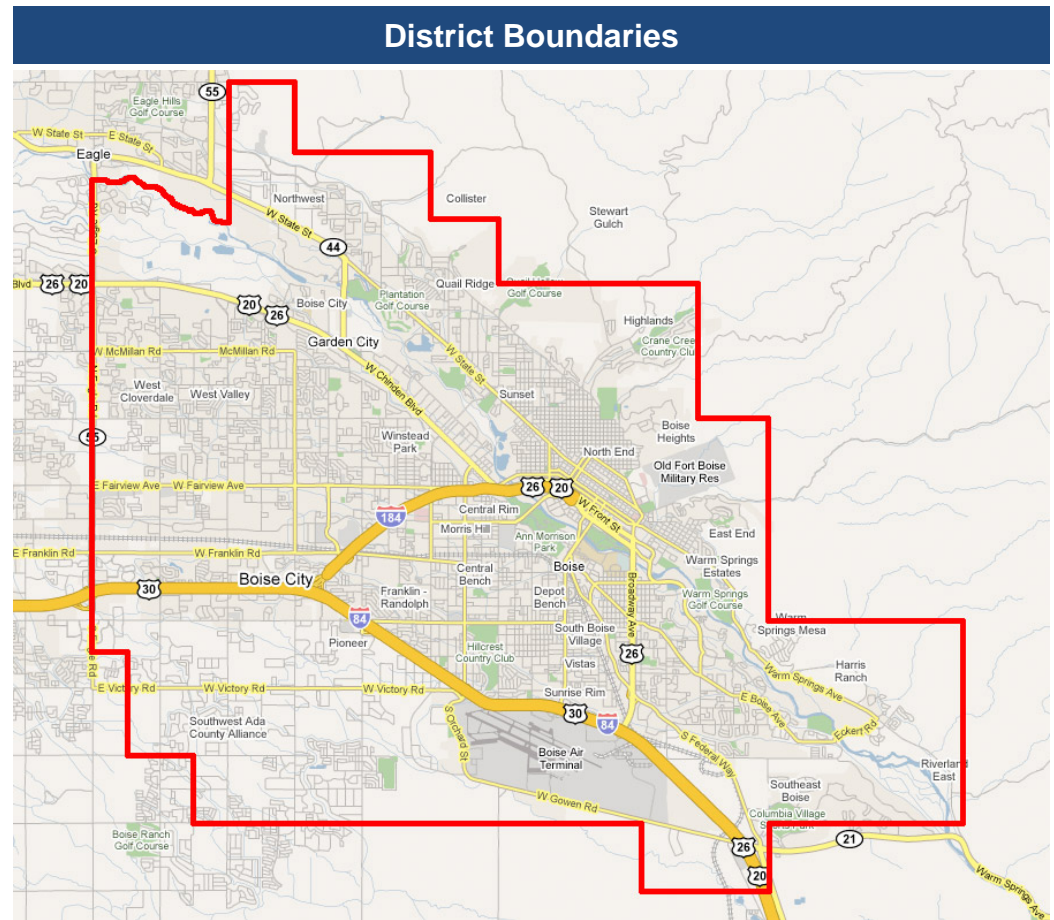
* Preliminary, subject to change

Greater Boise Auditorium District

LEASE REVENUE BONDS, SERIES 2016

Greater Boise Auditorium District

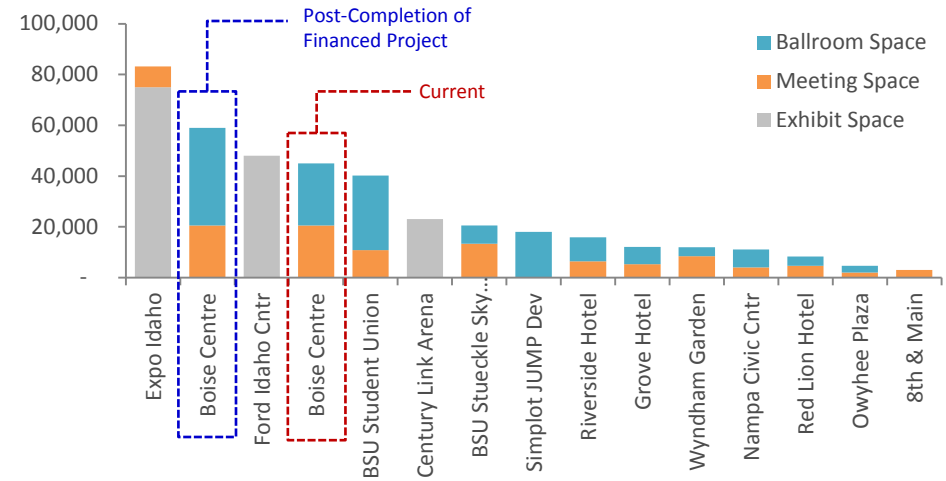
- The District was created in June of 1959 and is a governmental subdivision of the State of Idaho.
- The District occupies approximately 115 square miles in the Northeast portion of Ada County and encompasses the city limits of Boise and surrounding areas.
- The District is authorized to, among other matters, build, operate, maintain, manage, and market public convention and auditorium facilities and to enter into contracts with public and private entities and to cooperate with them in building, erecting, marketing, and constructing such facilities.
- The District employs an Executive Director, as well as 30 full-time and 84 part-time staff organized into four departments:
 - Sales and Marketing
 - Food and Beverage
 - Operations
 - Administration



Boise Centre: Largest Convention Facility in the State of Idaho

- The Boise Centre opened in 1990 and is the largest convention facility in the State of Idaho.
- Available for use are 45,000 square feet of exhibit/meeting space, including a 24,500 sq. ft. ballroom, 20 meeting rooms (ballroom and theater style) with capacity for up to 2,900 guests, a 349-seat auditorium, banquet seating and kitchen facilities for 1,800 guests, 13,000 square feet of pre-function space, three loading bays and a drive on ramp.
- Unlike the Boise Centre, Expo Idaho and the Ford Idaho Center Arena primarily offer exhibit space.

Event Facility Space Comparison (data in sq. ft.)



Past Operating Performance

- The District has been operating the Boise Centre at or near capacity for several years—current bookings and facility capacity have resulted in the District turning away conventions and have prevented the District from pursuing larger and more lucrative events.
- A 2012 market feasibility study relative to the potential expansion of the Boise Centre indicates that in order to materially increase Boise Centre activity, additional space would likely be required.

Strategic Expansion to Capture Growing Demand

- The District’s strategic objective is to integrate the new Financed Project with the existing Boise Centre, such that the Financed Project may serve as separate exhibit and meeting space for one or more events.
- Alternatively, the Financed Project may be combined with the existing facility to host larger events, giving the Boise Centre more flexibility and thereby increasing the type and size of conventions that the District will be able to attract and accommodate.

Greater Boise Auditorium District Expansion Project

City Center Plaza Project

- There are two new buildings being constructed on land adjacent to the Boise Centre and to the South and West of the existing U.S. Bank Building in downtown Boise.
- The 9-story Clearwater Building will be home to anchor tenant Clearwater Analytics, the Boise State University Computer Science Program, meeting room facilities, as well as other retail tenants.
- The 5-story Centre Building will be home to the Financed Project, as well as provide two floors of parking and additional retail space.

The Project

- The Project to expand and improve the Boise Centre is planned to include three phases at a total estimated cost of approximately \$45 million – there is no commitment by the District to proceed with Phases II and III presently.



- Phase I of the Project is scheduled to complete during the summer of 2016, and includes construction of condominium units, a 13,680 sq. ft. ballroom, a 5,560 sq. ft. kitchen, 9,500 sq. ft. of pre-function space (i.e., the Financed Project), as well as lease or purchase of the meeting room facilities on the 4th floor of the Clearwater Building.
- Phase II of the Project consists of building a connectivity concourse and sky bridge between the Financed Project and the existing Boise Centre (est. cost: \$6,000,000).
- Phase III of the Project involves renovations to the existing Boise Centre to maximize meeting and exhibit space (est. cost: \$12,500,000).

Construction of the Financed Project

- In connection with the Project, the District intends to acquire the Financed Project as an addition to the Boise Centre.
 - The Financed Project is comprised of several units of the U.S. Bank Plaza Condominiums, encompassing approximately 47,000 square feet, and featuring a 13,680 square foot ballroom, 5,560 square foot kitchen and approximately 9,500 square feet of pre-function space.
- Construction of the Financed Project is currently in progress and expected to be completed during the summer of 2016.



Note: As of February 17, 2016.

- The District anticipates that the Certificate of Occupancy for the Financed Project will be received on or about August 1, 2016, with purchase of the Financed Project by the Agency scheduled to close within 30 days thereafter.
 - The District, acting under the Appropriation Lease, will take possession of the Financed Project following acquisition thereof by the Agency, which may occur after the Rent Commencement Date (i.e., September 1, 2016).
- The Developer is constructing the Financed Project under a contract with a guaranteed maximum cost of \$19,746,894, which amount will be funded by the proceeds of the Series 2016 Bonds.
 - In addition to the guaranteed maximum price for construction of the Financed Project, the District anticipates financing approximately \$1,434,250 of tenant improvements.

Board of Directors and Key Personnel

- The District is governed by a five-member Board of Directors, which establishes and controls policies for the District.

District Board		
Name and Office	Principal Occupation	Term Expires
Jim C. Walker, <i>Chairman</i>	Boise Fire Department, Captain	May 2019
Peter Oliver, <i>Vice Chairman</i>	Thornton Oliver Keller, Partner	May 2021
Judy Peavey-Derr, <i>Director / Secretary</i>	Building Resources, Inc., Director of Business Development	May 2017
Hy Kloc, <i>Director</i>	Idaho State Representative, District 16 Seat B	May 2017
Steve Berch, <i>Director</i>	Hewlett Packard, Contractor	May 2019

- Board members are elected to staggered six-year terms by the voters of the District.
- The Board chooses one of its members as Chairman and elects a Secretary and a Treasurer of the Board and the District, who may or may not be members of the Board.
 - The Secretary and Treasurer may be one person.

Key Personnel		
Name and Office	Principal Occupation	Term Expires
Patrick Rice, <i>Executive Director</i>	Greater Boise Auditorium District	n/a
Susan Eastlake, <i>Treasurer</i>	Greater Boise Auditorium District	n/a
Anne Marie Downen <i>Controller</i>	Greater Boise Auditorium District & Boise Centre	n/a

Credit Profile and Legal Structure

LEASE REVENUE BONDS, SERIES 2016

Appropriation Lease was Validated by Idaho Supreme Court

- On December 4, 2015, consistent with the ruling of the Idaho Supreme Court, the District Court for the Fourth Judicial District in and for the County of Ada, State of Idaho, confirmed that the Appropriation Lease is a valid obligation of the District and will not violate Article VIII, section 3 of the Idaho Constitution.
- The Appropriation Lease will be executed upon closing of the Series 2016 Bonds and beginning September 1, 2016 (the “Rent Commencement Date”) the District will pay Rent for the Initial Term through November 30, 2016.

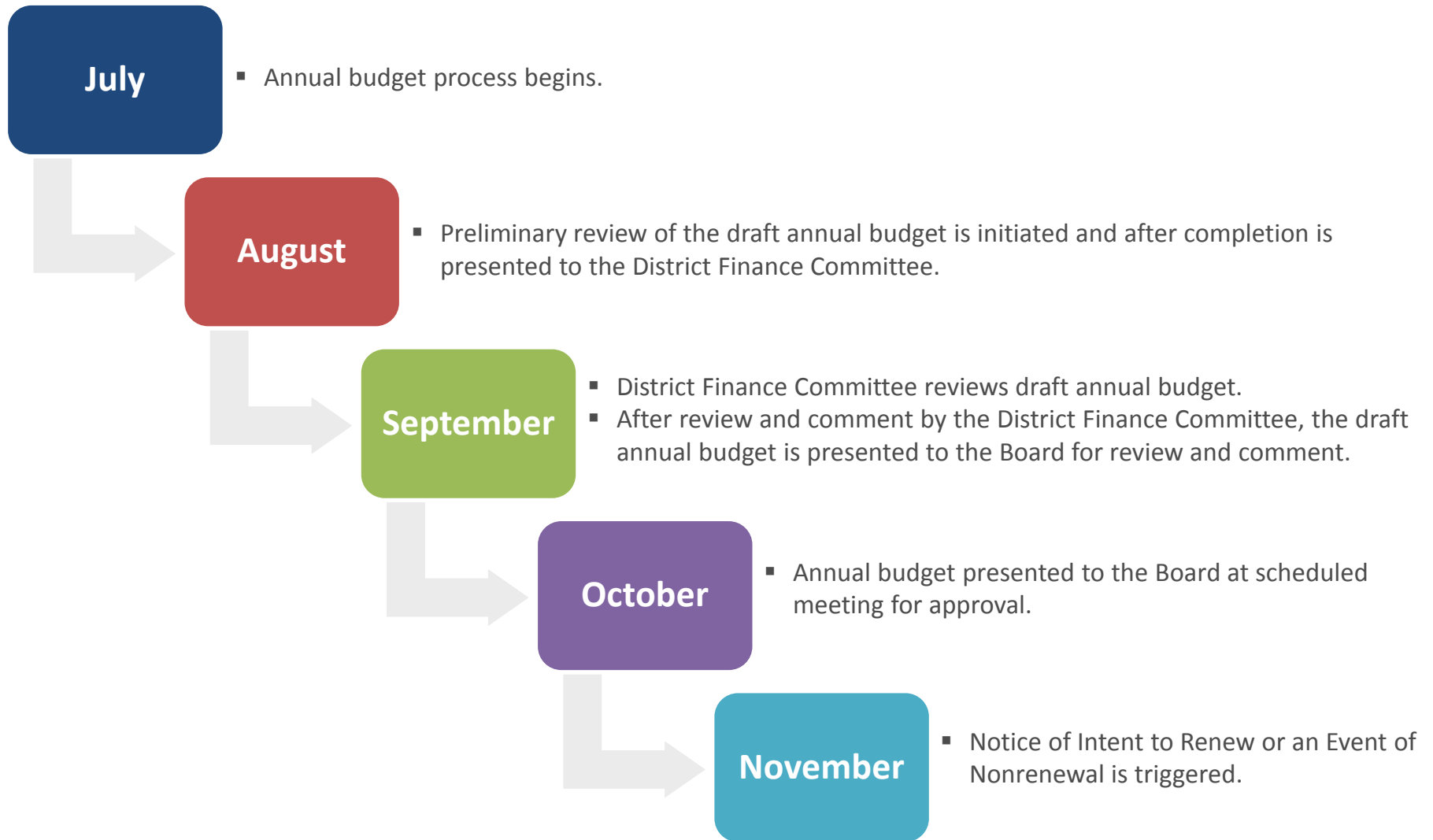
Payment of Rent

- The District grants and pledges to the Agency the gross Tax Receipts of the District for the payment of Rent.
 - Rent includes Lease Payments, Prepayments, Debt Service Reserve Payments, Rebate Fund Payments and Occupancy Expenses.
- Payment of Rent is prior to payment of other expenses, including operation and maintenance of District facilities.
- This obligation to pay Rent will commence on September 1, 2016, regardless of whether the acquisition of the Financed Project has been completed by the Agency and is not subject to abatement.

Annual Renewal and Extension

- Unless the District affirmatively acts in a public meeting to renew and extend for another year, the Appropriation Lease will end at the end of the then current fiscal year (i.e., November 30th).
- If the Appropriation Lease is not renewed and extended, the District has no further obligation, nor exposure to penalty or recourse, except that it surrenders possession of the Financed Project.
- Annual renewals of the Appropriation Lease are expected to end on November 30, 2036, or such earlier date on which all of the Series 2016 Bonds and interest thereon are paid in full and retired or provision for such payment is made as provided in the Bond Resolution and certain other expenses have been paid.
- To the extent funds are budgeted and the Appropriation Lease is renewed, the District will make monthly Lease Payments sufficient to pay principal and interest on the Series 2016 Bonds.

