

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005**

TAB	DESCRIPTION	ACTION
1	BOISE STATE UNIVERSITY Presentation of New Campus Master Plan	Motion to approve
2	BOISE STATE UNIVERSITY Eminent Domain – Property Acquisition	Motion to approve
3	BOISE STATE UNIVERSITY Plan & Design of Student Union Building Expansion & Parking Deck	Motion to approve
4	BOISE STATE UNIVERSITY Purchase of Specialized Electron Microscope	Motion to approve
5	BOISE STATE UNIVERSITY Citadel Communications Contract Addendum over \$500K	Motion to approve
6	BOISE STATE UNIVERSITY Interactive Learning Center Increased Construction Costs	Information item
7	IDAHO STATE UNIVERSITY Two Requests for Proposal: Replacement Hardware / Operating System; and Convert to UNIX-Based System	Motion to approve
8	UNIVERSITY OF IDAHO Property Easement – Hagerman Aquaculture	Motion to approve
9	UNIVERSITY OF IDAHO Property Easement – UI Experimental Forest	Motion to approve
10	LEWIS-CLARK STATE COLLEGE Sale of Property – Student Residence	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

TAB	DESCRIPTION	ACTION
11	FY2007 BUDGET REVISIONS	Motions to approve
12	AMENDMENT OF BOARD POLICY Section V.S.2. – Enrollment Workload Adjustment Base Multiplier - 1 st Reading	Motion to approve
13	AMENDMENT OF BOARD POLICY Section V.E – Gifts & Affiliated Foundations – 1 st Reading	Motion to approve
14	COLLEGE & UNIVERSITIES Sources And Uses Of Funds	Information item

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval of its 2005 Campus Master Plan Update.

REFERENCE

March 1997	Boise State University 1997 campus master plan was presented to the Board
------------	---

APPLICABLE STATUTE, RULE, OR POLICY

NA

BACKGROUND

The current campus master plan, developed by the Zimmer Gunsul Frasca Partnership (ZGFP), was completed in 1997. Using the University's concept of a "distributed campus" as the model for the Boise State University campus of the future, the Zimmer Gunsul Frasca Partnership developed framework master plans for both the Boise and West Campuses in 1996-97. ZGFP was selected to develop the original campus master plan through a qualification-based selection process administered by the Division of Public Works (DPW). The 1997 campus master plan was presented to the State Board of Education in 1997. When the decision was made to update the campus master plan in 2004, the University requested and received approval from the Division of Public Works and the Permanent Building Fund Advisory Council (PBFAC) to hire ZGFP as the planning consultant for the update to this plan. The University paid \$109,400 to ZGFP to complete this master plan update.

DISCUSSION

Boise State has made some impressive gains in positioning itself as a metropolitan university in the west. There is an opportunity to develop a unique mission for Boise State with the convergence of the institution's metropolitan character, traditional undergraduate teaching mission, and the research and advanced graduate study offered by the faculty. Many of the principles embodied in the campus master plan update were originally developed in the 1997 campus framework master plan. The most notable difference between the original master plan and the update is in the redefinition of Boise State University as a metropolitan research university of distinction. The most profound changes in the master plan are the proposed facilities site groupings to achieve affinities between interdisciplinary programs and departments. This effort was influenced by the University's academic plans and priorities.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

The master planning effort was led by a 12-member campus master plan committee working with ZGFP architects. Input for the plan update was solicited from this committee; university students, faculty, and staff; residents of the surrounding neighborhoods; the Ada County Highway District; the Boise City Planning Department; and the Boise Parks and Recreation Department. ZGFP and university officials made presentations of the draft update campus master plan to the university community including students, faculty, and staff and neighborhood residents to solicit their responses to the document. After the campus master plan update has been approved by the State Board of Education, it will be made available to the public via a University web site and other publications. University staff will make a formal request to the Boise City Council to integrate the campus master plan update into the City's Comprehensive Plan, as is the current campus master plan.

IMPACT

This new document provides a campus framework analysis and a master plan that summarizes facility improvements and building sites through 2015 and beyond. It will serve as a guide for future property acquisition, utility and infrastructure projects and new and upgraded facilities. This master plan will serve as a fundamental cornerstone to the development of the future Boise State University Campus. In prior Board meetings, the Board has directed the University to update the master plan prior to requesting approval to construct new facilities.

STAFF COMMENTS AND RECOMMENDATIONS

The master planning document has been printed as a separate document by BSU and will be provided with the agenda materials.

As noted above in "Impact", the Board did direct BSU to update its master plan; staff suggests similar guidance be provided to the other institutions at an appropriate time (new president at ISU, for example). In addition, the Board should make clear to the institutions that approval of a master plan does not automatically construe permission to that institution to proceed with any property acquisition or facility construction – existing Board policy must still be followed.

Staff will not have had time for anything more than a cursory review of the master planning document prior to presentation to the Board, and therefore will not be able to provide explanation or analysis of the document or BSU's intentions. Officials from Boise State University will be available to answer questions and provide additional comments.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

BOARD ACTION

A motion to approve the 2005 Campus Master Plan Update for Boise State University, as presented at the October 17, 2005 Board meeting. It is expected this document will be used as a framework for future campus development.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University seeks approval for purchase of property including the use of eminent domain if necessary.

REFERENCE

October 2005 Campus Master Plan item

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-3804(c), Idaho Code – eminent domain power of the Board and University.

Sections 7-701 through 7-721, Idaho Code – Eminent domain statutes, in general.

BACKGROUND

The University seeks approval of the right to acquire various parcels of property, via eminent domain (if necessary), to be used for University expansion purposes.

DISCUSSION

N/A

STAFF COMMENTS AND RECOMMENDATIONS

The BSU campus master planning document is being presented as a separate agenda item at this Board meeting. This request is part of BSU's ongoing property acquisition process.

Staff recommends approval.

BOARD ACTION

A motion to authorize Boise State University to acquire, within funds available to the institution, real property identified in its master plan and to execute all documents necessary to acquire the property and to utilize its power of eminent domain if necessary. The Vice President of Finance and Administration at BSU is hereby authorized to execute all documents necessary on behalf of the State Board of Education, subject to final review by the Board's Executive Director and legal counsel.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

SECTION 33-3804(C), IDAHO CODE – The eminent domain power of the Board and University.

33-3804. POWERS AND DUTIES OF STATE INSTITUTIONS. Every institution shall have power in its proper name as aforesaid:

- (a) To have a corporate seal and alter the same at pleasure;
- (b) To sue and be sued;
- (c) To acquire by purchase, gift or the exercise of the right of eminent domain and hold and dispose of real or personal property or rights or interests therein and water rights;

SECTION IDAHO CODE SECTIONS 7-701 THROUGH 7-721 – Eminent domain statutes, in general.

7-701. USES FOR WHICH AUTHORIZED. Subject to the provisions of this chapter, the right of eminent domain may be exercised in behalf of the following public uses:

1. Public buildings and grounds for the use of the state, and all other public uses authorized by the legislature.

2. Public buildings and grounds for the use of any county, incorporated city or school district; canals, aqueducts, flumes, ditches or pipes for conducting water for use on state property or for the use of the inhabitants of any county or incorporated city, or for draining state property for any county or incorporated city, raising the banks of streams, removing obstructions therefrom and widening, deepening or straightening their channels, roads, streets, alleys, and all other public uses for the benefit of the state or of any county, incorporated city or the inhabitants thereof.

3. Wharves, docks, piers, chutes, booms, ferries, bridges, toll roads, byroads, plank and turnpike roads, steam, electric and horse railroads, reservoirs, canals, ditches, flumes, aqueducts and pipes, for public transportation supplying mines and farming neighborhoods with water, and draining and reclaiming lands, and for storing and floating logs and lumber on streams not navigable.

4. Roads, tunnels, ditches, flumes, pipes and dumping places for working mines; also outlets, natural or otherwise, for the flow, deposit or conduct of tailings or refuse matter from mines; also, an occupancy in common by the owners or possessors of different mines of any place for the flow, deposit or conduct of tailings or refuse matter from their several mines.

5. Byroads, leading from highways to residences and farms.

6. Telephones, telegraph and telephone lines.

7. Sewerage of any incorporated city.

8. Cemeteries for the burial of the dead, and enlarging and adding to the same and the grounds thereof.

9. Pipe lines for the transmission, delivery, furnishing or distribution of natural or manufactured gas for light, heat or power, or for the transportation of crude petroleum or petroleum products; also for tanks, reservoirs, storage, terminal and pumping facilities, telephone, telegraph and power lines necessarily incident to such pipe lines.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

10. Snow fences or barriers for the protection of highways from drifting snow.
11. Electric distribution and transmission lines for the delivery, furnishing, distribution, and transmission of electric current for power, lighting, heating or other purposes; and structures, facilities and equipment for the production, generation, and manufacture of electric current for power, lighting, heating or other purposes.

7-702. ESTATES SUBJECT TO TAKING. The following is a classification of the estates and rights in lands subject to be taken for public use:

1. A fee simple, when taken for public buildings or grounds, or for permanent buildings, for reservoirs and dams and permanent flooding occasioned thereby, or for an outlet for a flow, or a place for the deposit of debris or tailings of a mine.
2. An easement, when taken for any other use.
3. The right of entry upon, and occupation of, lands, and the right to take therefrom such earth, gravel, stones, trees and timber as may be necessary for some public use.

7-703. PRIVATE PROPERTY SUBJECT TO TAKING. The private property, which may be taken under this chapter includes:

1. All real property belonging to any person.
2. Lands belonging to the government of the United States, to this state, or to any county, incorporated city, or city and county, village or town, not appropriated to some public use.
3. Property appropriated to public use; but such property shall not be taken unless for a more necessary public use than that to which it has been already appropriated.
4. Franchises for toll roads, toll bridges and ferries, and all other franchises; but such franchises shall not be taken unless for free highways, railroads or other more necessary public use.
5. All rights of way for any and all the purposes mentioned in section 7-701, and any and all structures and improvements thereon, and the lands held or used in connection therewith, shall be subject to be connected with, crossed or intersected by any other right of way or improvements or structures thereon. They shall also be subject to a limited use, in common with the owners thereof, when necessary, but such uses, crossings, intersections and connections shall be made in the manner most compatible with the greatest public benefit and least private injury.
6. All classes of private property not enumerated may be taken for public use when such taking is authorized by law.

7-704. FACTS PREREQUISITE TO TAKING. Before property can be taken it must appear:

1. That the use to which it is to be applied is a use authorized by law.
2. That the taking is necessary to such use.
3. If already appropriated to some public use, that the public use to which it is to be applied is a more necessary public use.
4. In addition, for an electrical transmission line with a capacity in excess of two hundred thirty (230) KV (kilovolts), to be constructed over private real property actively devoted to agriculture, that a public meeting shall have been held following ten (10) days' notice, as provided by section

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

60-109, Idaho Code, being published in a newspaper of general circulation in each county or counties in which the transmission line is proposed to be located with the last publication of the legal notice having occurred prior to the public meeting at which testimony from interested persons regarding the transmission line location is received.

7-704A. ACQUISITION OF OMITTED LANDS -- ESCROW OF FUNDS. (1) The state of Idaho, or any of its political subdivisions, in exercising its powers of eminent domain, shall acquire and pay full value for all lands classified as omitted lands under federal legislation as though the state of

Idaho or any political subdivision therein were receiving fee simple title.

(2) The state of Idaho or any political subdivision thereof shall be entitled to escrow the funds for the acquisition of the omitted lands until a letter of acquiescence or other documentation is received from the federal government, at which time all of the funds shall be remitted to the landholder.

7-705. SURVEY AND LOCATION OF LAND. In all cases where land is required for public use the state or its agents in charge of such use may survey and locate the same, but it must be located in the manner which will be most compatible with the greatest public good and the least private injury, and subject to the provisions of this chapter. The state or its agents in charge of such public use, may enter upon the land and make examinations, surveys and maps thereof, and such entry shall constitute no cause for action in favor of the owners of the land, except for injuries resulting from negligence, wantonness or malice.