District's Annual Budget Process Minimizes Risk of Non-Renewal

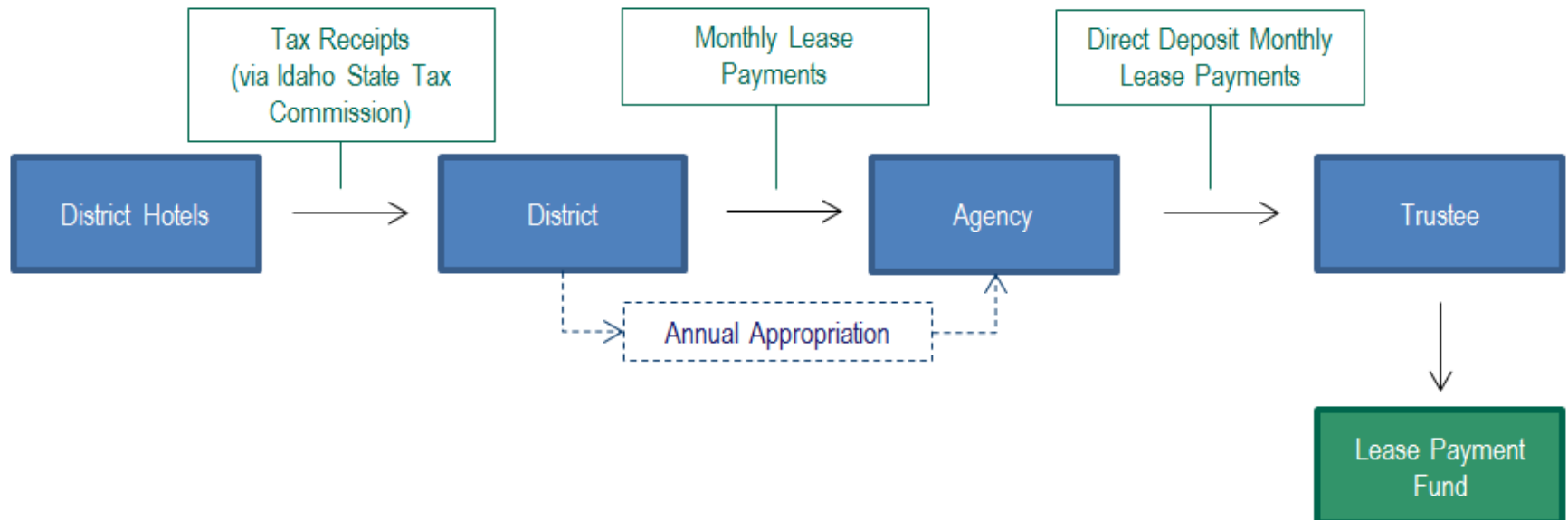


Note: The District's annual budget process has been accelerated slightly from the timeline historically followed in order to meet the timing requirements relative to renewal or nonrenewal of the Appropriation Lease.

Flow of Funds Prioritizes Payment of Debt Service

- The Trustee will establish a Lease Payment Fund that is separate and apart from all other funds of the Agency.
- All Rent, excluding Occupancy Expenses, is deposited into the Lease Payment Fund, and may only be used for the following purposes and in the illustrated order of priority:
 - I. To make deposits into the Debt Service Account to pay Debt Service and premium, if any, on the Series 2016 Bonds;
 - II. To make deposits into the Debt Service Reserve Account, as necessary, to maintain the Reserve Account Requirement; and
 - III. To make payments into the Rebate Fund, in amounts required to be paid to the United States Treasury.

Flow of Funds Diagram



Deed of Trust Additionally Secures the Series 2016 Bonds

Deed of Trust

- The Series 2016 Bonds are further secured by the grant of a first lien, subject to the District's Option to Purchase, in the Financed Project pursuant to a Deed of Trust, Fixture Filing and Assignment of Leases and Rents.
- The Deed of Trust shall be executed, delivered and recorded in the records of Ada County, Idaho immediately following closing of the acquisition of the condominium units pursuant to the Centre PSA.

Option to Purchase

- The District has the option to purchase the Financed Project following full payment or defeasance of the Series 2016 Bonds.
- The Option to Purchase is memorialized in a separate Option to Purchase Agreement, which will be recorded in the real property records of Ada County, Idaho prior to recording the Deed of Trust.
- The Option to Purchase survives the termination of the Lease Term and the Appropriation Lease for a period of ninety (90) days following the time at which the Series 2016 Bonds cease to be outstanding.
- It is the present intention of the District to exercise the Option to Purchase at some future date.
- All decisions regarding the exercise of the Option to Purchase will be made by the District Board of Directors then-elected.

Bond Owners have Remedies in the Event of Default or Event of Nonrenewal



Event of Default



or

Event of Nonrenewal



Remedies in the Event of Default under Appropriation Lease or Event of Nonrenewal



or

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- 1) Declare the Rent payable under the Appropriation Lease for the remainder of the Initial Term or the Renewal Term then in effect to be immediately 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) Terminate the Lease Term and provide the District with notice to vacate the Financed Project, or any portion thereof.
- 3) Reenter, repossess, lease part or all of the Financed Project and apply the proceeds toward payment of the District's obligations outlined under the Appropriation Lease and Bond Resolution.
- 4) 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 and/or exercise, or cause to be exercised, any and all remedies as it may have under the Appropriation Lease, the Deed of Trust or the Bond Resolution.

In addition, upon the occurrence of an Event of Default under the Appropriation Lease and the Bond Resolution or an Event of Nonrenewal, the Trustee may take the following remedial step:

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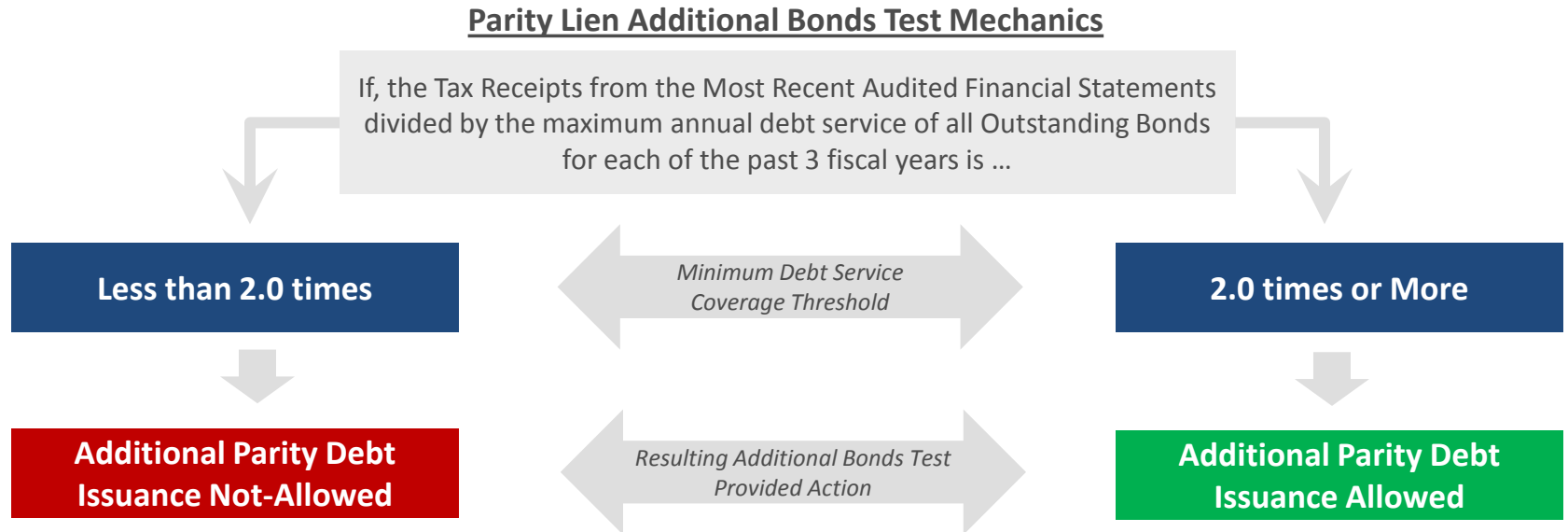
- 1) Terminate the Appropriation Lease, cause the District to be evicted from the Financed Project, take possession of the Financed Project and lease or sell the Financed Project or any portion thereof under the Deed of Trust for the benefit of the Beneficial Owners; provided, however, any exercise of remedies by the Trustee shall be subject to the rights of the District under the Appropriation Lease and the Option to Purchase Agreement.
- 2) The Trustee shall also have the discretion and authority to retain consultants or managers, including the Agency and the District, to operate the Financed Project.

Cash Funded Debt Service Reserve Account Provides Another Layer of Security

- The Series 2016 Bonds will be additionally secured by a cash funded Debt Service Reserve Account held by the Trustee.
- The Debt Service Reserve Account will be funded at the Reserve Account Requirement, which is an amount equal to the lesser of:
 - I. Maximum Annual Debt Service with respect to all Series 2016 Bonds outstanding;
 - II. 125% of average annual Debt Service on all Series 2016 Bonds outstanding; or
 - III. 10% of the aggregate principal amount of the Series 2016 Bonds upon original issuance thereof.

Additional Parity Lien Debt is Limited

Additional Bonds Test for Additional Parity Lien Debt: For the issuance of additional parity debt, the Additional Bonds Test is as follows:



Requirements for Additional Senior or Junior/Inferior Lien Debt

- **Senior Lien Debt:** The District may not grant a lien on Tax Receipts that is senior to the lien securing the Rent during the Lease Term.
- **Junior or Inferior Lien Debt:** Nothing shall prevent the District from issuing obligations which are a charge upon the Tax Receipts that is junior or inferior to the payment obligations required by the Appropriation Lease.

Other Covenants of the District

- As long as the Appropriation Lease is in effect, the District covenants that it will:
 - 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 the Appropriation Lease or the Bond Resolution;
 - 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 Owners of the Series 2016 Bonds with respect to the Tax Receipts of the District;
 - 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 Owners of the Series 2016 Bonds will be fully protected and preserved;
 - Maintain proper accounts in accordance with generally accepted accounting principles of transactions relating to the Tax Receipts of the District; and
 - 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.

Historical Financial Performance and Projections

LEASE REVENUE BONDS, SERIES 2016

Balance Sheet – Fiscal Year 2015

- The District had access to over \$22 million in Unrestricted Cash, Cash Equivalents and Investments as of November 30, 2015 (1,344 days cash on hand combined to cover operating expenses).

<i>as of November 30, 2015</i>	Governmental Fund	Proprietary Fund	Combined
ASSETS			
Cash and cash equivalents	\$11,118,811	\$308,206	\$11,427,017
Investments	10,730,468	0	10,730,468
Receivables:			
Taxes Receivable	468,689	0	468,689
Accounts Receivable (net)	5,192	668,689	673,881
Interest Receivables	60,107	0	60,107
Interfund	(83,837)	83,837	0
Prepaid expense	10,600	62,879	73,479
Inventories	0	56,597	56,597
Other Assets	3,249,800	95,264	3,345,064
Parking Reservation Rights (net)	0	164,498	164,498
Capital Assets:			
Non-depreciable	6,181,502	0	6,181,502
Depreciable (net)	0	6,295,762	6,295,762
Total Assets	\$31,741,332	\$7,735,732	\$39,477,064
LIABILITIES			
Accounts payable	\$193,559	\$106,566	\$300,125
Accrued expenses	5,194	189,825	195,019
Event Deposits	0	336,971	336,971
Total Liabilities	\$198,753	\$633,362	\$832,115
NET POSITION			
Investment in Capital	\$6,181,502	\$6,295,762	\$12,477,264
Unrestricted	25,361,077	806,608	26,167,685
Total Net Position	\$31,542,579	\$7,102,370	\$38,644,949

Source: Fiscal Year 2015 Audited Financial Statements.

Historical Operating Revenues and Expenses

- Over the past five years, the District’s Tax Receipts have grown at a compound average annual rate of 8.6%.
- Although the District continues to run a deficit with respect to the operation of the Boise Centre, operating margins have steadily improved over the past five years, from -34.8% in fiscal year 2011 to -23.1% in fiscal year 2015.
- The change in the District’s Net Position before Transfers remains accretive and continues to grow year-over-year—even with having to financially cover the operating deficiency of the Boise Centre from Tax Receipts.
 - Payment of Rent from the District’s Tax Receipts is prior to any transfer of Tax Receipts to subsidize Boise Centre operations.
 - Program Revenues are not pledged for the payment of principal and interest due for the Series 2016 Bonds.

Fiscal Year (ending 11/30)	2011	2012	2013	2014	2015
General Revenues:					
District Taxes	\$3,694,484	\$4,117,666	\$4,465,664	\$4,793,426	\$5,573,989
Investment Earnings	8,022	240,186	85,199	149,207	90,022
Other	(41,262)	15,543	0	0	102,930
Total	\$3,661,244	\$4,373,395	\$4,550,863	\$4,942,633	\$5,766,941
Program Revenues (Boise Centre)					
Convention Activities	\$3,259,891	\$3,482,158	\$3,903,237	\$3,642,255	\$4,585,216
Investment Earnings	3,430	3,788	2,641	341	0
Other	132,066	120,332	119,442	154,913	94,259
Total	3,395,387	3,606,278	4,025,320	3,797,509	4,679,475
Total Revenues	\$7,056,631	\$7,979,673	\$8,576,183	\$8,740,142	\$10,446,416
Expenses					
Government Activities	\$242,743	\$376,059	\$296,008	\$552,802	\$174,984
Convention Activities ⁽¹⁾	4,576,723	4,988,824	5,331,253	5,026,368	5,761,786
Total Expenses	\$4,819,466	\$5,364,883	\$5,627,261	\$5,579,170	\$5,936,770
Change in Net Position before Transfers	\$2,237,165	\$2,614,790	\$2,948,922	\$3,160,972	\$4,509,646

(1) Net of depreciation and amortization.