7-706. JURISDICTION IN DISTRICT COURT -- COMMENCEMENT OF PROCEEDINGS. All proceedings under this chapter must be brought in the district court for the county in which the property is situated. They must be commenced by filing a complaint and issuing a summons thereon.

7-707. COMPLAINT. The complaint must contain:

1. The name of the corporation, association, commission or person in charge of the public use for which the property is sought, who must be styled plaintiff.

2. The names of all owners and claimants of the property, if known, or a statement that they are unknown, who must be styled defendants.

3. A statement of the right of the plaintiff.

4. If a right of way be sought, the complaint must show the location, general route and termini, and must be accompanied with maps thereof.

5. A description of each piece of land sought to be taken, and whether the same includes the whole, or only a part, of an entire parcel or tract. All parcels lying in the county, and required for the same public use, may be included in the same or separate proceedings, at the option of the plaintiff, but the court may consolidate or separate them to suit the convenience of the parties.

6. In all cases where the owner of the lands sought to be taken resides in the county in which said lands are situated, a statement that the plaintiff has sought, in good faith, to purchase the lands so sought to be taken, or settle with the owner for the damages which might result to his property from the taking thereof, and was unable to make any

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

reasonable bargain therefore, or settlement of such damages; but in all other cases these facts need not be alleged in the complaint, or proved.

7-708. **SUMMONS.** The clerk must issue a summons, which must contain the names of the parties, a general description of the whole property, a statement of the public use for which it is sought, and a reference to the complaint for descriptions of the respective parcels, and a notice to the defendants to appear and show cause why the property described should not be condemned as prayed for in the complaint. In all other particulars it must be in the form of a summons in civil actions, and must be served in like manner.

7-709. **PERSONS ENTITLED TO DEFEND.** All persons in occupation of, or having or claiming an interest in, any of the property described in the complaint, or in the damages for the taking thereof, though not named, may appear, plead and defend, each in respect to his own property or interest, or that claimed by him, in like manner as if named in the complaint.

7-710. **POWERS OF COURT.** The court shall have power:

1. To regulate and determine the place and manner of making connections and crossings, or of enjoying the common use mentioned in the fifth subdivision of section 7-703.
2. To hear and determine all adverse or conflicting claims to the property sought to be condemned, and to the damages therefor.
3. To determine the respective rights of different parties seeking condemnation of the same property.

7-711. **ASSESSMENT OF DAMAGES.** The court, jury or referee must hear such legal testimony as may be offered by any of the parties to the proceedings, and thereupon must ascertain and assess:

1. The value of the property sought to be condemned, and all improvements thereon pertaining to the realty, and of each and every separate estate or interest therein; if it consists of different parcels, the value of each parcel and each estate or interest therein shall be separately assessed. For purposes of ascertaining the value of the property, the assessed value for property tax purposes shall be used as the minimum amount for damages unless the court, jury or referee finds the property has been altered substantially.
2. If the property sought to be condemned constitutes only a part of a larger parcel: (a) the damages which will accrue to the portion not sought to be condemned, by reason of its severance from the portion sought to be condemned, and the construction of the improvement in the manner proposed by the plaintiff; and (b) the damages to any business qualifying under this subsection having more than five (5) years' standing which the taking of a portion of the property and the construction of the improvement in the manner proposed by the plaintiff may reasonably cause. The business must be owned by the party whose lands are being condemned or be located upon adjoining lands owned or held by such party. Business damages under this subsection shall not be awarded if the loss can reasonably be prevented by a relocation of the business or by taking steps that a reasonably prudent person would take, or for damages caused by temporary business interruption due to construction; and provided further that compensation for business

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

damages shall not be duplicated in the compensation otherwise awarded to the property owner for damages pursuant to subsections (1) and (2) (a) of section 7-711, Idaho Code.

(i) If the business owner intends to claim business damages under this subsection, the owner, as defendant, must submit a written business damage claim to the plaintiff within ninety (90) days after service of the summons and complaint for condemnation. The plaintiff's initial offer letter or accompanying information must expressly inform the defendant of its rights under this subsection, and must further inform the defendant of its right to consult with an attorney.

(ii) The defendant's written claim must be sent to the plaintiff by certified mail, return receipt requested. Absent a showing of a good faith justification for the failure to submit a business damage claim within ninety (90) days, or an agreed extension by the parties, the court shall strike the defendant's claim for business damages in any condemnation proceeding.

(iii) The business damage claim must include an explanation of the nature, extent, and monetary amount of such claimed damages and must be prepared by the owner, a certified public accountant, or a business damage expert familiar with the nature of the operations of the defendant's business.

The defendant shall also provide the plaintiff with copies of the defendant's business records that substantiate the good faith offer to settle the business damage claim. The business damage claim must be clearly segregated from the claim for property damages pursuant to subsections (1) and (2)(a) of section 7-711, Idaho Code.

(iv) As used in this subsection, the term "business records" includes, but is not limited to, copies of federal and state income tax returns, state sales tax returns, balance sheets, and profit and loss statements for the five (5) years preceding which are attributable to the business operation on the property to be acquired, and other records relied upon by the business owner that substantiate the business damage claim.

(v) The plaintiff's good faith in failing to offer compensation for business damages shall not be contested at a possession hearing held pursuant to section 7-721, Idaho Code, if the defendant has not given notice of its intent to claim business damages prior to the date of filing of the motion that initiates the proceeding under that section.

3. Separately, how much the portion not sought to be condemned, and each estate or interest therein, will be specially and directly benefited, if at all, by the construction of the improvement proposed by the plaintiff; and if the benefit shall be equal to the damages assessed, under subsection 2. of this section, the owner of the parcel shall be allowed no compensation except the value of the portion taken; but if the benefit shall be less than the damages so assessed, the former shall be deducted from the latter, and the remainder shall be the only damages allowed in addition to the value.

4. If the property sought to be condemned be for a railroad, the cost of good and sufficient fences along the line of such railroad, and the cost of cattle guards where fences may cross the line of such railroad.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

5. As far as practicable, compensation must be assessed for each source of damages separately.

6. If the property sought to be condemned is private real property actively devoted to agriculture, the damages which will accrue because of the costs, if any, of farming around electrical transmission line structure(s) for a transmission line with a capacity in excess of two hundred thirty (230) KV (kilovolts). If the property sought to be condemned has been the subject of a previous condemnation proceeding or proceedings for electrical transmission line structure(s) and at the time of condemnation the field holds other electrical transmission line structure(s), such evidence of costs referred to above may also include the cumulative effects, if any, of conducting farming operations around other electrical transmission line structure(s) in the same field, whether such structure(s) are of the condemner or not.

7-711A. ADVICE OF RIGHTS FORM -- RIGHTS WHEN CONDEMNING AUTHORITY ACQUIRES PROPERTY. Whenever a state or local unit of government or a public utility is beginning negotiations to acquire a parcel of real property in fee simple, the condemning authority shall provide the owner of the property a form containing a summary of the rights of an owner of property to be acquired under this chapter. If the condemning authority does not supply the owner of the real property with this form, there will be a presumption that any sale or contract entered into between the condemning authority and the owner was not voluntary and the condemning authority may be held responsible for such relief, if any, as the court may determine to be appropriate considering all of the facts and circumstances. The form shall contain substantially the following:

(1) The (name of entity allowed to use eminent domain proceedings pursuant to chapter 7, title 7, Idaho Code) has the power under the constitution and the laws of the state of Idaho and the United States to take private property for public use. This power is generally referred to as the power of "eminent domain" or condemnation. The power can only be exercised

when:

- (a) The property is needed for a public use authorized by Idaho law;
- (b) The taking of the property is necessary to such use;
- (c) The taking must be located in the manner which will be most compatible with the greatest public good and the least private injury.

(2) The condemning authority must negotiate with the property owner in good faith to purchase the property sought to be taken and/or to settle with the owner for any other damages which might result to the remainder of the owner's property.

(3) The owner of private property to be acquired by the condemning authority is entitled to be paid for any diminution in the value of the owner's remaining property which is caused by the taking and the use of the property taken proposed by the condemning authority. This compensation, called

"severance damages," is generally measured by comparing the value of the property before the taking and the value of the property after the taking.

Damages are assessed according to Idaho Code.

(4) The value of the property to be taken is to be determined based upon the highest and best use of the property.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

(5) If the negotiations to purchase the property and settle damages are unsuccessful, the property owner is entitled to assessment of damages from a court, jury or referee as provided by Idaho law.

(6) The owner has the right to consult with an appraiser of the owner's choosing at any time during the acquisition process at the owner's cost and expense.

(7) The condemning authority shall deliver to the owner, upon request, a copy of all appraisal reports concerning the owner's property prepared by the condemning authority. Once a complaint for condemnation is filed, the Idaho rules of civil procedure control the disclosure of appraisals.

(8) The owner has the right to consult with an attorney at any time during the acquisition process. In cases in which the condemning authority condemns property and the owner is able to establish that just compensation exceeds the last amount timely offered by the condemning authority by ten percent (10%) or more, the condemning authority may be required to pay the owner's reasonable costs and attorney's fees. The court will make the determination whether costs and fees will be awarded.

(9) The form contemplated by this section shall be deemed delivered by United States certified mail, postage prepaid, addressed to the person or persons shown in the official records of the county assessor as the owner of the property. A second copy will be attached to the appraisal at the time it is delivered to the owner.

(10) If a condemning authority desires to acquire property pursuant to this chapter, the condemning authority or any of its agents or employees shall not give the owner any timing deadline as to when the owner must respond to the initial offer which is less than thirty (30) days. A violation of the provisions of this subsection shall render any action pursuant to this chapter null and void.

(11) Nothing in this section changes the assessment of damages set forth in section 7-711, Idaho Code.

7-712. DAMAGES -- DATE OF ACCRUAL. For the purpose of assessing compensation and damages, the right thereto shall be deemed to have accrued at the date of the summons, and its actual value, at that date, shall be the measure of compensation for all property to be actually taken, and the basis of damages to property not actually taken, but injuriously affected, in all cases where such damages are allowed, as provided in the last section. No improvements put upon the property subsequent to the date of the service of summons shall be included in the assessment of compensation or damages. The compensation and damages awarded shall draw lawful interest from the date of the summons.

7-713. CURING DEFECTIVE TITLE. If the title attempted to be acquired is found to be defective from any cause, the plaintiff may again institute proceedings to acquire the same as in this chapter prescribed.

7-714. PAYMENT OF DAMAGES. The plaintiff must, within thirty (30) days after final judgment, pay the sum of money assessed, but may, at the time of or before payment, elect to build the fences and cattle guards, and, if he so elect, shall execute to the defendant a bond, with sureties to be approved by the court, in double the assessed cost of

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

the same, to build such fences and cattle guards within eight (8) months from the time the railroad is built on the land taken, and, if such bond is given, need not pay the cost of such fences and cattle guards. In an action on such bond the plaintiff may recover reasonable attorney's fees.

7-715. PAYMENT OF DAMAGES -- FAILURE TO MAKE PAYMENT. Payment may be made to the defendants entitled thereto, or the money may be deposited in court for the defendants, and be distributed to those entitled thereto. If the money be not so paid or deposited, the defendants may have execution as in civil cases; and if the money cannot be made on execution, the court, upon a showing to that effect, must set aside and annul the entire proceedings, and restore possession of the property to the defendant, if possession has been taken by the plaintiff.

7-716. FINAL ORDER OF CONDEMNATION. When payments have been made and the bond given, if the plaintiff elects to give one, as required by the last two (2) sections, the court must make final order of condemnation, which must describe the property condemned and the purposes of such condemnation. A copy of the order must be filed in the office of the recorder of the county, and thereupon the property described therein shall vest in the plaintiff for the purposes therein specified.

7-717. POSSESSION BY PLAINTIFF -- PAYMENT OF DAMAGES -- APPOINTMENT OF COMMISSIONERS. At any time after trial and judgment entered, or pending an appeal from the judgment to the Supreme Court, whenever the plaintiffs shall have paid into the court for the defendant the full amount of the judgment, and such further sum as shall be required by the court as a fund to pay any further damages and costs that may be recovered in said proceedings, as well as all damages that may be sustained by the defendant, if for any cause the property shall not be finally taken for public use, the district court in which the proceeding was tried may, upon notice of not less than ten (10) days, authorize the plaintiff, if already in possession, to continue therein, and if not, to take possession of and use the property during the conclusion of the litigation, and may, if necessary, stay all actions and proceedings against the plaintiff on account thereof.