Projected Operating Revenues and Expenses *(next five fiscal years)*

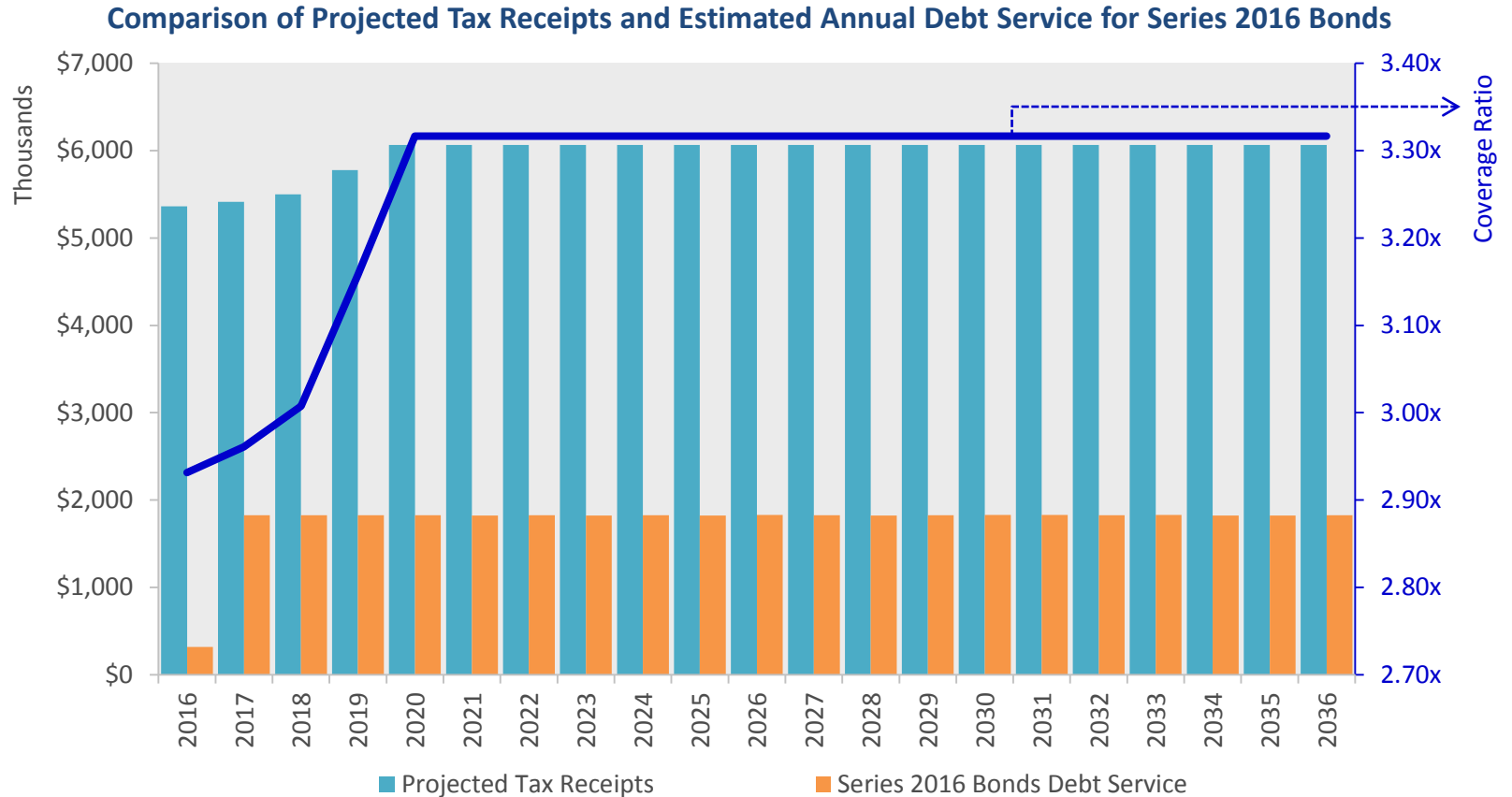
- The District's financial position is expected to stay net positive, as revenues from Tax Receipts, Convention Activities and sale of Parcel B support outflows tied to operating expenses, capital expenditures and debt service for the Series 2016 Bonds.

Fiscal Year (ending 11/30)	2016 (B)	2017 (P)	2018 (P)	2019 (P)	2020 (P)
General Revenues:					
District Taxes	\$5,361,000	\$5,414,610	\$5,500,000	\$5,775,000	\$6,065,000
Investment Earnings	75,973	0	0	0	0
Other	9,500	0	0	0	0
Total	\$5,446,473	\$5,414,610	\$5,500,000	\$5,775,000	\$6,065,000
Program Revenues					
Convention Activities	\$4,801,148	\$5,296,500	\$5,988,600	\$6,411,375	\$6,629,500
Investment Earnings	0	0	0	0	0
Other	16,962	19,400	19,400	19,400	19,400
Total	\$4,818,110	\$5,315,900	\$6,008,000	\$6,430,775	\$6,648,900
Total Revenues	\$10,264,583	\$10,730,510	\$11,508,000	\$12,205,775	\$12,713,900
Expenses					
Government Activities	\$185,640	\$250,000	\$250,000	\$250,000	\$250,000
Convention Activities	7,604,878	9,728,803	10,607,987	11,129,435	11,381,308
Total Expenses	\$7,790,518	\$9,978,803	\$10,857,987	\$11,379,435	\$11,631,308
Change in Net Position	\$2,474,065	\$751,707	\$650,013	\$826,340	\$1,082,592
Change in Net Position after Lease Payments & Capital Expenditures, before Depreciation, Amortization & Interest					
Beginning Cash and Investments	\$22,157,485	\$17,800,695	\$6,433,588	\$7,429,244	\$8,563,907
+ Depreciation, Amortization and Interest	1,242,538	2,709,186	2,673,643	2,636,323	2,599,907
+ Sale of Capital Assets (Parcel B)	7,929,107	0	0	0	0
- Capital Expenditures (District and Boise Centre combined)	15,552,500	13,000,000	500,000	500,000	500,000
- Lease Payments ⁽¹⁾	450,000	1,828,000	1,828,000	1,828,000	1,828,000
Ending Cash and Investments	\$17,800,695	\$6,433,588	\$7,429,244	\$8,563,907	\$9,918,406
Change in Net Position after Lease Payments & Capital Expenditures, before Depreciation, Amortization & Interest	-\$4,356,790	-\$11,367,107	\$995,656	\$1,134,663	\$1,354,499

(1) Preliminary; subject to change. Lease payments will match debt service on Series 2016 Bonds.

Estimated Debt Service Coverage

- Given the expected increase in Tax Receipts upon completion of the Financed Project, as well as the new hotel developments scheduled to come online over the next two years, debt service coverage of the Series 2016 Bonds is expected to remain well above 2.00 times through November 1, 2036.



Note: Debt service coverage shown in the table above calculated by dividing projected Tax Receipts by estimated Maximum Annual Debt Service for the Series 2016 Bonds. Projected Tax Receipts kept at \$6,065,000 from fiscal year 2020 and thereafter.

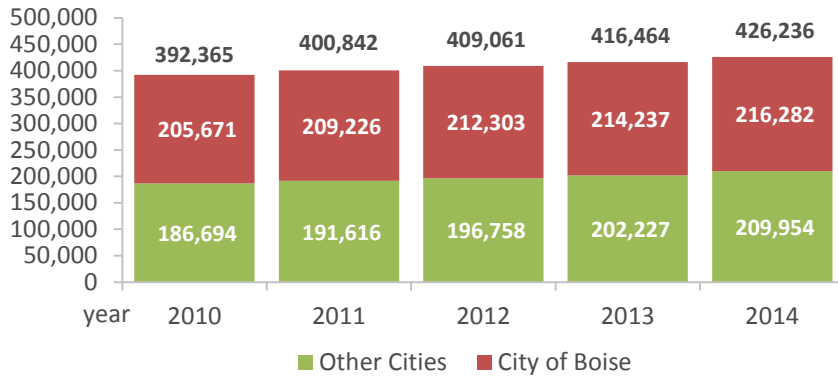
District Hotel Tax Service Area

LEASE REVENUE BONDS, SERIES 2016

Economic Fundamentals are Solid and Strengthening in Ada County

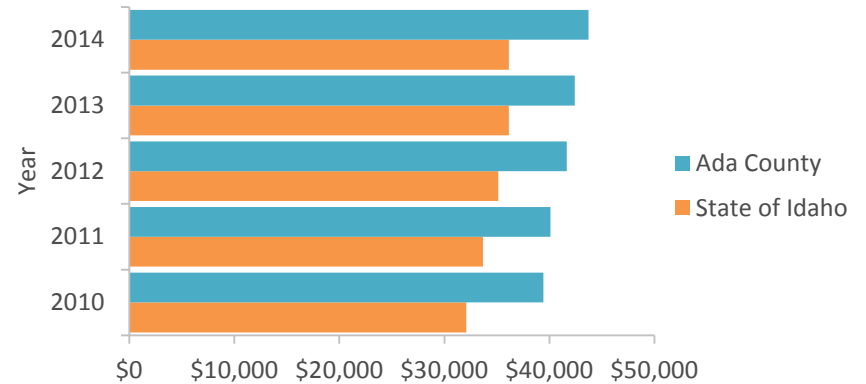
- Ada County encompasses 1,055 square miles in the southwestern portion of Idaho, comprised of six cities: Boise, Meridian, Garden City, Eagle, Star and Kuna, and lies within the Boise City-Nampa, Idaho Metropolitan Statistical Area.
- The City of Boise remains the economic cornerstone within Ada County and the State of Idaho.

Population



Note: Other Cities includes population for the cities of Eagle, Garden City, Meridian and Star.
Source: U.S. Census Bureau; revised December 2015.

Per Capital Income



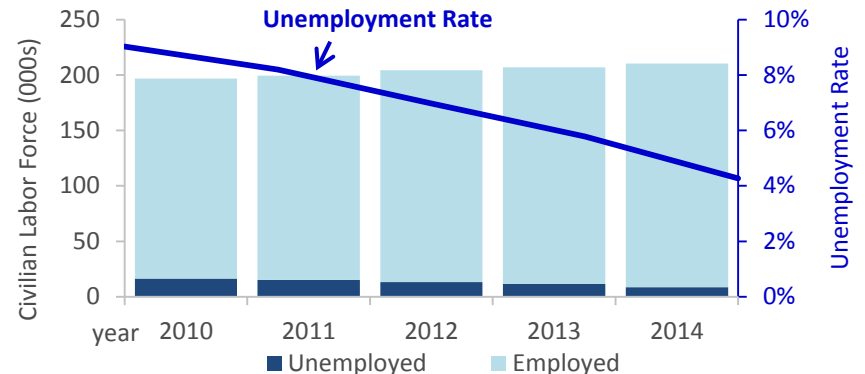
Source: U.S. Department of Commerce, Bureau of Economic Analysis; updated November 19, 2015.

Major Employers in Ada County



Source: Idaho Department of Labor; updated March 20, 2015

Employment



Source: Idaho Department of Labor; updated March 20, 2015

District's Tax Base is Geographically Diversified – Hotels/Motels in Downtown Boise to Benefit the Most from the Greater Boise Auditorium District Expansion Project

Room Tax: The District has power to assess the Room Tax on all hotel and motel rooms located within the District's boundaries.

- The Room Tax rate is currently set at the maximum rate of 5.0%, and presently applies to 5,071 rooms across 51 hotels/motels.

Hotel/Motel Locations: Hotels/motels are located in three primary locations:

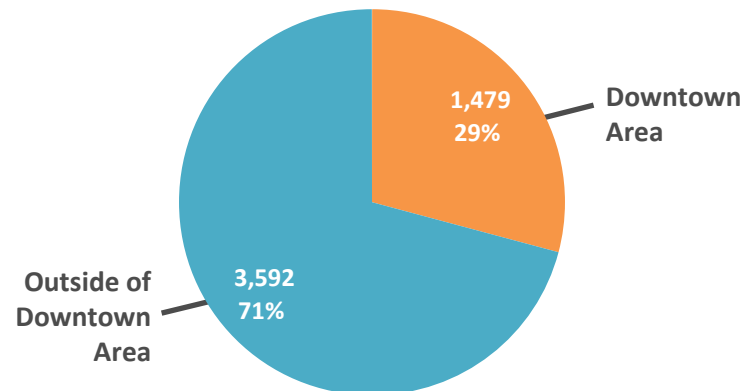
- I. Central Boise Downtown Business District;
- II. Near Boise airport; and
- III. Boise Towne Square shopping mall and interchange I-84 and I-184.

At present, 1,479 (29%) of total hotel/motel rooms are located in the greater Boise downtown area—these are the hotel/motel rooms most likely to be utilized by those attending events at the Boise Centre.

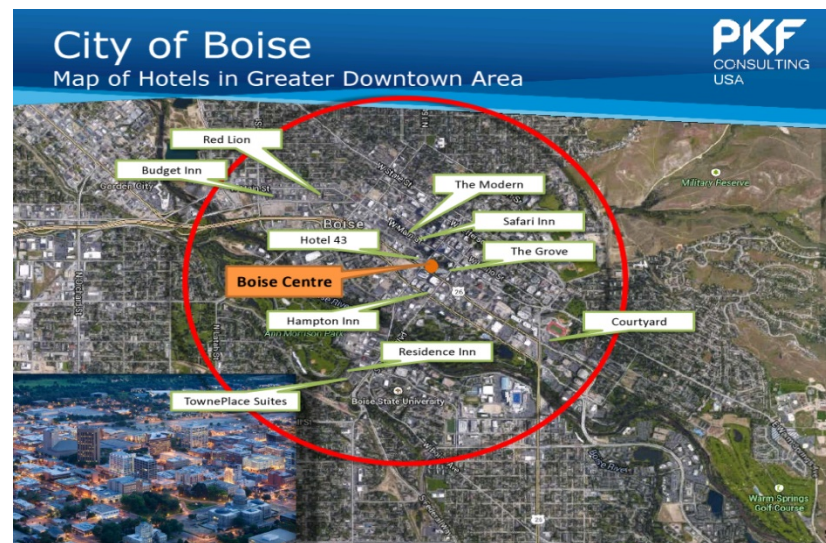
Competitive Landscape: Although certain areas outside the District's boundaries are rapidly growing (i.e., cities of Eagle and Meridian, and unincorporated areas in western Ada County), the City of Boise continues to be the dominant destination for tourists and business travel, as well convention activity within Idaho.

- In 2015, nearly 3 million passengers traveled through Boise Airport.

Geographic Breakdown of Hotel/Motel Rooms within District

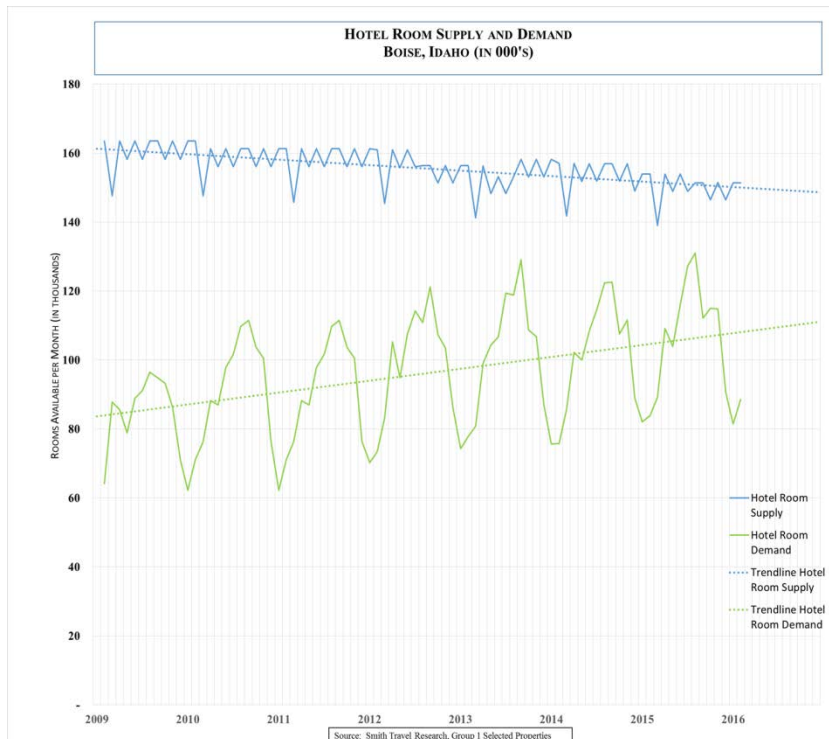


Hotels/Motels Most Likely to be Utilized by those Attending Events at the Boise Centre

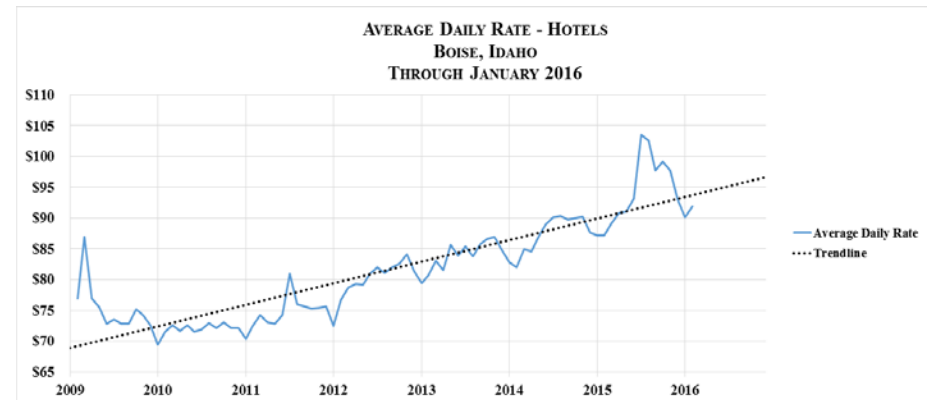


Favorable Supply and Demand Dynamics Leads to Higher Average Daily Rates

- District's Room Tax collections predictably declined during the recent recession, but have since steadily increased with the District receiving an all-time high \$5,574,102 in Room Tax during fiscal year 2015.
- This record figure can be attributed to an increase in visitor demand, combined with a decline in room supply, resulting in an increase in the average daily rates charged by hotels and, in-turn, an increase in revenues, thereby increasing tax collections.



Source: Smith Travel Report, Group 1, January 2016.

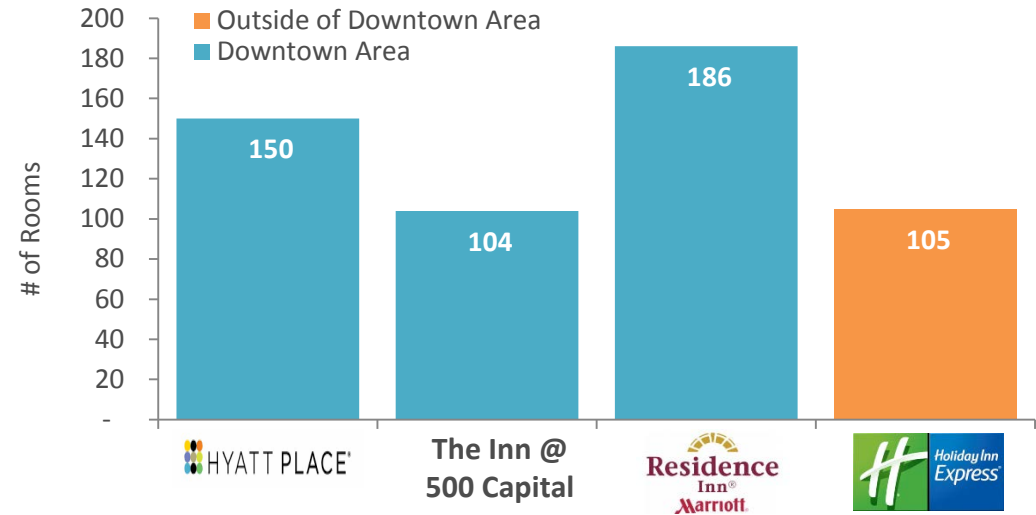


Source: Smith Travel Report, Group 1, January 2016.

Additional Hotels are being Developed to Capture Expected Growth in Demand

- No new hotels have been built in the greater Boise downtown area since 2008.
- This is about to change however as three new hotels (440 rooms total) have been proposed in downtown Boise for completion at various points in 2016 and early 2017.
- In addition, a 105 room Holiday Inn Express outside of the downtown Boise core is under construction.
- All of these hotel developments have broken ground and appear to be on schedule for completion.
- Following the Financed Project expansion, the Boise Centre would require 400 - 500 guestrooms on a peak night
 - No hotel in the current downtown Boise market, nor those hotels proposed to be built, will be able to capture the majority of these guests at one location.
 - As a result, it is possible that the Boise Centre could lose conventions to competing cities with larger convention headquarter hotels.

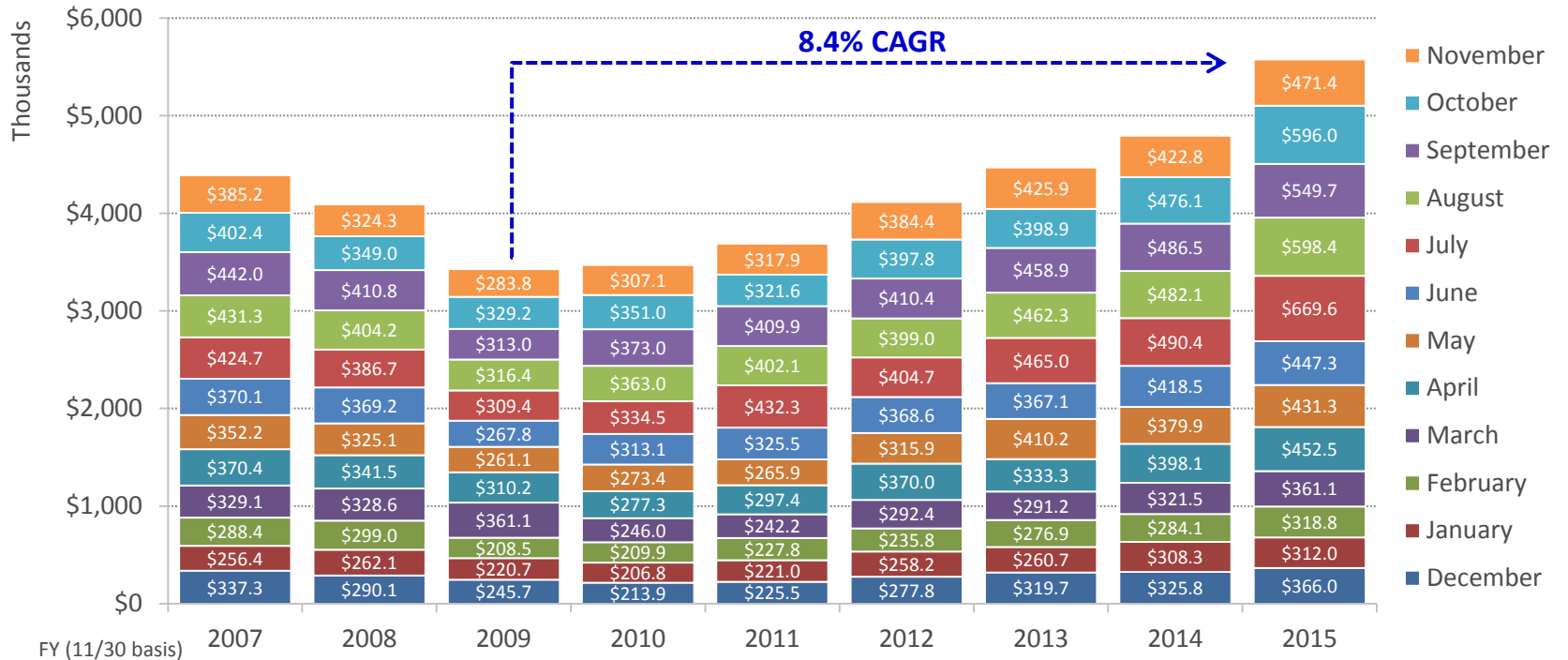
**District Hotel Development
Downtown Area and Outside of Downtown Area**



District Tax Receipts: Fully Recovered and Growing

- The District’s hotel/motel Room Tax Receipts have been on an upward trajectory over the past six years.
- Since the low reached in fiscal year 2009, the District’s Tax Receipts have increased at a compound average annual growth rate of 8.4%—a record \$5.574 million of room taxes were collected by the District in fiscal year 2015.
- Much of the growth can be attributed to the strong economic recovery that took place in the Boise City-Nampa, Idaho MSA since the economic recession of 2008-09, as well favorable hotel/motel room supply and demand dynamics.

Historical District Tax Receipts Monthly since December 1, 2007



Note: The chart above is derived from reports generated by District staff. Reconciliation of discrepancies resulting from the timing of refunds and accurate recognition of Tax Commission’s administrative charges occurs during the audit of the District’s financial statements. Consequently, the annual totals presented in the District’s audited financial statements differ slightly from the totals shown in the chart above.

Conclusion

LEASE REVENUE BONDS, SERIES 2016

Conclusion

- **Appropriation Lease provides Strength of Security:** The Appropriation Lease for the Series 2016 Bonds has been validated by the State of Idaho Supreme Court and provides legal remedies for bond owners in the Event of Default or Non-Renewal by the District.
- **District's Financial Position is Solid and Expected to Improve:** The District's financial position continues to benefit from the ongoing recovery and growth in the Boise City-Nampa, Idaho MSA regional economy. The District is focused on maintaining strong unrestricted cash reserves and keeping the budget in structural balance.
- **Financed Project is Key Component of District's Growth Strategy:** Tax Receipts have steadily increased while demand for hotel/motel rooms within Ada County continues to expand. The Financed Project is being developed to capture excess demand for larger event facilities in the greater Boise Downtown Area and is a central part of the District's strategy for future expansion.
- **Hotel Tax Receipts remain Robust:** As well as being secured by a cash funded Debt Service Reserve Account, payment of principal and interest due for the Series 2016 Bonds is supported by robust Tax Receipts that are expected to provide well over 2.00 times debt service coverage through the life of the Bonds. Additional hotels being developed within the District will further diversify and expand the District's tax base. Revenue growth is especially favorable for those hotels/motels located in Downtown Boise post-completion of the Financed Project.
- **Future Debt Issuance Remains Restricted by Stringent Additional Bonds Test:** Owners of the Series 2016 Bonds can be assured that their interests will not easily be diluted through the issuance of additional debt secured by the Tax Receipts.



AGENDA BILL

Agenda Subject: CONSIDER: Resolution 1437 Amended and Restated Property Use Agreement for the City Center Plaza Project	Date: March 29, 2016
Staff Contact: Doug Woodruff	Attachments: Resolution 1437
Action Requested: Adopt Resolution 1437 Amending and Restating the Property Use Agreement for the City Center Plaza project.	

Fiscal Notes:

A use fee of \$1,500 per month is paid by Gardner Company to occupy and use a portion of the Grove Plaza for construction of the City Center Plaza project. The Amended and Restated Property Use Agreement includes a use fee increase to \$1,500 per day that begins on July 2, 2016 and a use fee increase to \$2,500 per day that begins on August 2, 2016 if Gardner Company continues to occupy and use the Grove Plaza for construction of the City Center Plaza project. The fee increases are to offset any Agency construction costs incurred due to project delays.

Background:

The April 21, 2014 Board adoption of Resolution 1345 granted Gardner Company authorization to occupy and use certain areas of the Grove Plaza to construct the City Center Plaza project. Some licenses included in the Property Use Agreement should be updated to maintain compliance with the current project circumstances.

The Property Use Agreement contemplates future amendments to the Agreement that would accommodate enhancements to the Grove Plaza that were not defined at the time the Agreement was executed. The Agency has since developed plans to renovate the Grove Plaza.

The Amended and Restated Agreement accomplishes two things: 1) revised licenses that facilitate Gardner's compliance with the Agreement and continued development of the project, and 2) updated plaza restoration requirements that accommodate the Agency's plaza renovation project.

Staff Recommendation:

Staff recommends the Agency Board find it the best interest of the Agency and the public to facilitate the continued development of the City Center Plaza project in coordination with the Agency's plaza renovation by approving the Amended and Restated Property Use Agreement.

Suggested Motion:

I move to adopt Resolution 1437 Amending and Restating the Property Use Agreement for the City Center Plaza project.

RESOLUTION NO. 1437

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 AMENDED AND RESTATED PROPERTY USE AGREEMENT FOR THE CITY CENTER PLAZA PROJECT BY AND BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE AND KC GARDNER RIVERWOODS, LC; AUTHORIZING THE CHAIRMAN, VICE-CHAIRMAN, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS OR AGREEMENTS, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is 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 (the "Law"), a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, Agency owns certain real property, consisting of the Grove Plaza and certain pedestrian walkways, that was obtained through the vacation of 8th Street between Main Street and Front Street and Grove Street between Capitol Boulevard and 9th Street, all located in Ada County, Idaho, pursuant to that certain Vacation of Public Right-Of-Way, dated September 28, 1973, and recorded in the Official Records of Ada County, Idaho, as Instrument No. 862452 (collectively the "Grove Plaza");

WHEREAS, KC Gardner Riverwoods, L.C. ("Gardner") owns the real property located at the southeast corner of 8th Street and Main Street, Boise, Idaho (the "Site"), adjacent to a portion of the vacated segment of 8th Street owned by Agency, which Site is subject to a Grant of Perpetual Pedestrian Easement, granted by Gardner's predecessor in interest to Agency, as set forth in that certain instrument recorded on September 5, 1996, as Instrument No. 96074572, and located over the southern eighteen feet (18') of the Site (the "Walkway");

WHEREAS, Gardner is constructing on the Site a mixed use project called City Center Plaza, which will include multiple buildings and facilities identified as the US Bank Plaza, the Center Building, the Clearwater Building, and a subterranean Multimodal Center (the "Project"), while Agency is contemporaneously undertaking certain improvements to the Grove Plaza;

WHEREAS, the Parties entered into a Property Use Agreement as approved by Agency's Board of Commissions by approval of Resolution No. 1345 on April 21, 2014, which Property Use Agreement needs to be amended and updated at this time;

WHEREAS, to facilitate Gardner's continued development of the Project, for the duration of the construction, Gardner will need to occupy and use a portion of 8th Street adjacent to the Site, the Grove Plaza, and the Walkway for various development activities;

WHEREAS, Agency staff and legal counsel have negotiated and drafted the Amended and Restated Property Use Agreement, attached hereto as Exhibit A (the "Amended Amendment"), granting Gardner the right to occupy and use a portion of 8th Street adjacent to the Site, the Grove Plaza, and the Walkway for various development activities and within certain specified time frames;

WHEREAS, Agency and Gardner wish for the Amended Agreement to replace and supersede the Property Use Agreement approved in 2014;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Amended Agreement and to authorize the Chairman, Vice-Chairman, or Executive Director to execute same.

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 Amended Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, be and the same hereby is approved.

Section 3: That the Chairman, Vice-Chairman, or Executive Director of Agency are hereby authorized to sign and enter into the Amended Agreement and to execute all necessary documents required to implement the actions contemplated by the Amended Agreement, subject to representations by Agency staff and legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical and substantive corrections to the Amended Agreement or other documents are acceptable, upon advice from Agency's legal counsel that said corrections are consistent with the provisions of the Amended Agreement and the comments and discussions received at the March 29, 2016, Agency Board meeting; and further, Agency is authorized to appropriate any and all funds contemplated by the Amended Agreement and to perform any and all other duties required pursuant to the Amended Agreement.

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

PASSED by the Urban Renewal Agency of the City of Boise, Idaho, on March 29, 2016. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on this 29th day of March, 2016.

APPROVED:

By _____
Chairman

ATTEST:

By _____
Secretary

EXHIBIT A

AMENDED AND RESTATED PROPERTY USE AGREEMENT (Construction Access and Use of Grove Plaza/8th Street/Public Walkway)

THIS AMENDED AND RESTATED PROPERTY USE AGREEMENT (“**Use Agreement**”) is entered into by and between the CAPITAL CITY DEVELOPMENT CORPORATION (“**Agency**”) and KC GARDNER RIVERWOODS, L.C., a Utah limited liability company (“**Gardner**”), collectively the “Parties.”

RECITALS

WHEREAS, Agency is an independent public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of the State of Idaho, title 50, chapter 20, Idaho Code, and the Local Economic Development Act, title 50, chapter 29, Idaho Code. The office of Agency is located at 121 N. 9th Street, Ste. 501, Boise, Idaho, 83702. Agency, as used in this Use Agreement, includes the Capital City Development Corporation and any assignee of or successor to its rights, powers, and responsibilities.