The defendant who is entitled to the money paid into court for him upon any judgment, shall be entitled to demand and receive the same at any time thereafter, upon obtaining an order therefor from the court. It shall be the duty of the court, or the judge thereof, upon application being made by such defendant, to order and direct that the money so paid into court for him, be delivered to him upon his filing a satisfaction of the judgment, or upon his filing a receipt therefor, and an abandonment of all defenses to the action or proceeding, except as to the amount of damages that he may be entitled to in the event that a new trial shall be granted. A payment to a defendant as aforesaid shall be held to [be] an abandonment by such defendant of all defenses interposed by him, excepting his claim for greater compensation. The court may order the money to be deposited in the county treasury, and in such case it shall be the duty of the treasurer to receive all such moneys, duly receipt for, and safely keep the same, and to pay out such moneys in such manner, and at such times, as the court or judge thereof may direct, and for such duty he shall be liable to the plaintiff upon his official bond; provided further, that at any time after the commencement of proceedings in the district court, as provided for in this chapter, to

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

condemn property, and upon ten (10) days' notice to the adverse party, the district court or the judge thereof may appoint three (3) disinterested persons, who shall be residents of the county in which the land is situated, as commissioners to assess and determine the damages that the defendant will sustain by reason of the condemnation and appropriation of the property described in the complaint, and the said commissioners shall, before entering upon the discharge of their duties, take and subscribe an oath to faithfully and impartially discharge their duties as such commissioners. Such commissioners shall, within five (5) days of their appointment, give notice in writing of the time and place where they will meet for the purpose aforesaid, which time shall not be less than five (5) days nor more than ten (10) days from the date of giving said notice, and which place shall be within five (5) miles of the premises aforesaid, unless another time or place is agreed upon by the commissioners and the parties. At the time and place mentioned in such notice they may administer oaths to witnesses, and hear the evidence offered by the parties, and, after viewing the premises, shall report in writing their proceedings and the damages which they find the defendant will sustain by reason of the condemnation and appropriation of said property, which report shall be signed by said commissioners, or a majority thereof, and be filed in the office of the clerk of the district court in which such action shall be pending within ten days of the date of the conclusion of the commissioners' proceedings unless additional time therefor is granted by the court or judge thereof; and at any time after payment to the defendant of the amount so assessed and found by said commissioners as damages, or in case the defendant shall refuse to receive the same, then at any time after such amount shall be deposited with the clerk of the said court to abide the result of said action, the plaintiff may enter upon, and take possession of and use, the property mentioned in the complaint and do such work thereon as may be required for the easement or title sought according to its nature, until the final conclusion of the litigation concerning the same: provided further, that at the time of making such payment to the defendant of the amount so assessed and found by said commissioners as damages, or in case the defendant shall refuse to receive the same, then at any time after such amount shall be deposited with the clerk of the said court to abide the result of said action, the plaintiff may elect to build the fences, cattle guards and other structures by said commissioners found to be necessary, and may execute to the defendant a bond as provided in Section 7-714.

7-718. COSTS. Costs may be allowed or not, and, if allowed, may be apportioned between the parties on the same or adverse sides in the discretion of the court.

7-720. APPLICATION TO MUNICIPALITIES. Nothing in this code must be construed to abrogate or repeal any statute provided for the taking of property in any municipality for street purposes. Any municipality at its option may exercise the right of eminent domain under the provisions of this chapter for any of the uses and purposes mentioned in sections 50-1124 and 50-1125, in like manner and to the same extent as for any of the purposes mentioned in section 7-701.

7-721. POSSESSION BY PLAINTIFF PENDING TRIAL. In any proceeding under the provisions of this chapter whereby the state of Idaho, or any board, agency or political

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

subdivision thereof, or municipality therein, is seeking to acquire real property necessary for the construction, maintenance, alteration, and repair of freeways, expressways, highways, roads, streets, airports, and any necessary structures or appurtenances needed in connection therewith, or the construction and extension of culinary water systems, sewers and sewerage systems, including sewerage treatment facilities, the plaintiff may take possession of and use such property at any time after just compensation has been judicially determined and payment thereof made into court. Judicial determination shall be satisfied by the following requirements:

(1) At any time after an action for condemnation has been commenced under the provisions of this chapter and after the defendant has made an appearance, the plaintiff may file a motion asking that said plaintiff be placed in lawful possession of and have the use of said property and the court shall fix a date, not less than ten (10) or more than twenty (20) days after the filing of such motion, for the hearing thereon and shall require due notice to be given to each party to the proceedings whose interest would be affected by the requested taking. Notice herein shall be given as provided in rule 5(a) or 5(b), as the case may be, of the Idaho rules of civil procedure.

If the defendant has not appeared, but is not in default, plaintiff may proceed as herein provided twenty (20) days after the action shall have been commenced by serving the motion and notice of the hearing in the same manner as required for service of summons.

(2) At the hearing the court shall first determine whether or not plaintiff (a) has the right of eminent domain, (b) whether or not the use to which the property is to be applied is a use authorized by law, (c) whether or not the taking is necessary to such use, and (d) whether or not plaintiff has sought, in good faith, to purchase the lands sought to be taken and the court shall enter an order thereon which shall be a final order as to these issues and an appeal may be taken therefrom; provided, however, no appeal therefrom shall stay further proceedings.

(3) If the matters in the preceding subsection are determined in favor of the plaintiff the court shall hear the issues raised by the plaintiff's motion for taking and shall receive such evidence as it may consider necessary and proper for a finding of just compensation, but the court may limit the number of witnesses presented by any party to the action, and, in its discretion, may appoint a disinterested appraiser as an agent of the court to evaluate the property to which the motion relates and to report his conclusions to the court within ten (10) days from the date of his appointment; and the court shall fix his fee which shall be paid by the plaintiff. The court shall within five (5) days after the hearing, or if it shall appoint an appraiser, within five (5) days after receiving his report, make an order of determination of just compensation.

(4) Neither the order of the court determining just compensation, nor the amount of the deposit, nor the report of the appraiser appointed by the court shall be admissible in evidence in further proceedings under this section.

(5) After the court has entered its order of determination of the amount of just compensation, the plaintiff may deposit such amount with the court and the court shall thereupon enter an order fixing a date from which the plaintiff shall be entitled to take possession of and use the property. After such deposit and order have been made the cause shall proceed to trial in the regular manner.

(6) Any party defendant may file with the court an application to withdraw his share of the amount deposited by the plaintiff. Such application may be filed at any time after the

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

court has entered its order placing plaintiff in possession and use of the property. If there be only one (1) defendant in the action, the court shall authorize the requested withdrawal of funds, but if there shall be more than one defendant the court shall fix a date for hearing on the application to withdraw funds and shall require notice to be given to each party whose interest would be affected by such withdrawal.

After hearing the court shall determine the share of the funds deposited to which the defendants or any of them are lawfully entitled and shall authorize the withdrawal requested or such part thereof as shall be proper.

(7) If more than eighty per centum (80%) of the amount deposited is withdrawn, the defendant or defendants making the withdrawal shall be required to make a written undertaking, executed by two (2) or more sufficient sureties, approved by the court, to the effect that they are bound to the plaintiff for the payment to it of such sum by which the amount withdrawn shall exceed the amount of the award finally determined upon trial of the cause.

(8) Upon trial of the cause the court shall enter judgment against the plaintiff for the amount of the award, and the plaintiff shall pay to the defendant or defendants the amount, if any, by which such judgment exceeds the amount previously deposited; provided that if the award and judgment shall be less than the amount withdrawn under subsection (6) the defendant or defendants shall refund the difference to the clerk of court and if such refund is not made within thirty (30) days the court shall enter judgment in favor of the plaintiff and against such defendant or defendants for the amount of the difference.

(9) After plaintiff has deposited with the court the amount determined by the court to be just compensation, no interest shall accrue on the amount so deposited.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests Board approval to procure architectural services not to exceed \$650,000 to complete pre-design and programming plans for the expansion of the Student Union Building.

REFERENCE

March 2001	Boise State University submitted an information item regarding planning for an expansion of the existing Student Union Building.
April 2001	Boise State University requested approval to proceed with the expansion of its Student Union Building for a project budget of \$23 million.
April 2001	Student fee increase request of \$25 for Student Union and Housing Operations fee in order to add 99,000 SF of space to the current building.
April 2002	Request to reallocate the \$25 Student union and housing operations fee to matriculation in order to reduce the budget reduction impact and minimize fee increases.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section V.K.1.

BACKGROUND

This project encompasses the architectural services from pre-design/programming to design development, including development of a cost estimate, in preparation to expand the Student Union Building. The estimated cost of these services is \$650,000. In 2001 the State Board of Education approved the project to expand the facility by approximately 99,000 square feet. The first year of a phased fee was approved, however, one year later it was reverted to matriculation to offset the negative affects of reduced state funding to Boise State University. In the strategic and master planning processes, the Student Union expansion continues to be a priority. There is a need to review and update the original expansion and program plan and to develop a more accurate cost estimate for the expansion project.

**INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

DISCUSSION

Many University departments have difficulty reserving meeting space in the Student Union because the meeting rooms are already booked. As the University develops into a metropolitan research university of distinction, the need for meeting and event space has increased and the ability to meet that need has decreased. More departments are interested in hosting regional and national conferences and the number of strategic partnerships with community organizations has increased drastically. The Student Union is increasingly unable to meet the demand due to growing student enrollments and the need to accommodate more visitors to the campus.

Building community has become a priority for Boise State as we strive to become a metropolitan research university of distinction. The recently completed work by the Task Force on Freshman Success also underscores the need to create more opportunities for student interaction outside the classroom environment as a direct link to improving freshman retention rates. This vision can be a challenge on a commuter campus. Student organizations play a primary role in building campus community and a true affinity to Boise State. Demand for student organization space has increased.

Another significant contributor to building community on campus is the availability of food service for students, faculty and staff. The current facilities within the Student Union are inadequate and as the campus grows to the south, additional services will be expected. When the residence halls are at capacity, there will be insufficient campus dining space to feed these students.

Based on industry benchmarks, the Bookstore is half the size it should be for the enrollment of Boise State. In FY2005 the Bookstore contributed over \$1 million to the programs and services of Boise State University. The current benchmark of square footage per student for college union facilities is 12 square feet/student. The Boise State Student Union is at less than 10 square feet/student when classes started in September. Expansion of the Student Union will meet many of the out-of-the-classroom needs of a growing and developing University.

The following have been identified as items that would be included within an expansion of the Student Union.

- Expansion of Table Rock Café (residence hall dining)
- Expansion of the Bookstore
- Expansion and relocation of the Women's Center
- New ballroom
- Expansion of student organization space, including offices for Student Radio & Arbiter

**INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

- New meeting rooms
- Study lounges/spaces
- Expansion of first floor retail dining space, to include programming space
- New patio performance and seating area with adjacent green space

Since 2000 the Student Union expansion has been a priority for the students of Boise State. ASBSU, the Student Programs Board, the Volunteer Services Board, the Residence Hall Association, Greek letter organizations and many other students groups have passed resolutions of support for the project. Staff and faculty have also demonstrated their support through their votes on advisory boards and through anecdotal information when space or services are unavailable.

IMPACT

The total budget for architectural services up to design development is not to exceed \$650,000. Funding has been identified from the reserve and operating budgets of the Student Union. The reserve allocation was approved as a part of the University's FY2006 operating budget. The project budget for the Student Union expansion was estimated at \$23 million in 2001. However, given the more recent significant increases in construction costs and the desire to re-program portions of the planned expansion, it is difficult to provide an accurate construction cost estimate prior to working with an architect to pre-design the new facility. With programming changes and cost escalations, the cost is likely to be estimated in the \$25 to \$30 million range. The source of funding for this expansion project is the strategic facilities fee that will be used to service revenue bonds for this and other university facility projects.