WHEREAS, Agency is the owner of certain real property, consisting of the Grove Plaza and certain pedestrian walkways, that was obtained through the vacation of 8th Street between Main Street and Front Street and Grove Street between Capitol Boulevard and 9th Street, all located in Ada County, Idaho, pursuant to that certain Vacation of Public Right-Of-Way, dated September 28, 1973, and recorded in the Official Records of Ada County, Idaho, as Instrument No. 862452 (collectively the “**Grove Plaza**”).

WHEREAS, Gardner has acquired the real property located at the southeast corner of 8th Street and Main Street, Boise, Idaho (the “**Site**”), adjacent to a portion of the vacated segment of 8th Street owned by Agency. Gardner’s principal address is 101 S. Capitol Boulevard, Suite 1700, Boise, Idaho, 83702.

WHEREAS, the Site is subject to a Grant of Perpetual Pedestrian Easement, granted by Gardner’s predecessor in interest to Agency, as set forth in that certain instrument recorded on September 5, 1996, as Instrument No. 96074572. This is located over the southern eighteen feet (18’) of the Site (the “**Walkway**”).

WHEREAS, Gardner is constructing a mixed use project called City Center Plaza, which will include multiple buildings and facilities identified as the US Bank Plaza, the Center Building, the Clearwater Building, and a subterranean Multimodal Center (the “**Project**”).

WHEREAS, the Multimodal Center is a subsurface transit facility that Gardner is constructing for the benefit of Valley Regional Transit, the regional public transportation authority for Ada and Canyon Counties (“**VRT**”). The Multimodal Center is being partially constructed within certain subsurface property (the “**Subterranean Parcel**”) that VRT has previously obtained from Agency pursuant to a Contribution Agreement executed by Agency and VRT.

WHEREAS, the Parties entered into a Property Use Agreement as approved by Agency’s Board of Commissions by approval of Resolution No. 1345, which Property Use Agreement needs to

be amended and updated and is hereby replaced and superseded by this Agreement as of the Effective Date.

WHEREAS, in furtherance of the construction of the Project, the Agency has previously executed and recorded that certain Declaration of Height Limitation, Encroachment Easement, Utility Easement, and Air Right Easement, recorded in the Official Records of Ada County, Idaho as Instrument No. 2014-060554 on July 29, 2014, as well as that certain Declaration of Access Easement and Centre Air Rights Easement, recorded in the Official Records of Ada County, Idaho as Instrument No. 2015-027953 on April 6, 2015 (“**Access and Encroachment Easements**”).

WHEREAS, Agency desires to undertake certain improvements to the Grove Plaza (“**Plaza Renovation**”) contemporaneously with Gardner’s performance of its work and development of the Project so as to complete its work contemporaneously with the completion of the Project.

WHEREAS, to facilitate development of the Project, for the duration of the construction, Gardner will need to occupy and use a portion of 8th Street adjacent to the Site, the Grove Plaza, and the Walkway for various development activities.

NOW, THEREFORE, in consideration of the mutual benefits to be derived hereunder, Gardner and Agency agree as follows:

AGREEMENT

1. Use of the Grove Plaza.

(a) **Area of Use.** For the Term of this Use Agreement, as defined forth below, Gardner shall have the right to use the portion of the Grove Plaza adjacent to the Site, the Grove Plaza, and the Walkway, as particularly depicted in Exhibits A, B, and C (the “**Construction Use Areas**”) for construction purposes related to the development of the Project for the specific locations and specific time frames set forth below. Nothing herein shall be construed as otherwise limiting or diminishing Gardner’s rights under the Access and Encroachment Easements, provided, however, that Gardner agrees to coordinate its construction and completion of the Project with the Agency’s completion of the Plaza Renovation so that both may be completed as expeditiously and efficiently as possible.

(b) **Permitted Use.** The Parties acknowledge that the Construction Use Areas will be utilized by Gardner, together with its contractors, agents, invitees and licensees (collectively referenced as Gardner hereafter) for purposes related to the development of the Project on the Site. As such, Gardner is hereby granted the right to occupy and use the Construction Use Areas as specified in this Use Agreement, all of which shall be deemed to be the “**Permitted Use**” hereunder:

(i) Gardner may occupy the Construction Use Areas in conjunction with its development of the Project.

(ii) Gardner will place the construction fences in the Grove Plaza in the locations depicted in Exhibits A, B, and C.

(iii) If requested by Agency, Gardner will attach a dust barrier screen to the construction fences.

(vi) Gardner shall be responsible for providing adequate signage related to identifying its occupation of the Construction Use Areas and warning pedestrians and vehicles of the limitations on their actions in conjunction therewith.

(c) North Spoke and Grove Plaza Construction Closures.

(i) Exhibit A depicts the current location of the construction fence as of the Effective Date along the North Spoke of 8th Street north of the Grove Plaza (“**North Spoke**”) and the Grove Plaza. Agency grants Gardner a license (the “**North Spoke License**”) to access the North Spoke and Grove Plaza in the area depicted on Exhibit A and limit or exclude pedestrian access as necessary to allow Gardner to construct the Project. Gardner shall take all commercially reasonable efforts to provide pedestrian access through the Plaza during the construction of the Project.

(ii) Gardner shall ensure pedestrians will be able to access the businesses located at 801 W. Main Street, Boise, Idaho, at all times during the construction of the Project. Gardner shall not, however, have any or duty or obligation regarding access to the businesses located at 801 W. Main Street associated with the work associated with the Plaza Renovation that the Agency is undertaking within the North Spoke.

(iii) Gardner’s exclusive right to utilize the North Spoke License shall expire on July 1, 2016. On or before July 1, 2016, Gardner shall complete all construction requiring use of the North Spoke License construction area including overhead construction activities from swing stages, boatsman seats, and ropes. Thereafter, Gardner’s use of the North Spoke shall be undertaken consistent with the **Access and Encroachment Easements**.

(iv) On or before July 1, 2016, Gardner shall relocate the construction fence to the location depicted on Exhibit B. Gardner shall notify Agency, specifically Doug Woodruff, by email (with confirmation receipt requested) or by telephone 24 hours in advance of moving the construction fence. Agency grants Gardner a license to place the construction fence in the location depicted in Exhibit B and access the areas of the Grove Plaza within the construction fence as depicted on Exhibit B for the construction of the Project (the “**Plaza License**”).

(v) The **Plaza License** shall expire on August 1, 2016. On or before August 1, 2016, Gardner shall complete all construction requiring use of the Plaza License construction area including all overhead construction activities from swing stages; overhead work above the Plaza License construction area shall be limited to caulking, cleaning, and touch-up from boatsman seats and ropes after August 1, 2016.

(vi) On or before August 1, 2016, the construction fence shall be relocated from the location depicted in Exhibit B to the location depicted in Exhibit C. Agency grants Gardner a license to place the construction fence in the location depicted in Exhibit C and access the areas of the Grove Plaza within the construction fence for the construction of the Project (the “**Final Construction Phase License**”).

(vii) The Final Construction Phase License shall expire on August 31, 2016 or upon Gardner's removal of the construction fence depicted on Exhibit C, whichever occurs first. On or before August 31, 2016, Gardner shall complete all construction requiring use of the Final Construction Phase License construction area including all overhead construction activities from swing stages, boatsman seats, and ropes

(viii) Because Agency is responsible for the Plaza Renovation, Gardner shall not be responsible to restore the respective portions of the Grove Plaza disturbed by the Project, including the Construction Use Area, to the pre-Project construction condition. Provided, however, that Gardner shall repair any damage Gardner causes to any portions of the North Spoke or Grove Plaza caused after control of the North Spoke or Grove Plaza have been returned to Agency.

(ix) Because Agency is responsible for the Plaza Renovation, Gardner shall not be responsible to re-install any bricks in the Grove Plaza disturbed by the Project, including any engraved bricks.

(x) During the Project, Gardner has or will excavate the Site and the Subterranean Parcel for the Project and construct a concrete cap over the Subterranean Parcel (the "**Excavation**"). Upon expiration of the Plaza License, Gardner shall provide Agency with as-built drawings within 10 days for the construction of the Project within the Subterranean Grove Parcel and provide Agency drawings depicting the location of any utilities discovered, disturbed or relocated by Gardner during the Excavation.

(xi) Because Agency is responsible for the Plaza Renovation, Agency shall be solely responsible for the use, operation, and modification to the "**Fountain**" on the Grove Plaza. Agency and Gardner acknowledge the Fountain's water and electrical supply and subsurface structural components that Gardner has worked around in the construction of the Project.

(xii) Gardner has previously coordinated with the City of Boise Department of Art & History concerning the relocation (either temporary or permanent) of the public art within the Grove Plaza, specifically "**Keepsies**" and "**Heliotrope**."

(ix) Agency acknowledges the construction of the Project will require temporarily closing off access to the Walkway for the public. Gardner acknowledges the Walkway provides ingress and egress to the patrons of the adjacent property (the Centurylink Arena). Gardner shall take all commercially reasonable steps to limit the time the Walkway is closed to the public and shall coordinate with the operator of the Centurylink Arena to provide ingress and egress through the Walkway for patrons of events at the Centurylink Arena.

(d) Demolition and Utility Location. Gardner shall not conduct any additional demolition work in the North Spoke or the Grove Plaza without written approval from Agency. Gardner shall provide Agency with proposed plans concerning the location of utilities within the North Spoke and Grove Plaza prior to final construction. Such plans shall include locations of water, sewer, electrical, and plumbing utilities and shall include the proposed locations of fire hydrants and PIV valves. The parties agree the above utilities in the North Spoke and the

Grove Plaza shall be placed to reduce the impact on pedestrians and other public use of the North Spoke and the Grove Plaza to the greatest extent possible.

(e) **Restoration.** The Parties acknowledge that the Permitted Use as set forth above is undertaken in conjunction with the development of the Site and the completion of the Project. Upon the expiration of the respective licenses granted herein, the disturbed Construction Use Areas shall be restored to a completed condition that matches the original condition of the Grove Plaza (“**Original Condition**”), including the following provisions and exceptions:

- (i) North Spoke License Area Original Condition includes, but is not limited to:
 - a. Reinstall the salvaged brick paving, replace the concrete valley gutters and storm water facilities at the original elevations and locations to ensure proper drainage is again in place.
 - b. Replace the brick paving per original pattern maintaining ADA compliance and consistent grade transitions.
 - c. Reinstall salvaged light poles on existing foundations to working condition to ensure proper illumination of the public space.
 - d. Replace all site furnishings, which may include alternate locations approved by Agency of some furnishings such as bike racks so as to avoid conflict with building entrances.
 - e. Replace the six (6) trees removed to accommodate construction with with 2” caliper trees of the same species in concrete tree surrounds; existing tree grates to be put back into place and the irrigation system repaired to original operable state.
 - f. Fire hydrant and PIV valves in place and in a location approved by Agency.

- (ii) Plaza License Area Original Condition includes, but is not limited to:
 - a. Replace the brick paving and storm water facilities at original elevations, grades, and locations to ensure proper drainage.
 - b. Replace the brick paving to its original pattern, including engraved bricks reinstalled in original layout.
 - c. Structural decking, waterproofing, geofoam, conduit, and concrete topping slab in place to agreed-upon subgrade elevation.
 - d. Tree wells as depicted on Exhibit D in place per the specifications set forth in Gardner’s Agreement with VRT; this includes complete irrigation, electrical conduit rough-in, paver grate, tree grate, and tree in place.
 - e. Light pole foundations and necessary conduit in place per Agency-provided design; light poles not installed; construction barricade secured to foundation to avoid trip hazards.
 - f. Seven (7) bollards in place per Agency provided design; Gardner to procure and install.
 - g. Chinatown Art Sculpture in place and operable per Agency provided location.

In the event Agency Board takes formal action prior to July 1, 2016, to proceed with the Plaza Renovation, Gardner may choose to restore the Construction Use Areas to a partially complete condition (“**Temporary Condition**”). Agency agrees to provide Gardner with written notice within (10) ten days after Agency Board action is taken. Gardner agrees to provide written notice to Agency within (10) ten days of receipt of notice of Board action, indicating whether or not Gardner will turn over the Construction Use Area in the following Temporary Condition:

- (i) North Spoke License Area Temporary Condition is defined as follows:
 - a. 7’ wide brick paved walkway along entire face of the Clearwater Building to provide access to retail businesses.
 - b. 12” subgrade base in place, graded to bottom of leveling chip elevation +/-1/2 inch, and compacted 95% modified proctor.
 - c. Existing light pole foundations remain in place, without light pole reinstalled.
 - d. Existing trees, tree grates, concrete surrounds, and irrigation disturbed by construction remain in disturbed condition and are not replaced or repaired.
 - e. The remaining salvaged brick pavers are delivered to the Agency and are not put back into place.
 - f. Bicycle racks, trash receptacles, flower pots, and all other site furnishings are not in place.
 - g. Fire hydrant and PIV valves are in place and in a location approved by Agency.

- (ii) Plaza License Area Temporary Condition is defined as follows:
 - a. Structural decking, waterproofing, geofoam, conduit, and concrete topping slab in place to agreed-upon subgrade elevation. (Elevations determined per plaza renovation plans).
 - b. Tree wells as depicted on Exhibit D in place per the specifications set forth in Gardner’s Agreement with VRT, less tree grates and trees. This includes engineered soil, complete irrigation, electrical conduit rough-in, and paver grate in place.
 - c. Light pole foundations and necessary conduit in place per Agency provided design. Light poles not installed.
 - d. (4) Bollard foundations and necessary conduit in place per Agency provided design. Bollards provided by and installed by Agency.
 - e. Chinatown Art Sculpture foundation and necessary conduit in place per Agency provided design; art sculpture not installed.
 - f. Conduit and pull boxes to connect Chinatown Art Sculpture with other existing sculptures in place on east spoke and Capitol Boulevard per Agency provided design.
 - g. The salvaged brick pavers are delivered to the Agency and are not put back into place.
 - h. Various site furnishings are not in place.

- (iii) Both parties acknowledge that the partially complete condition of Construction Use Area is not an acceptable condition for public use. Both

parties agree to work with the each parties' contractors in relocating construction fencing in a manner that maintains public safety.

The Parties acknowledge the trees located on the Grove Plaza identified on Exhibit B will be (or as of the Effective Date have been) removed for the Project and will be replaced as depicted on Exhibit D.

The removal of the trees depicted on Exhibit D is necessitated by the construction of the Multimodal Center underneath the Grove Plaza. Any costs incurred for the replacement of the removed trees, including the potential construction of underground tree wells, concrete tubs, or trenches, would be costs incurred by VRT under the Development Agreement between VRT and Gardner for the construction of the multi-modal center. Gardner shall construct the tree wells in the locations depicted on Exhibit D and according to the specifications set forth above.

2. Term of Use Agreement. Subject to the time frames for the uses of the North Spoke and Grove Plaza set forth in detail above, all parties acknowledge this Use Agreement commenced on May 1, 2014, and shall continue until October 31, 2016. Gardner will keep the Agency informed of the progress of the Permitted Use and the anticipated conclusion of the Term. The Term shall conclude and expire when Gardner has no further need to occupy the Construction Use Areas and removes its fencing from the Grove Plaza or on the specific dates identified above, whichever occurs first. Upon the expiration of the Term, consideration shall terminate. If work on the Project is terminated for a period of ninety (90) days for a reason other than a Forced Delay as defined and provided for below, then the Term shall conclude and expire as set forth herein, provided, that the Term shall not terminate until such time as Agency has sent written notice to Gardner as set forth below.

3. Consideration for Use Agreement. Consideration for this Use Agreement for the use of the Construction Use Areas shall be One Thousand Five Hundred Dollars (\$1500.00) per month paid to Agency by Gardner for each month of the Term ("**Use Fee**"). Use Fee payments shall be made monthly, for each month of the Term, payable to Agency at the address set forth in the Recitals above. Payments for the Use Fee are to be paid in arrears, with the Use Fee for the prior month due by the first day of the subsequent month.

(a) In the event that Gardner does not relocate the construction fence depicted on Exhibit A to the location depicted on Exhibit B and return the North Spoke to the condition required under this agreement on or before July 1, 2016, Gardner agrees to pay the sum of One Thousand Five Hundred Dollars (\$1500.00) per calendar day to Agency in addition to the Use Fee until Gardner relocates the construction fence depicted on Exhibit A to the location depicted on Exhibit B and returns the North Spoke to the condition required under this agreement.

(b) In the event that Gardner does not relocate the construction fence depicted on Exhibit B to the location depicted on Exhibit C and return the Grove Plaza to the condition required under this agreement on or before August 1, 2016, including the construction of the tree wells as depicted on Exhibit D to the specifications set forth in Section 1(e) Restoration, Gardner agrees to pay the sum of Two Thousand Five Hundred Dollars (\$2500.00) per calendar day to Agency in addition to the Use Fee until Gardner relocates the construction fence depicted on Exhibit B to the location depicted on Exhibit C and returns the Grove Plaza to the condition required under this agreement.

(c) In the event that Gardner does not relocate the construction fencing depicted on both Exhibits A and B to the location depicted on Exhibit C and return the Grove Plaza to the condition required under this agreement on or before August 1, 2016, the Use Fee shall increase to be Two Thousand Five Hundred Dollars (\$2500.00) per calendar day paid to Agency by Gardner.

5. Liens. Gardner covenants that it will satisfy and hold Agency harmless against any lien, judgment or other encumbrance filed or made against the Construction Use Areas, arising directly or indirectly out of Gardner's use or occupancy of the Construction Use Areas, at Gardner's sole and separate cost or expense.

6. Insurance. Gardner shall, or through its contractor shall, at its sole cost, obtain and maintain in force for the duration of the Use Agreement insurance of the following types, with limits not less than those set forth below with respect to the Project.

(a) Commercial General Liability Insurance ("Occurrence Form") with a minimum combined single limit liability of \$10,000,000 each occurrence for bodily injury and property damage; with a minimum limit of liability of \$10,000,000 each person for personal and advertising injury liability. The policy shall be endorsed to name Agency, including its respective affiliates, the financing parties, McAlvain Construction, Inc., CSHQA, and the respective officers, directors, and employees of each as additional insureds. All policies shall be occurrence form policies and not a claims-made policy.

(b) Workers' Compensation Insurance, including occupational illness or disease coverage, in accordance with the laws of the nation, state, territory, or province having jurisdiction over Gardner's employees, and Employer's Liability Insurance as required by law. Gardner shall not utilize occupational accident or health insurance policies, or the equivalent, in lieu of mandatory Workers' Compensation Insurance or otherwise attempt to opt out of the statutory Workers' Compensation system.

(c) Automobile Liability Insurance covering use of all owned, non-owned, and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$500,000 per occurrence. This policy shall be endorsed to name Agency, including its respective affiliates, directors, and employees, as additional insureds.

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

(e) Certificates of insurance satisfactory in form to Agency (ACORD form or equivalent) shall be supplied to Agency evidencing that the insurance required above is in force, that commercially reasonable efforts shall be taken to provide not less than thirty (30) days' written notice to Agency prior to any cancellation or restrictive modification of the policies, and that the waivers of subrogation are in force. Gardner shall also provide, with its certificate of insurance, executed copies of the additional insured endorsements and dedicated limits endorsements required in this Use Agreement. At Agency's request, Gardner shall provide a certified copy of each insurance policy required under this Use Agreement.

(f) All policies of insurance required by this Use Agreement shall be issued by insurance companies with a general policyholder's rating of not less than A and a financial rating of AAA (or equivalent ratings if such are changed) as rated in the most current available "Best's Insurance Reports" and qualified to do business in the State of Idaho.

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

7. Indemnification. Gardner shall indemnify and hold Agency, McAlvain Construction, Inc., CSHQA and their respective officers, agents, contractors, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to as a "claim"), which may be imposed upon or incurred by or asserted against Agency, or its respective officers, agents, and employees by reason of any of the following occurrences:

(a) Any work or thing done in connection with the Project, including, without limitation, the construction of the initial improvements, any subsequent improvements, or any tenant improvements, by or at the direction of Gardner or by any Party whatsoever; or

(b) Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of the Construction Use Areas or any part thereof; or

(c) Any negligence on the part of Gardner or any of its agents, contractors, servants, employees, subtenants, operators, licensees, or invitees; or

(d) Any accident, injury, or damage to any person or property occurring in, on, or about the Construction Use Areas or any part thereof, whether during construction or after construction; or

(e) Any failure on the part of Gardner to perform or comply with any of the terms, provisions, covenants, and conditions contained in this Use Agreement to be performed or complied with on its part.

In case any action or proceeding is brought against Agency, or its respective officers, agents, and employees by reason of any such claim for which Gardner is required to provide indemnification hereunder, Gardner, upon written notice from Agency, shall, at Gardner's expense, resist or defend such action or proceeding.

Notwithstanding the foregoing, Gardner shall have no obligation to indemnify and hold Agency, respectively, and their respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency, respectively, or their respective officers, agents, or employees or from conduct resulting in an award of punitive damages against Agency.

8. General Provisions.

(a) **Notices, Demands, and Communications Between the Parties.** Formal notices, demands, and communications between Agency and Gardner shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of Agency and Gardner set forth above. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by mail.

(b) **Conflicts of Interest.** No member, official, or employee of Agency shall have any personal interest, direct or indirect, in this Use Agreement, nor shall any such member, official, or employee participate in any decision relating to this Use Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. Gardner warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Use Agreement.

(c) **Non-liability of Agency Officials and Employees.** No member, official, or employee of Agency shall be personally liable to Gardner in the event of any default or breach by Agency or for any amount which may become due to Gardner or on any obligations under the terms of this Use Agreement.

(d) **Successors and Assigns.** This Use Agreement shall, except as otherwise provided herein, be binding upon and inure to the benefit of the successors and assigns of the Parties hereto. Gardner shall not assign its rights or obligations under this Use Agreement without the consent of Agency, which Agency shall not unreasonably withhold, condition, or delay.

(e) **Attorney Fees and Costs.** In the event that either Party to this Use Agreement shall enforce any of the provisions hereof in any action at law or in equity, the unsuccessful Party to such litigation agrees to pay to the prevailing Party all costs and expenses, including reasonable attorney fees incurred therein by the prevailing Party, and such may be included to the judgment entered in such action.

(f) **Severability.** In case any one or more of the provisions of this Use Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Use Agreement, but this Use Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

(g) **Headings.** The section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Use Agreement.

(h) **Counterparts.** This Use Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(i) **Dispute Resolution.** In the event that a dispute arises between Agency and Gardner regarding application or interpretation of any provision of this Use Agreement, the

aggrieved Party shall promptly notify the other Party to this Use Agreement of the dispute within ten (10) days after such dispute arises. If the Parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the Parties may first endeavor to settle the dispute in an amicable manner by mediation. If the Parties elect to mediate their dispute, the Parties will select a mediator by mutual agreement and agree to each pay half of the mediator's costs and fees. The mediation will take place in Boise, Idaho, unless otherwise agreed by the Parties in writing. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity. If the Parties do not mutually agree to mediate the dispute, either Party may pursue any rights or remedies it may have at law.

(j) Forced Delay; Extension of Times of Performance. In addition to the specific provisions of this Use Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; lack of materials or labor at commercially reasonable prices or in commercially reasonable quantities; governmental restrictions or priority; litigation; unusually severe weather; acts of another party; environmental analysis, or removal of hazardous or toxic substances; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Agency shall not excuse performance by Agency); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the commencement of the cause, if notice is delivered by the Party claiming such extension no later than thirty (30) days after the commencement of the cause. If, however, notice by the Party claiming such extension is sent to the other Party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Use Agreement may also be extended in writing by Agency and Gardner.

(k) Attachments and Exhibits Made a Part. All attachments and exhibits which are attached to this Use Agreement are made a part hereof by this reference.

(l) Severability. In case any one or more of the provisions of this Use Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Use Agreement, but this Use Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

(m) Defaults, Remedies, and Termination.

(i) Defaults in General. The Parties acknowledge that neither Party shall be deemed to be in default of this Use Agreement except upon the expiration of ten (10) days from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Use Agreement, unless such Party, prior to expiration of said ten day period, has rectified the particulars specified in said notice of default or if satisfaction of the notice cannot be completed within said ten day period, such Party has commenced to cure the noticed default and is making

reasonable progress towards such cure. In the event of a default, the nondefaulting Party may do the following:

- (a) The nondefaulting Party may terminate this Use Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.
- (b) The nondefaulting Party may seek specific performance of those elements of this Use Agreement, which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Use Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- (c) The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- (d) The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- (e) In the event Gardner defaults under this Use Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Use Agreement, as more specifically defined in this Use Agreement, for so long as the default continues and if not cured, Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Gardner shall reimburse Agency for any such Agency funds Gardner received.

(ii) Legal Actions. In addition to any other rights or remedies, any party may institute legal action to cure, correct, or remedy any default; to recover damages for any default; or to obtain any other remedy consistent with the purpose of this Use Agreement. The nondefaulting party may also, at its option, cure the default and sue to collect the attorney's fees and costs incurred by virtue of curing or correcting the party's breach. Further, the nondefaulting party may pursue an action to require the defaulting party to specifically perform the terms and conditions of this Use Agreement.

- (a) **Applicable Law.** The laws of the State of Idaho shall govern the interpretation and enforcement of this Use Agreement.
- (b) **Acceptance of Service of Process.** In the event any legal action is commenced by Gardner against Agency, service of process on Agency shall be made by personal service upon the Executive

Director of Agency or in such other manner as may be provided by law.

In the event any legal action is commenced by Agency against Gardner, service of process on Gardner shall be made by personal service upon Gardner or in such other manner as may be provided by law and shall be valid whether made within or without the State of Idaho.

(iii) Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Use Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other party. Agency and Gardner shall retain all rights and remedies available to them hereunder.

9. Counterparts. This Use Agreement may be executed in counterparts, and each counterpart shall then be deemed for all purposes to be an original, executed agreement with respect to the Parties whose signatures appear thereon. Facsimile transmission of any signed original of this Use Agreement, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original and shall be binding upon the Parties.

10. Effective Date. The Effective Date of this Use Agreement shall be the date the Use Agreement is signed by both parties, last date signed.

IN WITNESS WHEREOF, the effective date of this Use Agreement shall be the date when this Amended and Restated Property Use Agreement has been signed by Agency.

SIGNATURES ON FOLLOWING PAGES

AGENCY:

Urban Renewal Agency of Boise City
a/k/a Capital City Development Corporation

By: _____

Name: _____

Its: _____

Date: _____

Approved as to Form

Matthew C. Parks
Counsel for Capital City Development Corporation

GARDNER:

KC GARDNER RIVERWOODS, LC
a Utah limited liability company

By: KC GARDNER COMPANY, L.C., a Utah
limited liability company, Its Manager

By: _____

Name: _____

Its: Manager

Date: _____

Approved as to Form

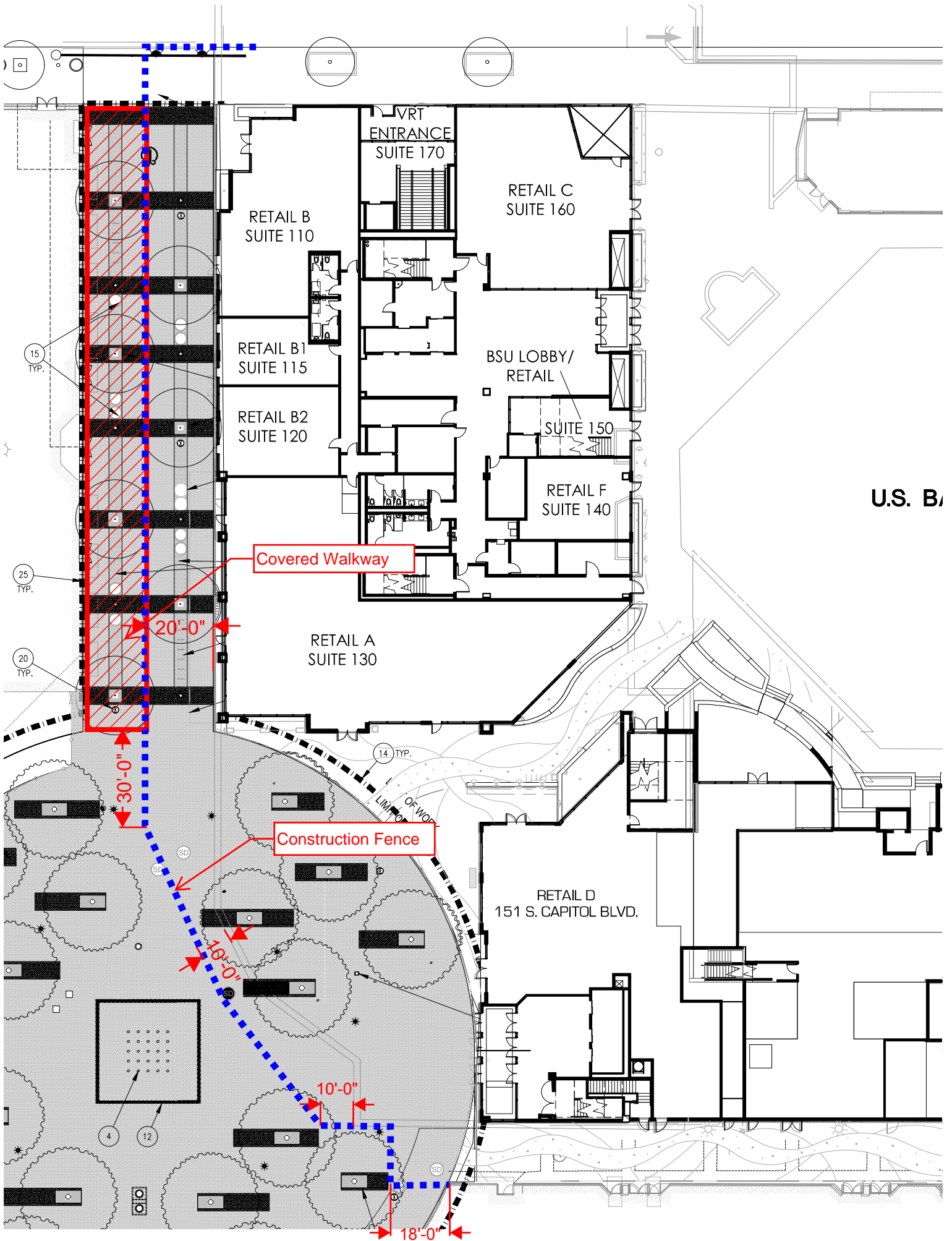
Geoffrey M. Wardle
Counsel for KC Gardner Riverwoods, L.C.

Exhibit A

Depiction of Construction Fence as of Effective Date

North Spoke License

Expiration Date – July 1, 2016



Covered Walkway

Construction Fence

20'-0"

30'-0"

10'-0"

10'-0"

18'-0"

U.S. B/

RETAIL A SUITE 130

RETAIL B SUITE 110

RETAIL B1 SUITE 115

RETAIL B2 SUITE 120

VRT ENTRANCE SUITE 170

RETAIL C SUITE 160

BSU LOBBY/ RETAIL

SUITE 150

RETAIL F SUITE 140

RETAIL D 151 S. CAPITOL BLVD.