A significant component of this proposed project is to determine the budget necessary to meet the needs identified in the final design program. State Board approval will be sought when the design development phase is complete and a more detailed facilities program statement and project cost estimate is determined.

STAFF COMMENTS AND RECOMMENDATIONS

Staff requested and reviewed balance, revenue and expense information regarding the Student Union reserve and operating accounts to verify that BSU has sufficient funds budgeted for the pre-design and programming aspects of this project. BSU has sufficient funds for this portion of the project.

BSU also provided information regarding the preliminary planning and construction schedule, which indicates the following:

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

- Selection of architect and engineering services would be requested at the December 2005 or January 2006 Board meeting
- Approval of strategic facility fee would be requested during the Spring of 2006
- Approval of final construction budget, including bond issuance, would be requested by BSU in Winter 2006/2007

Staff has reviewed the request for conformance with Board policy and recommends approval for BSU to proceed with pre-design and programming functions, as requested.

BOARD ACTION

A motion to approve the request by Boise State University to procure architectural services, not to exceed \$650,000, to complete pre-design and programming plans for the expansion of the Student Union Building.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

**Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: K. Construction Projects**

April 2002

K. Construction Projects

1. Major Project Approvals - Proposed Plans

Without regard to the source of funding, before any institution, school or agency under the governance of the Board begin formal planning to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. All projects identified on the institutions', school's or agencies' six-year capital plan must receive Board approval.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Request approval to release funds awarded by National Science Foundation (NSF) for purchase of a thermal ionization mass spectrometer (TIMS)

REFERENCE

April 21, 2005 Board approval to remodel space to create an isotope geochemistry research laboratory

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a.

BACKGROUND

The National Science Foundation has awarded Boise State University a \$621,000 grant to purchase a state-of-the-art mass spectrometer for a new Isotope Geology Laboratory that will be the first of its kind in the interior northwest. This grant will fund the purchase and installation of the thermal ionization mass spectrometer, or TIMS.

DISCUSSION

Dr. Mark Schmitz, Assistant Professor in the Geosciences department, is researching isotope geochemistry and geochronology applied to petrology and tectonics. Based on his research, he was successful in obtaining this grant to fund the TIMS. The TIMS measures the products of radioactive decay in microscopic minerals and can be used to determine the age of geologic materials such as rocks or fossils, and the composition of environmental samples such as dissolved minerals in water or lead contaminants in soil.

The new TIMS equipment will support a number of local and regional research projects, such as a determining when volcanic eruptions occurred on the Snake River Plain, or tracing how quickly water flows underground through the Boise Foothills and the dissolved minerals it picks up along the way.

IMPACT

When the new lab is operational early next year, Boise State will have the only TIMS capabilities in a geographic area stretching from the University of Washington to the University of Wyoming. As such, the facility will be an important regional center of training for the next generation of geoscientists, and may also support research at the Idaho National Laboratory, as well as current and future partnerships with scientists in Europe, Russia, South Africa, Australia, and South America.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

This grant is for the purchase and installation of the equipment mentioned. There is no official cost-sharing (“match”) on the part of Boise State University; however, BSU did agree to provide an amount of \$60,000/year for three years to cover the costs of a staff technician for the TIMS.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this request for conformance to Board policy and recommends approval.

BOARD ACTION

A motion to approve Boise State University’s request to release funds awarded by the National Science Foundation (NSF), in the amount of \$621,000, for the purchase of a thermal ionization mass spectrometer (TIMS).

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

**Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
I. Real and Personal Property and Services**

April, 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Approval of an addendum to the existing agreement between Boise State University and Citadel Communications Corporation (KBOI) for radio broadcasting rights for certain Boise State University athletic events.

REFERENCE

October, 2002	Board approved an agreement between Boise State University and Citadel Communications Corporation (KBOI) for radio broadcasting rights of certain Boise State University athletic events
December, 2002	Board approved addendum to increase the amount paid to the head football coach (not listed on agenda, but noted as part of head football contract discussion

APPLICABLE STATUE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.N.1.

BACKGROUND

In 2002, Boise State University received approval for a four-year agreement between Boise State University and Citadel Communications Corporation (KBOI) for radio broadcasting rights of certain Boise State athletic events. This contract expires at the end of FY2006. The total value of the original contract was \$998,755 and included \$708,755 in cash payment for the broadcasting rights and \$290,000 in kind value for commercial airtime.

DISCUSSION

KBOI will produce a weekly one-hour program called *KBOI Sportsline* during the football season. In lieu of the one-hour program outlined in the original contract, beginning with the 2005-2006 fiscal year, KBOI will air a weekly *Bronco Wrap Up Show* for 15-20 minutes, hosted by Boise State staff to discuss activities involving Boise State athletics or Boise State University. Boise State will also be allowed two thirty second spots at no cost during each show to be used to thank and/or mention the University's major corporate sponsors.

IMPACT

The total value of this two-year contract addendum is \$584,500 and includes \$406,000 cash payment for broadcasting rights and \$178,500 in-kind value for commercial airtime. A portion of the revenues from this contract are used to compensate the coaches for media and public appearances. Such compensation amounts are identified in the coaches' contracts.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005**

**INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY – continued**

STAFF COMMENTS AND RECOMMENDATIONS

This agenda item is the second addendum to the original Agreement. In January 2003 an addendum was executed between BSU and the broadcast partner (Citadel/KBOI), which identified specific monthly payments to coaches, an item that was not part of the original agreement. No other changes were made to the original agreement. The original contract was approved at the October 2002 meeting, and the addendum to increase the amount paid to the head football coach was approved at the December 2002 meeting.

In the original agreement, slightly more than 90% of the cash payment made to BSU for broadcast rights was paid to coaches as part of the media/public appearance portion of their employment contracts, with the remainder being budgeted within the Athletic Department. The same percentages are expected to apply to the additional revenue generated by the proposed second Addendum.

The average annual value of the Addendum is a 17 percent increase over the original contract (14.5 percent increase on the cash payment and a 23 percent increase on the in kind value).

Staff has reviewed the second Addendum as presented with this agenda item for conformance with Board policy and recommends approval.

BOARD ACTION

A motion to approve the second Addendum to the 2002 Agreement between Boise State University and Citadel Communications Corporation (KBOI) for radio broadcasting for certain Boise State athletic events, for the purpose of extending the original agreement for an additional two years, and to include modifications to the programming and increasing the cash payment and in-kind value of the Agreement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



BOISE STATE UNIVERSITY BRONCOS

DEPARTMENT OF INTERCOLLEGIATE ATHLETICS

1910 University Drive, Boise, ID 83725-1020

Nicholson-Yanke Athletic Center (208) 426-1288 • Fax: (208) 426-1778
Pavilion (208) 426-1797 • Fax: (208) 426-3361

AGREEMENT

This Agreement, made this 4th day of June, 2002, by and between BOISE STATE UNIVERSITY (hereinafter "BSU") and CITADEL COMMUNICATIONS CORPORATION d.b.a./KBOI, (hereinafter "KBOI").

WITNESSETH

WHEREAS, BSU has a proprietary interest in its intercollegiate athletic programs and in the use of any materials relating to those programs; and

WHEREAS, KBOI was the successful bidder for a license for the radio broadcasting of certain BSU athletic events; and

WHEREAS, the principal elements of the bid proposal are incorporated in this Agreement granting a license for radio broadcast rights to KBOI;

NOW, THEREFORE, in consideration of the covenants and terms of this Agreement, BSU hereby grants to KBOI an exclusive license to broadcast on radio certain intercollegiate athletic events, and KBOI hereby agrees to broadcast said events, as set forth herein.

RESERVED RIGHTS: BSU reserves all rights to the broadcast material and recordings, both live and delayed, of the sporting events and activities covered by this Agreement, whether or not the same are evidenced by formal copyright. Notice of BSU's reservation of these rights shall be included as a part of every broadcast made pursuant to this Agreement. BSU shall be entitled to all royalties, fees or other income which may be attributable to the use of said broadcast material and recordings and KBOI will provide any assistance needed by BSU to implement any use of said material other than by radio transmission.

TERM: The exclusive license granted by this Agreement shall be for a term of four (4) years, beginning the 1st day of July 2002, and extending through June 30, 2006.

RADIO BROADCAST COMMITMENT: KBOI will broadcast live on radio all men's intercollegiate football and basketball games, regular and post-season, whether the same are played in Boise or elsewhere.

KBOI is required to supply a cassette tape of each and every Boise State University football and men's basketball game(s) broadcast by close of business on Monday after said broadcast. (This includes any broadcasts of BSU women's sporting events and/or any broadcast of athletic events.)

I. PROMOTION AND PUBLICITY:

1. KBOI will provide sports reports from the following events:

- A. Conference Championship events held in Boise involving BSU men and women;
- B. Other major events held in Boise of widespread interest such as conference championships, the NCAA Regional Championships, or a post-season invitational.

2. KBOI will broadcast a 3-hour live pre-game show for all home games and for all regular season games for Football (2002-03, through 2005-06 seasons), and a 2-hour live pre-game show for all away games.

KBOI will broadcast up to 2-hour post-game shows, from the end of each game to the top of the second hour, for all games, home or away. Shows will include appearances by BSU head coaches, game color and highlights, analysis, statistics and feature material. KBOI's broadcast team will host shows. KBOI will coordinate the content of these shows (pre-game and post-game) with BSU.

3. KBOI will run a weekly Monday morning 30-minute radio program featuring the BSU head football/basketball coach in season. Said show will run from 8:30-9:00 a.m. or 9:30-10:00 a.m. Boise State University will protect the exclusive nature of the relationship between head coaches of both football and men's basketball with Citadel Communications Corp., by not allowing those coaches to be available, in their prospective seasons up to and including post season play, to other area radio stations for extended interviews or talk appearances. Extended interviews or talk show appearances shall be defined as a radio appearance of more than three minutes.
4. KBOI will broadcast all pre-game, during-game, post-game, and weekly-featured shows for any additional post-season games for football and men's basketball, as done for all regular season games as stated in this proposal. The cash payment for these broadcasts is included in Item III.
5. KBOI will air each Saturday morning, 52 weeks per year, from 9:00 a.m. to 10:00 a.m. during the length of the contract, a one-hour program featuring and/or hosted by BSU's Athletic Director or his designee to discuss activities involving BSU Athletics or Boise State University. BSU will be allowed two (2) thirty second spots at no cost during each show to be used to thank and/or mention BSU's major corporate sponsors.
6. KBOI will provide BSU with two (2) thirty second spots at no cost during each broadcast throughout the year to be used by BSU to thank and/or mention BSU's major corporate sponsors. Said spots will play during the game broadcast or in the pre-game or post-game shows within 30 minutes of the start or conclusion of the game.
7. KBOI will produce a weekly program, approximately one hour in length, called KBOI Sportsline, to be scheduled each Thursday from 6pm to 7pm during the football season. KBOI reserves the right, concurrent with the standards set by both Citadel and Boise State University, the location of all Coaches Shows.

- 1) KBOI also proposes to air two (2) special "Sports Line" programs for Men's Basketball. KBOI reserves the right to pick which two games will be featured.
- 2) KBOI will broadcast a minimum of one (1) women's basketball game. KBOI reserves the right to choose the game(s) based on perceived levels of interest in the Treasure Valley.
8. In addition to any other advertising by KBOI, KBOI will continue to support the Bronco Athletic Association (hereinafter "BAA") and will promote membership in the BAA. KBOI will attempt, whenever possible, to promote participation in all BAA functions including weekly luncheons at BSU. Paul J. Schneider or his agreed-upon replacement will attend and participate in these weekly luncheons whenever possible.
9. KBOI will provide miniature footballs and basketballs for each home game to be given away by the BSU cheerleaders. KBOI may obtain sponsors for these balls only if pre-approved by BSU.

II. ADVERTISING TIME: Citadel will provide commercial air time on the stations owned by the parent company in Boise. This time is made available to the BSU Athletic Department to promote athletic events, ticket sales or other related events. Air time may mention BSU's sponsors once per commercial. The commercial time may not be used as selling copy for the tie-in advertisers.