14 TYP.

15 TYP.

25 TYP.

20 TYP.

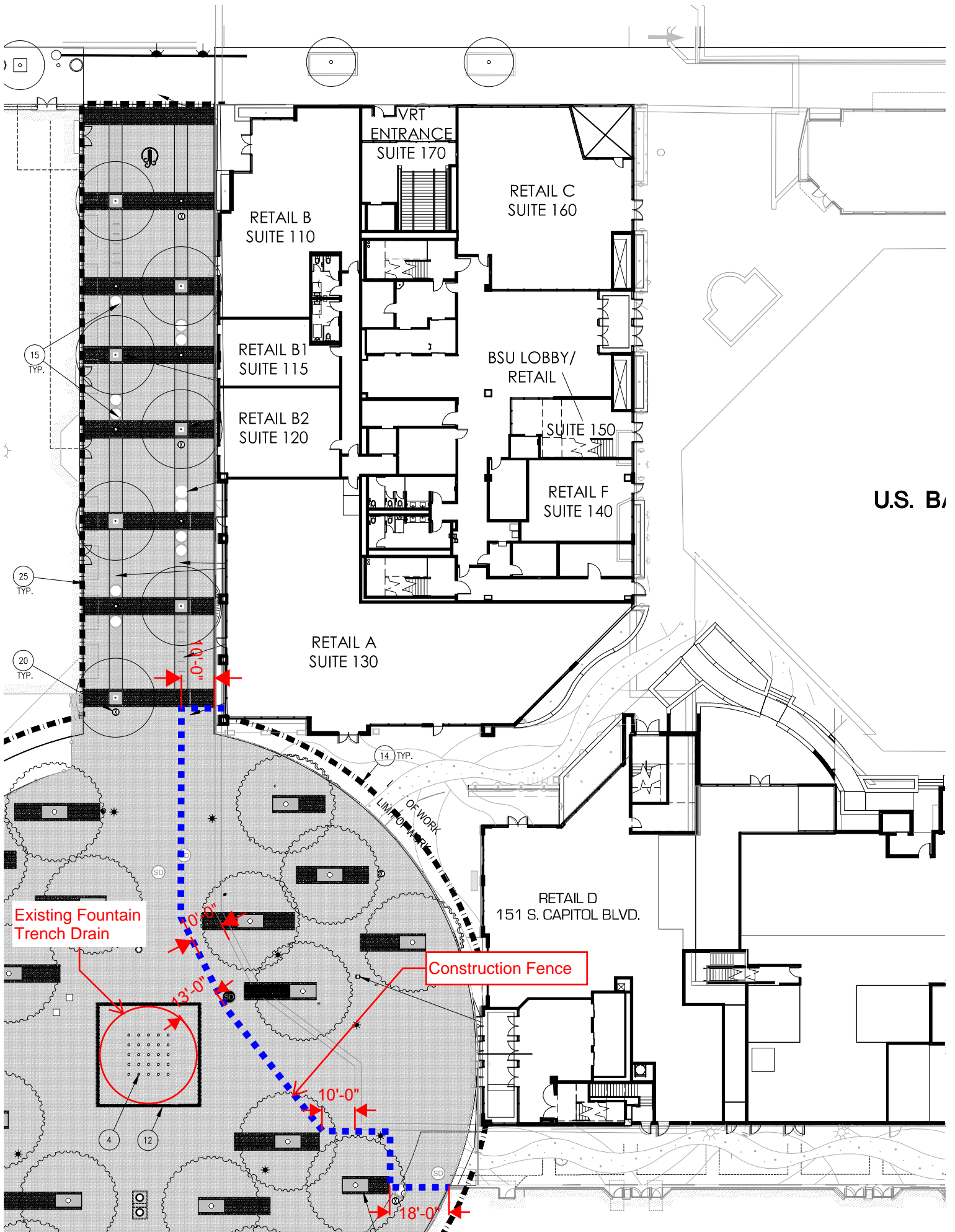
4

12

Exhibit B

Depiction of Construction Fence for Plaza License

Expiration Date – August 1, 2016



RETAIL B
SUITE 110

RETAIL B1
SUITE 115

RETAIL B2
SUITE 120

RETAIL A
SUITE 130

VRT
ENTRANCE
SUITE 170

RETAIL C
SUITE 160

BSU LOBBY/
RETAIL

SUITE 150

RETAIL F
SUITE 140

U.S. B...

RETAIL D
151 S. CAPITOL BLVD.

15
TYP.

25
TYP.

20
TYP.

14
TYP.

Existing Fountain
Trench Drain

Construction Fence

10'-0"

13'-0"

10'-0"

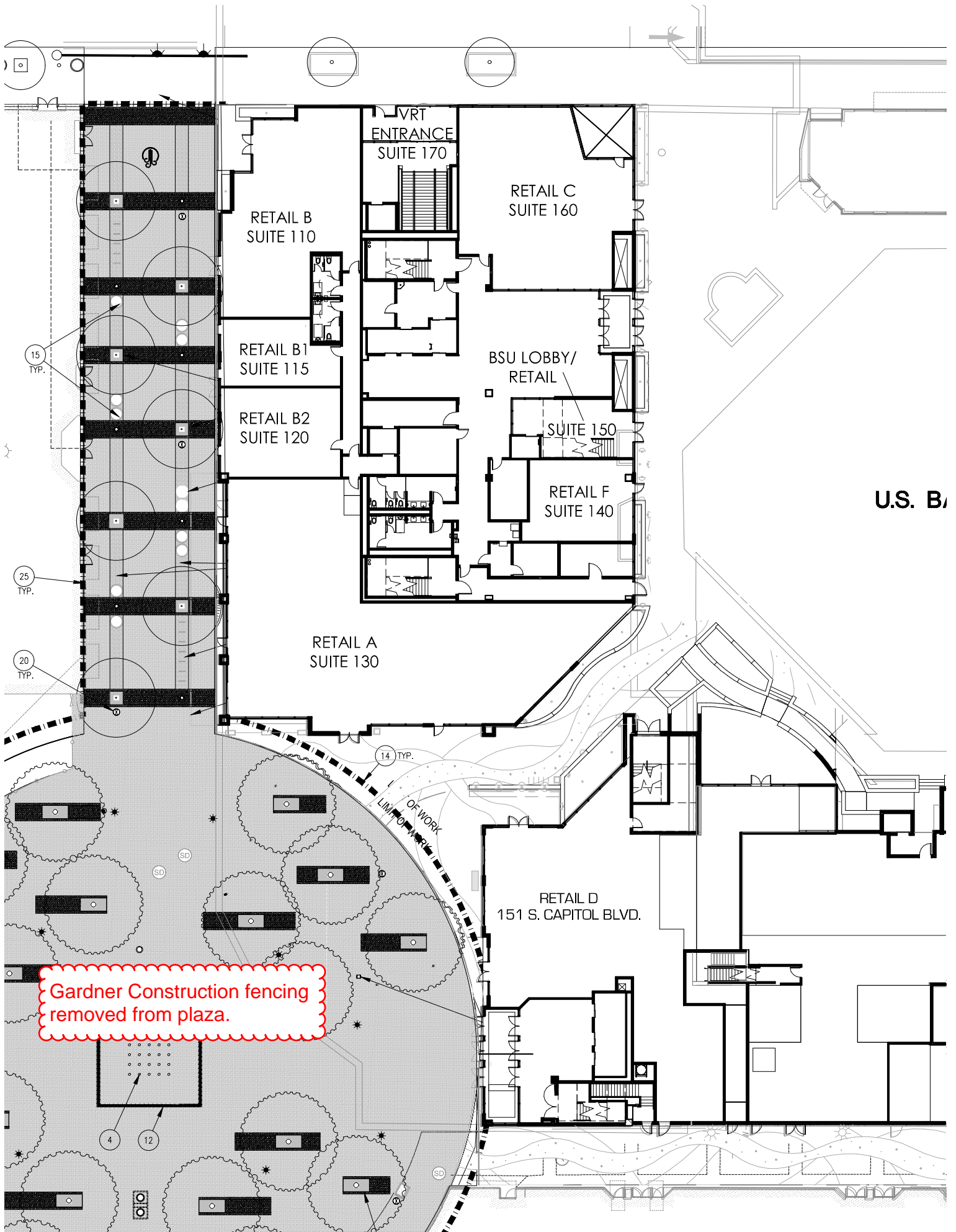
18'-0"

LINE OF WORK

Exhibit C

Depiction of Construction Fence for Final Construction of Project

Expiration – August 31, 2016

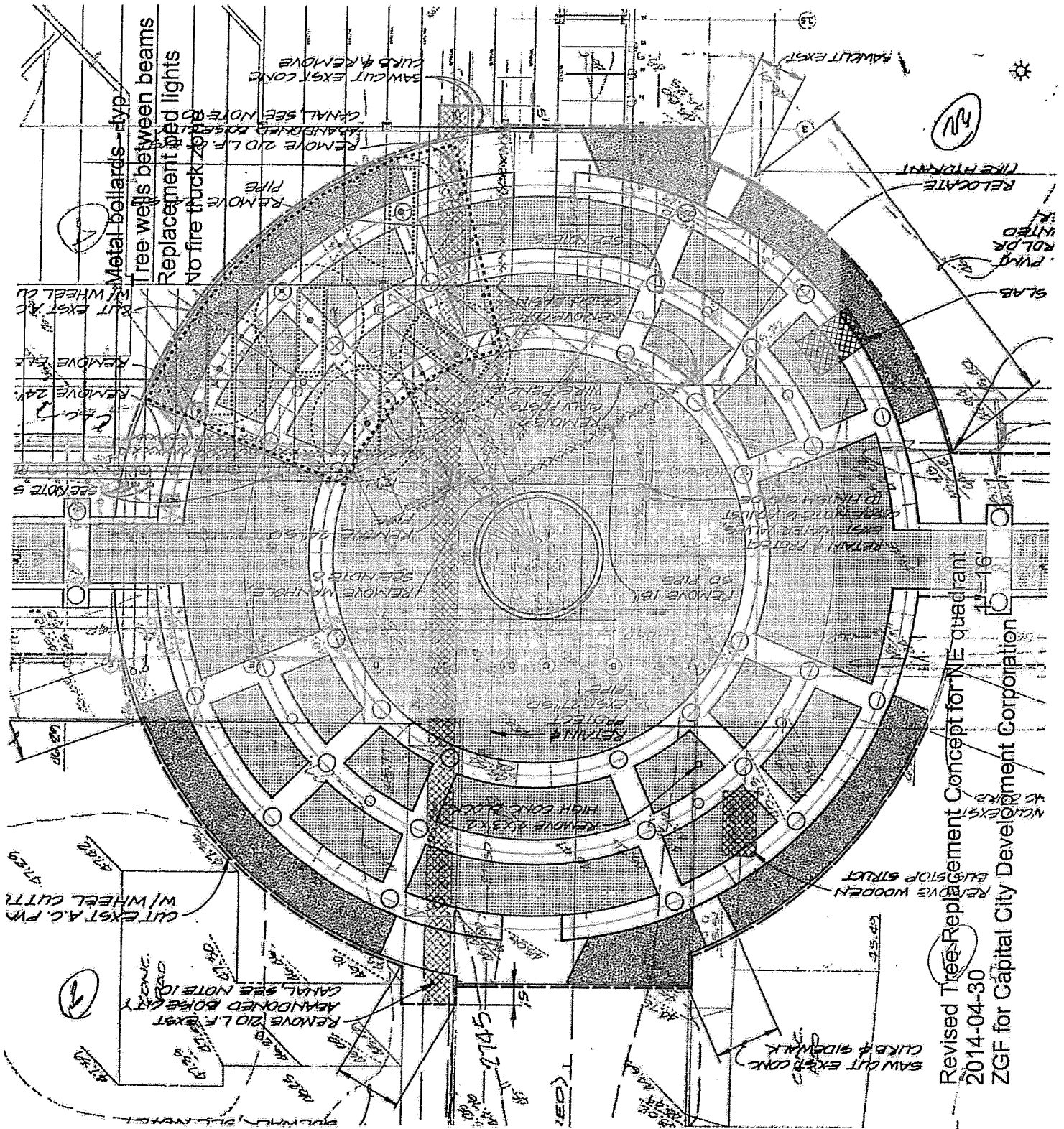


U.S. B/

Gardner Construction fencing removed from plaza.

Exhibit D

Trees to be Disturbed and Replaced



Revised Tree Replacement Concept for NE quadrant
 2014-04-30
 ZGF for Capital City Development Corporation



AGENDA BILL

Agenda Subject: Resolution 1438 Grove Plaza Outdoor Dining Standards Policy		Date: March 29, 2016
Staff Contact: Doug Woodruff	Attachments: Resolution 1438	
Action Requested: Approve and adopt The Grove Plaza Outdoor Dining Area Standards policy.		

Fiscal Notes:

The Outdoor Dining Area Standards require two license agreements to operate a patio on The Grove Plaza but do not address license fee rates. The Agency's current property owner license fee annual rate is \$100 and the business license fee annual rate is \$50. Based upon current ownership and occupancy of the buildings fronting the outdoor dining areas at the Plaza, \$750 in annual fee revenue may be realized. The revenue is intended to offset some administrative costs associated with managing the Plaza.

Background:

Recognizing the popularity of outdoor dining and the importance of restaurants to the vitality of downtown, CCDC provides the opportunity for outdoor dining areas on the Plaza. At the same time, CCDC desires any furnishings associated with outdoor dining be of high quality and complement the Plaza's aesthetics and urban character.

The Grove Plaza is a public space designed to be flexible in use and accommodate a wide variety of activities and events. Four or five new retail shops and restaurants will front onto The Grove Plaza when the City Center Plaza development is completed in 2016. The increase in businesses and restaurant will enhance the Plaza's vitality and bring additional outdoor dining onto the Plaza. The Capital City Market, Alive After 5 and other large events intend to use the Plaza in 2017 with the renovation complete.

The Outdoor Dining Area Standards policy will enable Agency staff to better manage, administer, and balance the increase in various uses of the plaza. The Standards do the following:

- Require licenses for outdoor dining use of the Plaza
- Establish placement of outdoor dining on the Plaza
- Set aesthetic and quality standards for outdoor dining furnishings
- Retain exclusive use of the Plaza for certain CCDC permitted events
- Authorize staff to administer license agreements and enforce the Standards

Staff Recommendation:

Staff recommends the Agency Board find it in the best interest of the Agency and the public to adopt outdoor dining standards that help facilitate additional use and enhance the vitality of the Grove Plaza.

Suggested Motion:

I move to adopt Resolution 1438 approving the Grove Plaza Outdoor Dining Area Standards and authorizing Agency staff to execute necessary documents to implement and enforce the Standards.

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

; AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT; TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT; AND PROVIDING AN AFFECTIVE 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 City of Boise adopted Ordinance No. 6576 on June 26, 2007, approving 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, Agency owns real property located adjacent to the Boise Centre commonly referred to as the "**Grove Plaza**", which is downtown Boise's and the larger community's central public outdoor gathering space;

WHEREAS, CCDC wishes to provide the opportunity for outdoor dining areas on the Grove Plaza and, in order to ensure any furnishings associated with outdoor dining areas be of high quality and complementary to the aesthetics of the Grove Plaza, Agency has drafted standards for such furnishings and drafted a policy of requiring license agreements for use of the Grove Plaza for outdoor dining;

WHEREAS, the "Outdoor Dining Area Standards" for the Grove Plaza are attached hereto as Exhibit A and incorporated herein;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve and adopt the Outdoor Dining Area Standards, 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 Agency hereby approves and adopts the Outdoor Dining Area Standards, and, further, the Agency and Agency staff are hereby authorized to execute all necessary documents required to implement the Outdoor Dining Area Standards, including executing license agreements for the use of the Grove Plaza for outdoor dining, subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the Outdoor Dining Area Standards or other

documents are acceptable upon advice from the Agency's legal counsel and that said changes are consistent with the provisions of the Outdoor Dining Area Standards and the comments and discussions received at the March 29, 2016, Agency Board meeting, including any substantive changes discussed and approved at that meeting.