1. The Cash Value of said air time is as follows:

2002-03	~	\$65,000
2003-04	~	\$70,000
2004-05	~	\$75,000
2005-06	~	\$80,000

2. All commercial placements will be submitted to Citadel no later than 30 days prior to each scheduled start date, and at posted rates submitted with this proposal. The rates submitted with this proposal reflect those for the '02-'03 season. Citadel will provide Boise State with new rate card for each season by June 1st of each year.
3. KBOI will run promotional billboards 52 weeks per year as the "Home for Boise State Sports". These "ID's" run a minimum of 20 times per week at a value of \$25 each.
4. KBOI will run promotional announcements, in season, for all BSU game broadcasts at a minimum of 20 per week for both football and men's basketball at a value of \$25 each (26 weeks total).

III. INTERNET BROADCAST RIGHTS/STADIUM EXPOSURE/SIGNAGE

1. Citadel shall retain Internet broadcast rights subject to all Western Athletic Conference rules & regulations. Citadel reserves the right to broadcast/re-broadcast via the Internet, all football, men's basketball games in full or in part; and coach's shows. Citadel retains content rights to its station web sites. Any materials audio or text that pertain to Boise State Athletics will be in full compliance with NCAA, Western Athletic Conference, and Boise State University advertising policies and standards. To include, but not limited to streaming, clips, signage, contesting, bios, profiles and pictures. KBOI will maintain a dominant presence on it's front home page dedicated to BSU with click through banner to Boise State Athletics' Web Site. Additional content will include, but not

limited to bios, schedules, audio and video clips, polls and register to win pages for tickets with links to BSU's ticket purchase web pages.

2. In addition to KBOI's home football game's pre-game exposure at the main entrance to stadium, Citadel will extend it's pre-game radio exposure to our 4 sister stations, KIZN, KOFC, KKGL & KZMQ. BSU will make available 5 station locations for tailgate promotions. KBOI will be allowed to display one (non-competing) sponsor banner, not to exceed 6' x 8' in size at each location. All stations will promote home games and tailgate parties a minimum of 20x each week of a home football game.

IV. CONSIDERATION IN CASH:

1. As further consideration for the rights granted by BSU herein, KBOI will pay to BSU a total of \$646,000 in cash during the four year term hereon. The cash payment for each fiscal year (July 1 to June 30) of the agreement is as follows:

2002-03	~	\$154,000
2003-04	~	\$159,000
2004-05	~	\$164,000
2005-06	~	\$169,000

The sum due each year will be paid in twelve equal monthly installments. Payments are due the first day of each month.

2. In addition to the above totals, KBOI will pay the Head Football Coach the total of \$15,000 for the 2002-03 season. KBOI will pay the Head Football Coach or BSU an increase of 3% each successive year thereafter as directed by BSU.

The above listed amounts are inclusive of all cash payments to be made to Boise State University or its designee.

3. BSU, at its sole discretion and with the concurrence of KBOI, may extend this agreement for two additional years if mutually agreed to by both parties prior to July 1, 2005.

As CONSIDERATION FOR THE RIGHTS AND FEES PAID HEREIN BY KBOI:

1. KBOI is granted exclusive radio broadcast identification as the "Voice of the Broncos" and exclusive use of the phrase "Bronco Sports Network" including KBOI's 5 sister stations.
2. KBOI shall be allowed to display one (1) KBOI banner at the BSU Pavilion for all men's basketball games and one (1) 3" x 30" KBOI banner on the east side of the stadium fencing for all home football games. KBOI to provide banners.
3. KBOI will receive visibility on Bronco vision twice per game, both football and men's basketball.
4. KBOI will receive three mentions per game as the "Voice of the Broncos" during each home football game and men's basketball game;

5. BSU will not allow other radio stations (excluding BSU opponent play-by-play radio stations) to transmit any live actualities from the football or basketball facility during a KBOI-BSU broadcast.
6. BSU will allocate KBOI a total of 30 season tickets for each football and men's basketball home games. KBOI agrees to purchase 4 Roughrider and 1 Buckaroo Bronco Athletic Association memberships each year throughout the term of this agreement. KBOI will pay \$2450.00 for these memberships directly to the Bronco Athletic Association each year. KBOI will pay no additional cost for the football and basketball season tickets. 10 of the 30 seats KBOI receives will be in appropriate priority seat locations. The remaining 20 seats will be in non-priority areas. The price of the BAA membership (\$2450) will not change throughout the term of this contract. KBOI reserves the right to purchase additional season tickets at 50% value for both men's football and basketball home games based on their availability. These tickets cannot be used for resale.
7. KBOI will receive one full-page ad in BSU programs for both football and men's basketball. KBOI and BSU will mutually agree on the contents of said ads.
8. KBOI will receive four (4), 3-minute half-time promotions. "Two" for football and "Two" for Basketball. Example of these would be KBOI's annual "Airplane Toss". Citadel reserves the right to afford its advertisers the opportunity for exposure within these promotions. Only non-competing sponsors will be allowed. BSU will provide Citadel with a list of advertising categories that are exclusive by August 1st of each season. BSU reserves the right to disallow any advertiser from these promotions.
9. KBOI will allocate 2 minutes during each half-time show for the Athletic Director or designee. This two-minute feature, "Spotlight on BSU" is for the purpose of educating the audience to any point of university interest, both athletic and academic.
10. KBOI will be allowed to feed the radio station broadcast to those areas within the stadium and pavilion with internal speaker systems that would otherwise play music during limited times approved in advance by BSU.
11. KBOI will be allowed to use the pavilion and the stadium for a three (3) hour period, for the purposes of a flag football game and basketball game for those sponsors and BSU supporters of the game broadcasts. Times to be scheduled off-season; date and time mutually agreed upon by BSU and KBOI. Citadel will provide special liability insurance and will hold harmless Boise State University in compliance with Item 14 in request for proposal document.
12. KBOI will be provided up to 3 seats on each charter flight when available at no additional cost.

ANNOUNCERS: BSU, acting through its Director of Athletics, shall have the right to approve all announcers, such approval not to be unreasonably withheld. It is contemplated that KBOI's Sports Director, Paul J. Schneider, will call the play-by-play of all regular season and post-season athletic events covered by this Agreement. Mr. Schneider will be assisted by KBCI-TV (Channel 2) Sports Director, Wayne Dzubak, during home football and men's basketball games. Brad Larrondo will do the color commentary for away football games. KBOI must obtain BSU's approval if for any reason personnel changes are required. BSU's right to approve all announcers in advance, and to terminate this Agreement if such advance approval is not obtained by KBOI, shall extend to all

changes in announcers and shall be effective throughout the term of this Agreement. Whenever this Agreement confers the right upon BSU to approve announcers in advance or to exercise any remedies if such advance approval is not obtained, BSU agrees that such approval will not be unreasonably withheld. KBOI and BSU will meet regularly throughout the term of this agreement to critique and review the announcers and to make changes if deemed appropriate.

RELEASE OF LIABILITY: Citadel will hold BSU harmless and indemnify Boise State University from and against all suits, causes of action or claims, which arise out of or are caused by an action or activities undertaken by KBOI pursuant to this agreement. In addition, Boise State University shall, subject to the limits of the Idaho Tort Claims Act, hold harmless and indemnify Citadel Communications Corp. from and against all suits, causes of action or claims which arise out of or are caused by an action or activities undertaken by BSU pursuant to this agreement.

COVERAGE AREA: All events broadcast by Citadel will maximize Citadel's 50,000 watt coverage in Idaho, Oregon, Nevada, Montana, Washington, Arizona and California.

NCAA AND CONFERENCE POLICIES: KBOI will independently become acquainted with and be bound by all National Collegiate Athletic Association and Conference policies regarding advertising. Said policies will be observed by KBOI. Any NCAA and Conference advertising policies which conflict with the terms of this Agreement shall supersede this Agreement without reduction of the amounts due hereunder or any other penalty to BSU.

COOPERATION BETWEEN PARTIES: BSU hereby pledges to KBOI full cooperation to enable KBOI to broadcast the athletic events within the scope of this Agreement. KBOI will be provided with reasonable access to broadcast booths in Bronco Stadium or in the Pavilion and will be allowed to install customary communication lines and equipment at KBOI's expense and risk. Each of the parties hereto pledge their cooperation with the other in order to facilitate quality radio broadcasts.

ENTIRE AGREEMENT: This agreement constitutes the entire agreement between the parties hereto and there are no other agreements, warranties, guarantees, promises, statements or representations that will be binding upon the parties to this Agreement which are not expressly and specifically set forth herein. All of the provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors or assigns.

NONASSIGNABLE: The rights granted to KBOI hereunder are not assignable or transferable by KBOI without the express written consent of BSU.

NOTICE: Any notice given in connection with this Agreement shall be in writing and sent by certified or registered mail, postage prepaid, addressed to receiving party as follows:

Director of Athletics
Department of Athletics
Boise State University
1910 University Drive
Boise, Idaho 83725

Vice President, Finance & Administration
Boise State University
1910 University Drive
Boise, ID 83725

Citadel Communications Corporation
KBOI AM/FM
Post Office Box 1280
Boise, Idaho 83701

DEFAULT: Failure by a party to require strict performance of any term of this Agreement shall not affect that party's right to enforce the terms of this Agreement nor shall waiver of a default be construed to be a waiver of any succeeding default or a waiver of any portion of this Agreement. Should either party default in performance of any of its obligations under this Agreement, which default is not cured within thirty (30) days after written notice of default is given by the other party in the manner provided above, then the party giving such notice shall be entitled to exercise all remedies which it may possess at law or in equity, including but not limited to the right to bring suit for money damages or to compel specific performance of the terms hereof, and additionally, the nondefaulting party shall have the right to terminate this Agreement without liability or further obligation on its part. Notwithstanding the foregoing, the parties expressly agree that BSU's right to terminate this Agreement for failure by KBOI to obtain BSU's advance approval of announcers shall not require a 30 day notice of default but may be exercised immediately and without prior notice in the event of KBOI's breach of its obligation to obtain such advance approval.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first set forth herein above.

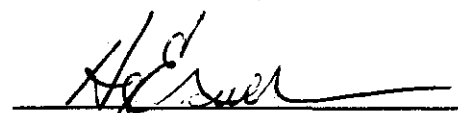
CITADEL COMMUNICATIONS CORPORATION

By


Kevin Godwin
General Manager

BOISE STATE UNIVERSITY

By


Harry E. Neel, Jr., Vice President
Finance and Administration

Subject to final approval by the Idaho
State Board of Education at its
October, 18, meeting.
2002

Appendix A
Schedule of Cash Payments from Citadel to BSU

July 1 st 2002:	\$11,500 BSU	\$1,250 Coach
August 1 st 2002:	\$11,500 BSU	\$1,250 Coach
September 1 st 2002:	\$11,500 BSU	\$1,250 Coach
October 1 st 2002:	\$11,500 BSU	\$1,250 Coach
November 1 st 2002:	\$11,500 BSU	\$1,250 Coach
December 1 st 2002 :	\$11,500 BSU	\$1,250 Coach
January 1 st 2003:	\$14,166.66 BSU	\$1,250 Coach
February 1 st 2003:	\$14,166.66 BSU	\$1,250 Coach
March 1 st 2003:	\$14,166.67 BSU	\$1,250 Coach
April 1 st 2003:	\$14,166.67 BSU	\$1,250 Coach
May 1 st 2003:	\$14,166.67 BSU	\$1,250 Coach
June 1 st 2003:	\$14,166.67 BSU	\$1,250 Coach
Totals '02-'03 season	\$154,000 BSU	\$15,000 Coach
(12) Equal Monthly Payments:	\$13,250 BSU	\$1,287.50 Coach
Totals '03-'04 season	\$159,000 BSU	\$15,450 Coach
(12) Equal Monthly Payments:	\$13,666.67 BSU	\$1,326.17 Coach
Totals '04-'05 season	\$164,000 BSU	\$15,914 Coach
(12) Equal Monthly Payments:	\$14,083.33 BSU	\$1,365.92 Coach
Totals '05-'06 season	\$169,000 BSU	\$16,391 Coach



Department of Intercollegiate Athletics

1910 University Drive Boise, Idaho 83725-1020

phone 208 426-1288

fax 208 426-1778

www.broncosports.com

ADDENDUM TO RADIO BROADCASTING AGREEMENT

This Addendum, made this 24th day of January 2003 is to amend the Broadcasting Agreement dated June 4, 2002 between Boise State University and Citadel Communications Corporation.

SECTION IV. CONSIDERATION IN CASH

Paragraph 1 is hereinafter amended as follows:

As further consideration for the rights granted BSU herein, KBOI will pay BSU or BSU's designees a total of \$646,000 in cash during the four-year term hereon. The cash payment for each fiscal year (July 1 to June 30) of the agreement is as follows:

2002-03	\$154,000
2003-04	\$159,000
2004-05	\$164,000
2005-06	\$169,000

The sum due each year will be paid in twelve equal monthly installments. Payments are due the first day of each month. Beginning February 2003, BSU requests their monthly payments be distributed as follows:

Dan Hawkins	\$7,220.83
Chris Petersen	\$2,083.33
Ron Collins	\$1,666.67
Kerl Riddle	\$562.50
Robert Prince	\$904.17
Bryan Harsin	\$250.00
Christopher Strausser	\$562.50
Boise State University	\$916.67
	<hr/>
	\$14,166.67

Note: Coach Hawkins will receive \$7,220.83 per month as listed above, in addition to the \$1,250 he receives under paragraph 2 of Section IV of the contract. The new total per month for Coach Hawkins will be $\$7,220.83 + \$1,250 = \$8,470.83$.

"KBOI shall be responsible for the appropriate income tax reporting, or (if applicable) withholding, requirements arising from the payment distributions provided for above."

All of the other provisions in the original AGREEMENT remain the same. In WITNESS WHEREOF, the parties have caused this ADDENDUM to be executed on the date set forth above.


CITADEL COMMUNICATIONS CORPORATION

By


Kevin Godwin
General Manager

BOISE STATE UNIVERSITY

By


Harry E. Neel, Jr., Vice President
Finance and Administration



Department of Intercollegiate Athletics

1910 University Drive Boise, Idaho 83725-1020

phone 208 426-1288

fax 208 426-1778

www.broncosports.com

ADDENDUM TO RADIO BROADCASTING AGREEMENT

Addendum to Agreement dated June 4, 2002 between Boise State University (BSU) and Citadel Communications Corporation, operating radio station KBOI and other radio broadcasting stations in the Boise area (hereinafter KBOI).

BSU and KBOI agree to extend the agreement referenced above for two years through June 30, 2008 under the terms and conditions outlined herein:

I. Consideration in Cash

1. The cash payment for each fiscal year (July 1 to June 30) of the addendum is as follows.

2006-2007:	\$197,000 (includes any payment to head coaches)
2007-2008:	\$209,000 (includes any payment to head coaches)

The sum due each year will be paid in twelve equal monthly installments. Payments are due the first day of each month.

II. Promotions and Publicity

1. Beginning with the 2005-2006 fiscal year, KBOI will produce a weekly program, approximately one hour in length, called KBOI Sportsline, to be scheduled each Wednesday evening from 6:00 p.m. to 7:00 p.m. during the football season. KBOI will make every effort to insure that the location of Sportsline is convenient to Boise State University.
2. In lieu of the Saturday morning, 60-minute program outlined in the original contract, beginning with the 2005-2006 fiscal year, KBOI will air a weekly Bronco Wrap Up Show on Tuesday mornings throughout the school year for 15 to 20 minutes, hosted by BSU staff members to discuss activities involving BSU athletics or Boise State University. BSU will be allowed (2) thirty second spots at no cost during each show to be used to thank and/or mention BSU's major corporate sponsors.

3. Beginning with the 2005-2006 fiscal year KBOI will produce a one hour Sportsline show a minimum of four times during the basketball season, to be scheduled on Wednesday evenings from 6:00 p.m. to 7:00 p.m. KBOI will make every effort to insure that the location of Sportsline is convenient to Boise State University.

IV. Advertising Time

Pursuant to the original contract Citadel will provide commercial air time on the stations owned by the parent company in Boise

1. The cash value of said air time is as follows:

2006-2007 = \$86,000

2007-2008 = \$92,500

- V. This addendum is subject to the approval of the State Board of Education.

All other terms and conditions of the original AGREEMENT with the exceptions of those specifically outlined above, will remain in force during the term of this ADDENDUM that is through June 30, 2008. In WITNESS WHEREOF, the parties have caused this ADDENDUM to be executed on the date set forth above.

CITADEL COMMUNICATIONS CORPORATION

BOISE STATE UNIVERSITY

By

Kevin Godwin
General Manager

By

Stacy Pearson, Vice President
Finance and Administration

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

**Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
N. Grants and Contracts**

April, 2002

N. Grants and Contracts

1. Approval of Grant and Contract Applications

All applications for grants and contracts that require the institution, school or agency to dedicate current funds or facilities or will obligate the institution, school or agency or state to dedicate future funding or significant facilities require approval by the executive director. Cost sharing or other types of in-kind matching requirements are not considered as dedicated commitments. If there is no dedicated funding or facilities obligation, the application shall be approved by the chief executive officer of the institution, school or agency or his or her designee. When requests for approval of such applications are presented to the executive director the following information must be included:

- a. Agency to which application is made.
- b. Amount of the proposal.
- c. Period of the grant or contract.
- d. Purpose of the grant or contract.
- e. Nature of obligations including amount of funds involved or facilities to be committed.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University Interactive Learning Center (ILC) September 29 2005 bid results.

REFERENCE

October 2003	Presentation of the Interactive Learning Center (ILC) project to the Board – the Board approved the project in concept, subject to approval of financing plan
December 2003	The Board approved planning, design and construction of the project in the amount of \$11,100,000
June 2005	The Board approved proceeding with design and construction to finish-out tenant space in the ILC (\$375,000) and to purchase and install fixtures, furnishings and equipment (\$525,000) for a food service operation that will be operated by the Student Union.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.3.

BACKGROUND

In planning the ILC, significant efforts have been made throughout the design of the project to adjust to rapidly escalating building material costs and to keep the construction costs within the approved project budget. Both the architect and construction manager have kept current on the materials market. During the schematic design phase and later during the design development phase, numerous efforts were made to ensure that the building remained within the approved budget. For example, early in the design process, it was decided to “shell” the fourth floor space and to include additive alternates for the finish-out of the fourth floor in order to make certain the project remained in budget. Also, during the design development phase, the building area was reduced by 2,000 sq. ft. to bring the construction cost within budget. Thus, the University has made serious efforts to ensure that the project was on-budget at the time it went to bid.

Bids were opened for the first set of bid packages (Bid Package #1) for the ILC project in August 2005. The low bid for the earthwork bid package was \$67,741 above the construction manager’s cost estimate; and the concrete bid package was \$135,670 above the cost estimate. The total overage for the bid packages in Bid Package #1 was approximately \$250,000. To offset these overages, the project team went through a value engineering exercise to bring the estimated cost of the main set of bid packages (Bid Package #2) remained within the project budget by reducing the base bid scope and adding six additive alternates. Again, this was done to ensure that the project was delivered within the budget.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

The construction manager for the project, CM Company, then re-estimated the construction costs for the ILC based on cost data from a similar project that was competitively bid in August 2005. The cost of the masonry bid package was expected to increase by \$173,000 due to material cost increases, fuel cost increases, manpower shortage, and contractor availability. The cost of the glass and glazing bid package was expected to increase by \$118,000 due to petroleum cost increases in the manufacturing of materials. The cost of the metal wall panels bid package was expected to increase by \$40,450 due to increases in the price of steel and contractor availability. The cost estimates for metal studs and gypsum wallboard were expected to increase due to the price of steel and shortages of gypsum wallboard materials. The low bid contractor for the earthwork bid package has since requested a fuel cost increase of \$15,638 due to increases in the cost of diesel fuel. CM Company has advised the University that other divisions of the work for this project could also experience cost increases for materials that are petroleum-based. All of these costs were taken into account for the final bid process.

The first bid packages for the ILC were put on the street in late August 2005 and prior to the two hurricanes in the Gulf region. The reconstruction efforts in Louisiana, Mississippi and Alabama, following the devastation caused by Hurricane Katrina, are resulting in higher construction costs for the entire country, according to economist, Ken Simonson, the chief economist at The Associated General Contractors of America. Simonson expects the biggest cost impact on contractors and others will be the increased cost of petroleum and energy, due in large part to contractors' high usage of off-road equipment, freight deliveries and construction vehicles. Prices for petroleum-heavy materials and asphalt will also be affected, as will materials requiring a large amount of energy to manufacture like steel, other metals and cement, which is already in short supply in 32 states.

DISCUSSION

The project bids were opened on September 29. The results were tabulated on September 30 and the results were significantly worse than expected (see attached bid tabulation). The combined bids for the base bid (including Bid Package #1) were \$1,980,733 above the cost estimate from CM Company. Some of the bid packages came in less than the cost estimate, in particular:

Metal Wall Panels/Metal Siding	\$55,599
Plumbing, HVAC & Boilers	\$158,591
Electrical	\$177,927

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005**

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

However, for most of the bid packages either the bids came in higher than the cost estimate or there were no bids. The worst performing bid packages were:

Masonry	\$400,234 (only one bidder)
Steel Fabrication & Erection	\$167,682 (only one bidder)
Architectural Woodwork	\$183,606 (only one bidder)
Doors, Frames & Hardware	\$70,270 (only one bidder)
Aluminum Frames & Glazing	\$196,852 (2 bidders)
Metal Framing & Gyp. Board	\$528,927 (2 bidders)
Specialties	\$52,490 (only one bidder)
Audio/Visual Systems	\$339,896 (only one bidder)

In cases where there was only one bidder for a bid package, the bidding is most likely not competitive. CM Company representatives stated that contractors in a number of the trades had assured him that they would be submitting bids but didn't do so.

CM Company, Lombard Conrad Architects, DPW and BSU staff attribute the relatively few bids received for the project to several factors:

- * The large volume of work currently under construction in the valley; contractors are already booked up
- * The upcoming large volume of projects in the valley (principally Meridian Public Schools)
- * The shortage of skilled construction workers in many of the trades
- * Contractors not having sufficient bonding capacity to take on more projects
- * Contractors favoring private sector work over dealing with the Division of Public Works

Factors affecting the bid overages:

- * Lack of competing bidders for some bid packages
- * Shortages of building materials such as cement and gypsum board due to hurricane damage, China no longer exporting cement, etc.
- * Fuel cost increases and anticipated future fuel cost increases
- * Increases in the costs of building materials such as steel due to the superheated construction market

Two letters from Lombard-Contract Architects are attached (see Attachments 1 and 2) that provide additional information.

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

IMPACT

The bid results were nearly \$2 million (16.7 percent) greater than the total project budget of \$12 million, which includes the food service build-out approved in August 2005. At this point, representatives for the architect, construction manager, DPW and Boise State are discussing the bid results and the impact of delaying the award of certain bid packages on the project schedule. The plan currently being discussed is to:

- * Notify the bidders of the bid packages that bid significantly higher than the cost estimates that their bids will be cancelled.
- * Re-bid those bid packages before the current "good bids" expire (in the next 45 days). The construction manager will actively pursue more bids.
- * Look for opportunities to reduce costs through value engineering, particularly in some of the internal systems and equipment.
- * Consider additional reductions in scope, such as shelling the 3rd floor.

We are currently in the process of examining these options and will update the Board at the October meeting. We are particularly challenged in that the re-bid date is tentatively set for October 27 and the current bids will expire on November 13, which is prior to the December Board meeting. We propose that Boise State be allowed to seek Board approval via a special Board meeting prior to November 13 to request a project budget increase, should it be necessary.

Both the architect and construction manager strongly encourage the university to proceed to build this project. They believe that both the material prices and construction labor availability will continue to decline over the next few years and that the university should proceed with this needed project.