Section 3. That 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 March 29, 2016. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on March 29, 2016.

APPROVED:

By _____
Chair of the Board

ATTEST:

By _____
Secretary

4825-6068-9197, v. 1

Outdoor Dining Area Standards for The Grove Plaza



Introduction

The Grove Plaza is owned by the Capital City Development Corporation (CCDC). The Grove Plaza consists of the circular plaza in the center and the three walkways or “spokes” connecting the Grove Plaza to surrounding streets (“Plaza”) (see Figure 1). A fourth spoke exists, the east spoke, which provides a public connection to the Plaza via a public access easement but is privately owned property. CCDC has installed high-quality furnishings including brick pavers, lights, benches, flower planters, bike racks, trash receptacles, and a central fountain on the Plaza. The Plaza has become downtown Boise’s and the larger community’s central public outdoor gathering space.

Recognizing the popularity of outdoor dining and the importance of restaurants to the vitality of downtown, CCDC provides the opportunity for outdoor dining areas on the Plaza. At the same time, CCDC desires any furnishings associated with outdoor dining areas be of high quality and complementary to the aesthetics of the Plaza. Achieving these goals is accomplished by the setting of outdoor dining standards and by requiring license agreements for use of the Plaza.

Purpose and Intent

These Outdoor Dining Area Standards for The Grove Plaza (“Standards”) set requirements for establishment of outdoor dining areas on the Plaza. They are intended to:

- Create a balance between preserving a safe, attractive and functional pedestrian passageway on the plaza and spokes and the desire of the restaurants to expand the size of the outdoor dining areas in response to customer demand;
- Define the area on the plaza and spokes where outdoor dining areas are allowed;
- Address the type, quality and placement of furnishings relative to the allowed outdoor dining area limits; and,
- Address the use and design quality of umbrellas, awnings, canopies, trashcans, planters, signage and decorative lighting in outdoor dining areas.



Applicability

CCDC, as the Boise City urban renewal agency, is allowed by Idaho statute to own property in any of Boise City's urban renewal districts. Figure 1 shows the Plaza where these standards apply. The intent of these provisions is to allow for dining only by sit down customers of the restaurant requesting the outdoor dining area, and not the preparation or sale of food or any other products/services or any other activities unrelated to outdoor dining.

A restaurant owner/operator may request alternatives to these standards. CCDC reserves the sole right and discretion to approve, approve with conditions or disapprove such requests. Any approval of an alternative by CCDC shall be in writing.

Requirements for Outdoor Dining Use of the Plaza

Granting permission for outdoor dining areas is at CCDC's discretion and requires two licenses: 1) a license between CCDC and the building owner, and 2) a license between CCDC and the restaurant owner or operator.

Agency staff can administer licenses in compliance with the Outdoor Dining Standards. Exceptions to the Standards requested by the applicant as well as certain circumstances expressly noted within the Standards require CCDC Board of Commissioner approval.

Failure to comply with these Standards is a cause for termination of a patio license agreement and a patio tenant agreement as stated in the Agreements.

Building owners or businesses desiring to establish an outdoor dining area should John Brunelle, CCDC Executive Director at info@ccdcboise.com for more information and to request sample agreements.

Outdoor Dining Area Placement

1. On the north and south spokes: The north and south spokes are 40 feet wide with a double row of trees forming a 20 foot wide corridor at the center of the spoke, and leaving ten feet from each tree line to the nearest edge of the spoke. CCDC reserves the 20 foot wide corridor between the tree lines for use as a fire lane and pedestrian thoroughfare. Each tree is situated within a tree grate. Where a building abuts the edge of the north and south spokes, and the building has a retail space occupied by restaurant desiring an outdoor dining area, the outdoor dining area may be located so the width of the dining area extends from the CCDC property line seven feet ten inches (7' 10") inward, or to the outer edge of the tree grate whichever distance is lesser (see Figure 1).

PLEASE NOTE: The area shown for outdoor dining on the west side of the south spoke is in the Boise Centre Buffer Area as per The Grove Plaza Rules and Regulations established by CCDC and Boise Centre in 2012. Any outdoor dining area along the



west side of this spoke would require written approval from both CCDC and Boise Centre.

2. On the central plaza: The Central Plaza is the 200' diameter circular plaza at the meeting point of the spokes. Long term outdoor dining areas operated by private restaurants are not permitted on the central plaza. There is a limited allowance for outdoor dining areas for restaurants immediately adjacent to the central plaza if approved by the CCDC Board of Commissioners. Such outdoor dining areas shall not:
 - Interfere with the flexibility of the Grove Plaza for community and special events permitted by CCDC or CCDC's managing agent. Interference of use is deemed by CCDC at its sole discretion
 - Diminish the capacity of the Grove Plaza as a venue for these types of events
 - Not include fencing or close areas of the plaza to public use
 - Impede pedestrian and bicycle circulation or public safety; and
 - Change the character of the Grove Plaza as a spacious public meeting place for the community.

Food vendors may temporarily locate on the Central Plaza as part of permitted events approved by CCDC or CCDC's managing agent.

3. On the east spoke: The east spoke is an 18 foot wide walkway with public use granted via an ingress-egress easement to CCDC. Outdoor dining is not permitted by CCDC on the east spoke.
4. On the west spoke: The west spoke varies in width from 25 feet to 60 feet, and at present, has no buildings with retail spaces or restaurants fronting onto this spoke. The west spoke serves as the primary emergency egress route into the plaza. There is not sufficient space for outdoor dining and the necessary 20' wide emergency egress clear zone. No outdoor dining areas are permitted on this spoke.
5. CCDC reserves the right to make adjustments +/- one foot in width for outdoor dining areas if warranted for safety, pedestrian circulation or similar circumstances. The perimeter of each outdoor dining area is subject to approval by CCDC as part of the license agreement with the restaurant owner or operator and prior to establishment of the outdoor dining area.
6. Placement of outdoor dining areas shall also comply with the distance requirements in the Boise City Sidewalk Cafe Regulations, Ch. 5-06-05 ("Regulations"). Where there is a conflict between the Standards and the Regulations, the stricter requirements shall govern.



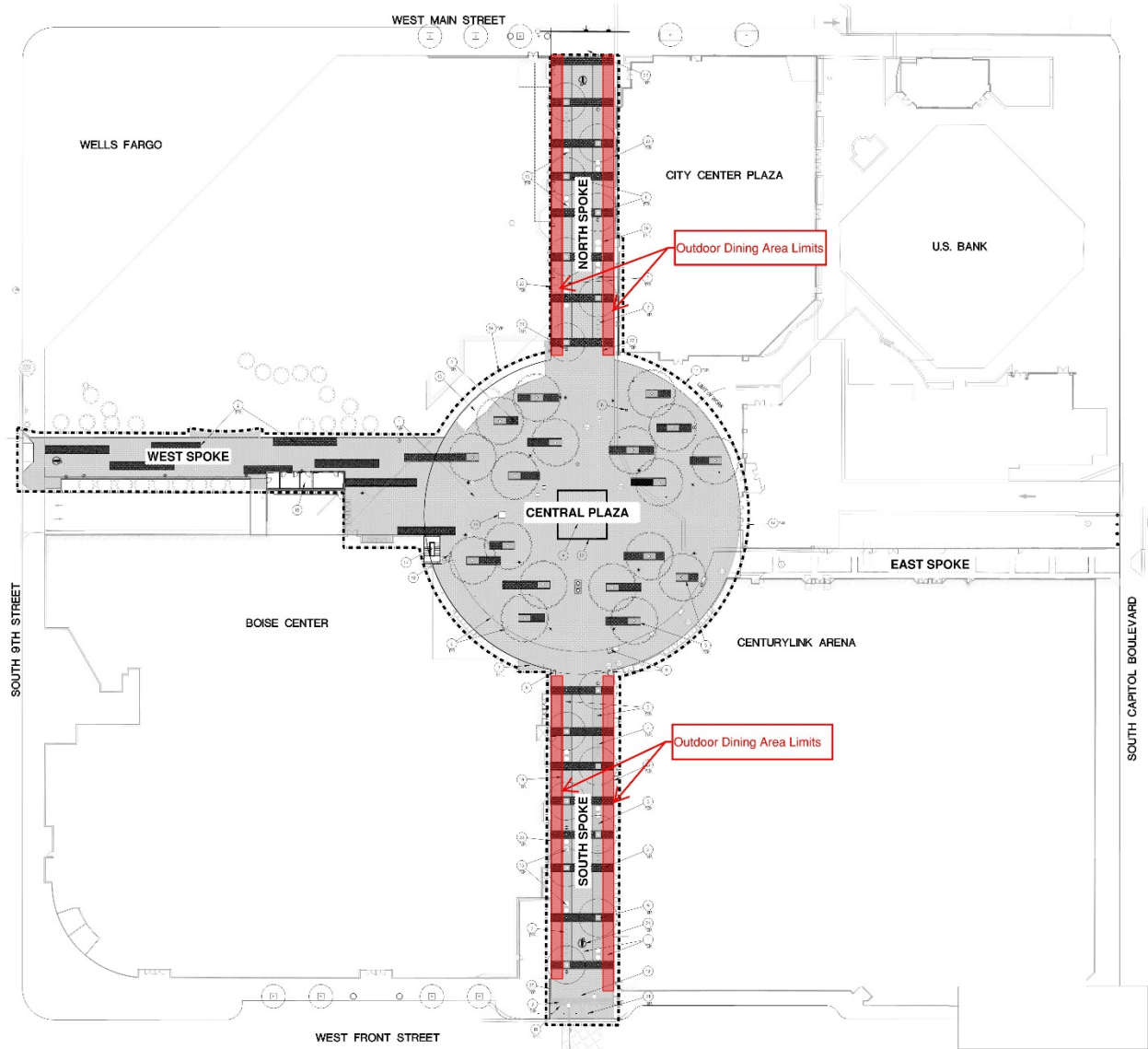


Figure 1 – The Grove Plaza Outdoor Dining Areas

Outdoor Dining Area Furnishings

1. Placement of furnishings

All furnishings except certain umbrella shades, awning or canopy extensions and planters shall be placed within the outdoor dining area limits. These furnishings include but are not limited to fences, benches, chairs, tables, umbrella bases, awnings and canopies, planters, trash receptacles, heaters and misters.



Umbrella stands and any umbrella shade that is less than six (6) feet, eight (8) inches in height at its lowest point from the sidewalk shall be located inside the outdoor dining area limits. If an umbrella shade is at least six (6) feet, eight (8) inches in height at its lowest point from the sidewalk, then the umbrella shade may extend outside the outdoor dining area limits. Any umbrella stand shall be placed inside the outdoor dining area.

Planters owned by licensee are permitted in the outdoor dining area at the discretion of the restaurant owner/operator as long as they are within the outdoor dining area limits.

Awnings and canopies that are attached to the building and extend from the building face to the outdoor dining area limits may include an extension beyond the outdoor dining area limits if the extension is at least seven (7) feet in height from the sidewalk. Extensions shall not exceed one (1) foot beyond the outdoor dining area limits and shall not interfere with trees planted in the Plaza.

All furnishings shall be freestanding and moveable. Fixture of furnishings to the Plaza or Plaza furnishings, such as light poles or trees, is not permitted.

2. Storage of furnishings

During the Plaza winter season and during certain permitted events of the Plaza, the licensee must remove the furnishings from the Plaza and store off site. The Plaza winter season begins on November 1 and ends on March 15 of each calendar year.

3. Fences

Fences must be freestanding and moveable. Permanent footings or fixture the Plaza is prohibited. Licensee must submit a fencing plan and a fence elevation drawing that depicts the fence design. The fencing plan must depict the size, location and swing direction of any gates. CCDC at its sole discretion may require revision to the fence in order to meet quality standards. Examples of acceptable fences are depicted in the following images.



4. Umbrellas, awnings and canopies

Umbrellas and freestanding awnings or canopies shall be solid colors with no writing, graphics or advertising permitted. Umbrellas shall be securely anchored in stands.



Awnings and canopies attached to the building may include the name of the business if this signage is approved by CCDC and Boise City as an allowed tenant identification sign.

5. Planters

The design of planters owned by restaurant owner/operator is at the discretion of the restaurant owner/operator as long as they are placed within the outdoor dining area limits. (See the section on placement of furnishings for additional requirements regarding placement of planters.)

6. Trash receptacles

Each outdoor dining area shall have a trash receptacle within the outdoor dining area limits.

7. Signage

Signage shall not be posted in outdoor dining areas except for signs required by law or for small informational signs such as "No smoking on patio." Sign banners are not permitted. A-frame and T-frame signs shall be located within the outdoor dining area limits for the outdoor dining area to which they belong. (All other signage shall comply with Boise City regulations.)

8. Decorative lighting

Lighting is permitted if the intent is to add a festive, decorative element and not to attract attention. Lighting shall be white or clear in color and shall be understated. Flashing lights are not allowed. Light strands shall be kept in good repair and burned-out bulbs shall be replaced.

Maintenance

Restaurant owner/operators shall be responsible for maintaining furnishings in such a manner that these improvements present a high quality image. Any furnishings showing signs of wear, damage or failure shall be promptly refurbished, repaired or replaced.

Events

Licensee acknowledges that, because this is a non-exclusive license, CCDC and CCDC's managing agent does and has the right to schedule events on the Plaza that temporarily eliminate the licensee's use of the Plaza for outdoor dining. CCDC reserves the right to suspend the License, in CCDC's sole discretion, if CCDC feels a conflict will be created by such use. CCDC will provide Licensee or Licensee's tenant(s) with at least forty-eight (48) hours' notice of such events or suspension of use. Furthermore, CCDC shall not be liable for any inconvenience to, disruption of, or loss of business experienced by Licensee or Licensee's



agents, tenants, sub-licensees, or invitees caused by such events or suspension of License use.

Existing Improvements

Within 45 days of approval of these standards, all improvements in outdoor dining areas affected by these standards shall be placed in compliance with these standards, i.e. they shall observe the outdoor dining area limits as described herein. Other improvements and furnishings which do not comply with these design standards herein shall be inventoried by CCDC and CCDC shall work with each restaurant owner/operator on a plan for adding, modifying or replacing improvements and furnishings so they comply with these design standards.

Other Regulations

CCDC, City of Boise, and the State of Idaho have adopted regulations that may apply to outdoor dining areas. These include, but may not be limited to:

Boise City

- Alcoholic Beverages
- Sidewalk Cafe Regulations
- Noise Regulations
- Zoning Ordinance
- Sign Regulations
- No-Smoking Ordinance

State of Idaho

- Alcoholic Beverages

References are made to some of these regulations in these standards for information purposes only. References are in italics. Not all regulations are referenced. Business owners should consult Boise City and State of Idaho regarding regulations and license requirements. For purposes of these standards, where CCDC requirements are more restrictive than State of Idaho or Boise City requirements, CCDC requirements shall govern.



Questions?

If you have questions about these requirements, please contact John Brunelle, CCDC Executive Director, at info@ccdcboise.com.

Adopted: CCDC Board of Commissioners

March 29, 2016 by Resolution #1438

John Hale, Chairman

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