The university does have the sufficient financial resources to cover this project budget increase. Funds are available from three sources:

1. Funds remaining from the 2004A bonds. The five projects in this bond issue totaled \$29,122,918. Two of the five projects are less than the original estimates leaving approximately \$2,019,000 available to absorb a project budget increase.
2. The strategic facilities fee. This fee was implemented with the 2005-2006 fee increase. The Board approved a \$25 facilities fee. A portion of this fee is planned to support the construction of the Student Services Center. There is sufficient capacity remaining in this fee revenue to handle the project budget increase.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

3. University reserves are also sufficient to cover this increase. However, the university prefers to maintain these reserves for other purposes.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this matter with Boise State University officials and understands the current construction environment. The upcoming bid opening will provide a better overall picture regarding this project and its total cost.

Staff agrees with the need to have this agenda item added to a special Board meeting to be scheduled in early November.

BOARD ACTION

This is an informational item for the October Board meeting. Boise State is requesting that the Board hold a special meeting to increase the project budget for the Interactive Learning Center pending the outcome of the October 27, 2005 bid results, and prior to the expiration of current bids on November 13, 2005.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University Interactive Learning Center (ILC) October 6 2005, updated project budget analysis – UPDATED INFORMATION.

DISCUSSION

Subsequent to the bid openings, the architect, construction manager, Division of Public Works (DPW) and Boise State staff have completed an analysis of the current construction bidding environment. After contacting contractors who did not bid, it is apparent there is little likelihood that any re-bids would result in lower costs. The recommendation is to increase the ILC project budget by \$2.4 million to cover all construction costs and contingencies. Additional modifications to the building specifications will include deleting brick sealant, changes to masonry, changing wood specifications on the millwork and eliminating door closures. The architect further recommends not shelling in the 3rd floor (to reduce costs) since it will likely cost significantly more to complete these rooms later, and also because such a reduction would result in adding only a lecture hall, four classrooms and three specialty classrooms. Based on these analyses, the continuing market conditions, and the need to commit contractors, Boise State University requests Board approval to increase the project budget by \$2.4 million.

STAFF COMMENTS AND RECOMMENDATIONS

Staff concurs with the BSU “discussion” comments and recommends approval of the increased project budget. BSU will provide a Capital Project Tracking Sheet at a later date.

ALTERNATE BOARD MOTION

A motion to approve increasing the Interactive Learning Center project budget by \$2,400,000 for a total project budget of \$13,500,000.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK



Lombard-Conrad
Architects, P.A.

September 8, 2005

John Julian, Project Manager
State of Idaho
Division of Public Works
PO Box 83720
Boise, ID 83720-0072

Re: **BOISE STATE UNIVERSITY INTERACTIVE LEARNING CENTER DPW # 04-206**
LCA NO. 04010.01 4-a

Dear John:

Our meeting today has prompted me to write this letter to address my concern about the current bid market and its potential effect on the BSU Interactive Learning Center which is scheduled to open Phase II bids on September 29, 2005.

Since we were hired in April of 2004, we have been working diligently with DPW, BSU and the Construction Manager (CM Company) to keep this project within its established budget. However, during this same period, we have seen some of the most dramatic price increases in recent history.

In 2004, steel prices increased by as much as 50% for many products. As a result, a prudent decision was made to design this building with post-tensioned concrete. In mid 2005, China stopped exporting cement which placed an incredible demand on the limited suppliers of cement in the USA. As a result, concrete has increased in price by approximately 10 - 15% in the past four months and supplies are being allocated.

These cost increases were evident in the Phase I site work and concrete bid opening in August and were further influenced by the recent construction boom in the valley. There are fewer contractors willing to bid projects because they are too busy. Projects are often attracting only a couple of bidders and their bids are spread far apart and much higher than the estimates.

CM Company has prepared detailed estimates throughout the course of the design phase and many of their estimates have come from contractors who are expected to be bidding the work. Each time the estimates are prepared, the costs continue to escalate despite our efforts to simplify the project. In fact, the low bidder for the Phase I Earthwork package was \$70,000 higher than the number he had given to CM the day before the bid.

Now, as if to add insult to injury, the worst natural disaster in our Nation's history has taken place. The results of Hurricane Katrina are already being felt in our market. Oil prices and materials prices have started to spike and shortages of many materials are being predicted. I have spoken

1221 Shoreline Ln
Boise ID 83702
208 345 6677
fax 208 344 9002
lca@lcaarch.com
www.lcaarch.com



John Julian
State of Idaho
Division of Public Works
Page 2

to contractors who are already losing laborers moving to the Gulf region. Those same contractors are predicting a mass exodus of laborers leaving Idaho to work for Davis-Bacon Wages.

I want to make sure that everyone understands that there has been no "scope creep" nor has BSU added additional needs to the project. In fact, the building was reduced in size during design development and is 2,000 sf smaller than the original program. We have also prepared 10 different Add Alternates, including the finishing of the fourth floor to give us some flexibility at the bid date.

I believe that DPW, BSU, the Architects and Engineers and the Construction Manager have made prudent decisions to try to stem the tide of construction cost increases which are out of everyone's control. When a budget is set two years in advance of the bid, Construction Managers and Architects make allowances for typical inflation and provide contingencies based on historical data. However, since the documents have been completed, costs have increased far beyond what could have been reasonably projected.

The purpose of this letter is to forewarn the decision makers of the pending situation. This may allow them to make prompt decisions based on the knowledge that BSU desperately needs this classroom space, numerous value engineering sessions have taken place, every available alternate has been used and re-bidding the project at a later date will only guarantee a higher price.

If you have any questions, please do not hesitate to call.

Sincerely,
LOMBARD-CONRAD ARCHITECTS

Scott Henson, AIA
Vice President

04010-01 L05 4a 090805 SHdt



Lombard-Conrad
Architects, P.A.

October 3, 2005

Stacy Pearson
Vice President
Boise State University
Finance & Administration
MS-1200
1910 University Drive
Boise, ID 83725-1200

Re: **BOISE STATE UNIVERSITY – INTERACTIVE LEARNING CENTER**
LCA NO. 04010.01 4-a

Dear Stacy:

On September 29, 2005 the bid packages for the second phase of the ILC were opened. The bids received were much higher than previously anticipated

You have read my letter of September 8, 2005 where I warned DPW of the potential of high bids due in part to high steel and concrete costs, high petroleum costs and the effect of the recent hurricanes. I had also noted the fact that many local contractors may have been too busy to bid the work.

In our meeting with you on September 21, 2005, CM Company predicted the project could come in at 1 million over the budget; however, the actual bid results came in nearly 2 million over. At this time, we are unable to say exactly why the prices are so high except to note the only common factor among all of the bid packages.

There was a significant lack of bid participation. Of the 32 bid packages, 5 had no bids and 9 had only one bidder. Only the mechanical and electrical packages had four or more bidders and both came in under estimate.

Since the Thursday bid opening, I have contacted a few contractors who I would have expected to bid and asked why they did not participate. They were clear to say that with all of the current and upcoming work in the Valley, they had no interest in a Public Works project. Contractors have also admitted that their bonding capacities are at the limit which would prevent them from bidding.

We plan to re-bid the five packages that received no bid. The total estimated value of those combined packages is approximately \$100,000. However, if we have learned anything from the bid opening, it is that the actual cost of these five packages could be \$40,000 to \$80,000 over the estimate.

1221 Shoreline Ln
Boise, ID 83702
208.345.6677
Fax 208.344.9002
lca@lcaarch.com
www.lcaarch.com



Stacy Pearson
Vice President
Boise State University
Page 2

The other nine packages to be re-bid had a total bid value of \$2,959,256. Of these nine packages, only AV and Kitchen Equipment have the potential of being reduced by value engineering. The others may be reduced if more competition occurs at bid time. It is difficult to anticipate how much savings can be expected. I would be surprised if re-bidding would save more than 5%.

The bidding climate is not expected to improve due to the current building boom and Meridian's passage of their \$140 million School Bond and the running of \$100 million worth of school bonds in November for Nampa, Middleton and Ontario.

We intend to start the re-bid process this week with bid openings in late October and will keep you informed as more information comes available.

Sincerely,
LOMBARD-CONRAD ARCHITECTS

Scott Henson, AIA
Vice President

copy: Larry Blake - BSU
Doug Suddreth - BSU
John Julian - DPW
Dave Moe - CM Company

04010-01 L06 4a 100305 SHdt

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: K. Construction Projects

April 2002

3. Fiscal Revisions to Previously Approved Projects

Project revisions that substantially alter the use of the project causing changes in project costs between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) must first be submitted to the executive director for review and approval. Changes in project costs of more than five hundred thousand dollars (\$500,000) must first be submitted to the Board for its review and approval. Requests must be supported by a revised detailed project budget and justification for changes.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Develop two Requests for Proposal: (1) to purchase a replacement campus computing hardware system and operating system; and (2) to convert existing software to run on the UNIX-based system.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.

BACKGROUND

ISU's current mainframe computer, a Hewlett Packard 3000, plus the operating system that operates the hardware, Hewlett Packard MPE, will no longer be supported by Hewlett Packard after December 2006. This includes any hardware or software repairs. ISU plans to modernize its computing capabilities by migrating to a new computer system by December 2006 (if possible) but no later than December 2007.

DISCUSSION

ISU plans to purchase a replacement ("new") computer system, possibly from Hewlett Packard or another established provider, and use that company's version of the UNIX operating system to run the University's software. The total cost of both RFP's is expected to be \$1.5 million, which will be paid from existing funds in the technology fee accounts.

Replacement ("new") hardware is expected to cost \$275,000 and the upgrade to the existing "PowerHouse" software and other software licenses required for the new platform will cost about \$575,000.

Outside programmers will need approximately 12-16 months to convert the existing code which runs on the existing operating system to the code that runs on a UNIX-based system. The estimated cost of this code conversion is \$650,000.

Over the next year, ISU will evaluate and analyze the application software currently in use at the University. ISU's current collection of software systems is not completely integrated and lacks desired capabilities and functionality for processing and reporting. President Bowen has recently established an enterprise applications steering committee to review the University's current applications; assess what is needed for the future; and make recommendations to the new president after July 2006.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

IMPACT

Beginning now, migration toward a new computer system will eliminate the possibility of future problems in the event of equipment failure, which would have serious implications for ISU. A decision on ISU's future information system, expected to be made by the new president, based upon recommendations from the enterprise applications steering committee will enable ISU to respond to the recommendation by the Northwest Commission on Colleges and Universities accreditation report that ISU improve its data integration. There is currently a moratorium on new software installations, designed to minimize difficulties during the migration period.

STAFF COMMENTS AND RECOMMENDATIONS

Staff is generally aware of the issues at Idaho State University surrounding their aging computer hardware/software situation and the need for that institution to begin an upgrade process. This interim step will make sure the university's systems are supported while the university determines its options for the future.

Determination of those options and implementation can typically take three years, and would be the result of campus steering committee recommendations and presidential decision. Staff asked questions of ISU IT staff regarding this interim upgrade, and is convinced the interim approach is critical.

Staff recommends Board approval of the request to issue two Requests for Proposal. ISU will come to the Executive Director, or the Board at a future meeting (depending upon dollar amount), to request purchase of the hardware and software chosen following the RFP process.

BOARD ACTION

A motion to approve the request by Idaho State University to develop two Requests for Proposal regarding the ISU information technology systems. The RFP's will be for replacement of IT hardware and operating system, and to convert existing software to run on a UNIX-based system.

Moved by _____ Seconded by _____ Carried Yes____ No____

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: I. Real and Personal Property and Services April 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.
- b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Granting two easements to Idaho Power for relocation of existing utilities on Regents property in Hagerman.

REFERENCE

June 1998	FY99 Capital Budget (Ag Biotech Initiative)
June 2001	FY02 Capital Budget (Ag Biotech Initiative)
June 2002	FY03 Capital Budget (Ag Biotech Initiative)

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2.g. and 5.b.2.

BACKGROUND

In 1999 the Regents acquired property in Hagerman for the University's Aquaculture Research Center. The property included a number of existing utility easements for the benefit of Idaho Power. The University's Agricultural Biotechnology Facilities Initiative included planning, design, and construction for three major project components: the Agricultural Biotechnology Building Addition (now completed); renovations to the existing Agricultural Science Building (now completed); and enhancements to facilities at the UI Aquaculture Lab in Hagerman (now under construction).

DISCUSSION

To accommodate construction of a new building for UI, it is necessary to relocate an easement into new locations for overhead and underground utilities that pass through UI property for the benefit of Idaho Power and its customers. The relocation of existing utilities will permit the construction of federally funded improvements at the UI Aquaculture Research Center.

IMPACT

Approval of this easement will have no direct fiscal or programmatic impact on the University of Idaho. Project planning for new construction at the UI Aquaculture Research Center anticipated utility relocation costs, and these costs have been a part of the project budget.

STAFF COMMENTS AND RECOMMENDATIONS

Staff requested a map of the property and easement in question, which is included in the agenda material. The cost of relocating existing utilities is approximately \$17,300, and is included in the original project budget.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Staff has reviewed the request for conformance with Board policy and recommends approval of the granting of two utility easements.

BOARD ACTION

A motion by the Board of Regents for the University of Idaho to grant two utility easements across a portion of the UI Aquaculture Research Center in Hagerman, Idaho, and to authorize the University of Idaho Vice President for Finance and Administration to execute said easements in substantially the same form as submitted as part of this request (see Attachment 1).

Moved by _____ Seconded by _____ Carried Yes _____ No _____



IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

LES HOGG
Real Estate Specialist
phone: (208) 388-2693, fax: (208) 388-6927
e-mail: lhogg@idahopower.com

August 17, 2005

Mr. David Chichester
University of Idaho, V.P. Finance & Administration
P.O. Box 443162
Moscow, Idaho 83844-3162

Re: Letter of Agreement

Dear Mr. Chichester:

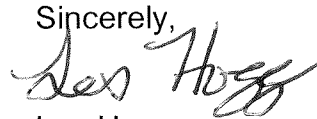
This Letter of Agreement is in response to the request for Idaho Power Company (IPC) to relocate a power line to facilitate the construction of a new building on land owned by The Regents Of The University Of Idaho (U of I), located in Section 6, Township 8 South, Range 14 East, Boise Meridian, Gooding County, Idaho. A more specific description of the land is set forth on the attached Exhibit "A".

IPC agrees to relocate the power line as requested by U of I upon the standard terms and conditions of IPC's tariffs on file with the Idaho Public Utilities Commission, including U of I's payment of the costs of the relocation. The power line will be relocated to the location designated by U of I. Subject to approval by its Board of Regents, U of I will grant two easements to IPC for the relocated power line, in the forms attached hereto as Exhibit "B" and Exhibit "C". U of I has explained that it cannot execute the easements prior to the next regularly scheduled meeting of the U of I Board of Regents, and U of I agrees to have the easements submitted for approval at the next such meeting, no later than November 2005. Upon the execution and delivery of the easements by U of I to IPC, IPC will promptly release the easement for the existing power line. In the event the Board of Regents of the U of I does not grant the easements described herein by November 2005 or other date as agreed upon by the parties, U of I will, upon the request of IPC and at U of I's election, either (1) pay in advance for the cost of relocation of the power line to the existing easement or (2) work with IPC to identify an alternative right-of-way and pay in advance for the cost of the alternative right-of-way and the cost of relocation of the power line to said alternative right-of-way.

If you accept the terms and conditions of this Letter of Agreement for the U of I, please sign two copies of the letter and return one to me as soon as possible. You may keep the other for your records. Additionally, please have the Board approve the two easements at the next Board meeting, have them signed, notarized and returned to me as soon as they are available. Thank you for your assistance.

ACCEPTED BY: _____
David Chichester, V.P. Finance & Administration

DATE: _____, 2005

Sincerely,

Les Hogg

c: Dennis Brunk - IPC



Easement—Organization
(Overhead)

EXHIBIT "B"

The Regents of the University of Idaho, a Corporation, Grantor(s), of Latah County,
(Use the legally registered name of the organization.)

State of Idaho, does hereby grant and convey to IDAHO POWER COMPANY, a Corporation, with its principal office located at 1221 W. Idaho Street, Boise, Idaho, its licensees, successors, and assigns, Grantee, for One Dollar and other valuable considerations, receipt of which is hereby acknowledged, a permanent and perpetual easement and right-of-way, sufficient in width for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of the electrical transmission, distribution, and telephone lines and circuits of the Grantee, attached to poles or other supports, together with guys, crossarms, and other attachments and incidental equipment thereon, and appurtenances, with the right to permit the attachment of the wires and fixtures of other companies or parties, over, on, and across the following premises, belonging to the said Grantor(s) in Gooding County, State of Idaho, in the following location, to-wit:

A parcel of land in the NW¼SE¼ Section 6,T08S,R14E,BM, Gooding County, Idaho, more particularly described as follows:

A 10.0 foot strip of land being 5.0 feet on each side of the following described line:

Commencing at the Southeast corner of said Section 6 and running thence N35°06'50"W a distance of 2725 feet more or less to the REAL POINT OF BEGINNING; Thence S30°13'26"E a distance of 165 feet more or less; Thence S58°51'45"W a distance of 118 feet more or less to the point of terminus...

RELOCATION: Grantee agrees to relocate the power line at Grantor's request; provided that (1) Grantor provides a satisfactory easement for the new power line location and (2) Grantor pays for the cost of relocation of the power line in advance.

NON-EXCLUSIVE RIGHT: Grantor may allow other uses of the easement property, provided that such uses shall not unreasonably interfere with Grantee's use of the easement premises for the power line purposes described in this easement.

Together with all rights of ingress and egress necessary for the full and complete use, occupation, and enjoyment of the easement hereby granted, and all rights and privileges incident thereto, including the right from time to time to cut, trim, and remove trees, brush, overhanging branches, and other obstructions which may injure or interfere with the Grantee's use, occupation, or enjoyment of this easement and the operation, maintenance, and repair of the Grantee's electrical system. Grantor shall not alter the grade or elevation of the land within the right-of-way existing on the date hereof through excavations, grading, installation of berms, or other activities, without the prior written approval of Grantee.

Executed and delivered this _____ day of _____, _____.

Work Order #: 27204654

Signature(s) of Grantor(s) (Include title where applicable):

STATE OF _____ }
County of _____ } ss.

For County Recorder's Use Only

I, the undersigned notary public, do hereby certify that on this _____ day of _____, 20____, personally appeared before me _____ (Individual's Name including title after each name) who, being by me first duly sworn, declared they are respectively the duly authorized persons of _____ (Organization Name), that he / she / they signed the foregoing document, and acknowledged to me that he / she / they executed the same as the free act and deed on behalf of said organization.

(Notary Seal)

Notary Public

Residing at

Commission expires _____

--- to the attached sheets for instructions on how to notarize easements.



Easement—Organization
(Underground)

EXHIBIT "C"

The Regents of the University of Idaho

a Corporation, Grantor(s) of

Latah

County,

(Use the legally registered name of the organization.)

State of Idaho, does hereby grant and convey to IDAHO POWER COMPANY, a Corporation, with its principal office located at 1221 W. Idaho Street, Boise, Idaho, its licensees, successors, and assigns, Grantee, for One Dollar and other valuable considerations, receipt of which is hereby acknowledged, a permanent and perpetual easement and right-of-way, sufficient in width to install and maintain: an underground electric power line and related facilities, including, but not limited to, above-ground pad-mounted transformers, with the right to permit the use of cables and conduits of other parties (collectively, the "facilities"), including the perpetual right of ingress and egress, at all reasonable times, to construct, maintain, and repair the facilities over, through, under, and across said lands, together with the right, at the sole expense of Grantee, to excavate and refill ditches and trenches for the location of the facilities, and the further right to remove trees, bushes, sod, flowers, shrubbery, and other obstructions and improvements, interfering with the location, construction, and maintenance of the facilities, over, on, and across the following premises, belonging to the said Grantor(s) in Gooding County, State of Idaho, in the following location, to-wit:

A parcel of land in the NW¼SE¼ Section 6,T08S,R14E,BM, Gooding County, Idaho, more particularly described as follows:

A 10.0 foot strip of land being 5.0 feet on each side of the following described line:

Commencing at the Southeast corner of said Section 6 and running thence N35°23'51"W a distance of 2580 feet more or less to the REAL POINT OF BEGINNING; Thence N43°04'57"W a distance of 75 feet more or less to the point of terminus..

RELOCATION: Grantee agrees to relocate the power line at Grantor's request; provided that (1) Grantor provides a satisfactory easement for the new power line location and (2) Grantor pays for the cost of relocation of the power line in advance.

NON-EXCLUSIVE RIGHT: Grantor may allow other uses of the easement property, provided that such uses shall not unreasonably interfere with Grantee's use of the easement premises for the power line purposes described in this easement.

The facilities generally will consist of buried power wires, above-ground pad-mounted transformers, junction boxes, cables and conduits, and other equipment, part of which may extend above ground.

Executed and delivered this _____ day of _____, _____.

Work Order #: 27204654

Signature(s) of Grantor(s) (Include title where applicable):

STATE OF _____ }
County of _____ } ss.

For County Recorder's Use Only

I, the undersigned notary public, do hereby certify that on this _____ day of _____, 20____, personally appeared before me _____ (Individual's Name including title after each name) who, being by me first duly sworn, declared they are respectively the duly authorized persons of _____ (Organization Name), that he / she / they signed the foregoing document, and acknowledged to me that he / she / they executed the same as the free act and deed on behalf of said organization.

(Notary Seal)

Notary Public

Residing at

Commission expires

to the attached sheets for instructions on how to notarize easements.



Easement—Organization
(Overhead)

The Regents of the University of Idaho, a Corporation, Grantor(s), of Latah County,
(Use the legally registered name of the organization.)

State of Idaho, does hereby grant and convey to IDAHO POWER COMPANY, a Corporation, with its principal office located at 1221 W. Idaho Street, Boise, Idaho, its licensees, successors, and assigns, Grantee, for One Dollar and other valuable considerations, receipt of which is hereby acknowledged, a permanent and perpetual easement and right-of-way, sufficient in width for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of the electrical transmission, distribution, and telephone lines and circuits of the Grantee, attached to poles or other supports, together with guys, crossarms, and other attachments and incidental equipment thereon, and appurtenances, with the right to permit the attachment of the wires and fixtures of other companies or parties, over, on, and across the following premises, belonging to the said Grantor(s) in Gooding County, State of Idaho, in the following location, to-wit:

A parcel of land in the NW¼SE¼ Section 6, T08S, R14E, BM, Gooding County, Idaho, more particularly described as follows:

A 10.0 foot strip of land being 5.0 feet on each side of the following described line:

Commencing at the Southeast corner of said Section 6 and running thence N35°06'50"W a distance of 2725 feet more or less to the REAL POINT OF BEGINNING; Thence S30°13'26"E a distance of 165 feet more or less; Thence S58°51'45"W a distance of 118 feet more or less to the point of terminus...

RELOCATION: Grantee agrees to relocate the power line at Grantor's request; provided that (1) Grantor provides a satisfactory easement for the new power line location and (2) Grantor pays for the cost of relocation of the power line in advance.

NON-EXCLUSIVE RIGHT: Grantor may allow other uses of the easement property, provided that such uses shall not unreasonably interfere with Grantee's use of the easement premises for the power line purposes described in this easement.

Together with all rights of ingress and egress necessary for the full and complete use, occupation, and enjoyment of the easement hereby granted, and all rights and privileges incident thereto, including the right from time to time to cut, trim, and remove trees, brush, overhanging branches, and other obstructions which may injure or interfere with the Grantee's use, occupation, or enjoyment of this easement and the operation, maintenance, and repair of the Grantee's electrical system. Grantor shall not alter the grade or elevation of the land within the right-of-way existing on the date hereof through excavations, grading, installation of berms, or other activities, without the prior written approval of Grantee.

Executed and delivered this _____ day of _____, _____.

Work Order #: 27204654

Signature(s) of Grantor(s) (Include title where applicable):

STATE OF _____ }
County of _____ } ss.

For County Recorder's Use Only

I, the undersigned notary public, do hereby certify that on this _____ day of _____, 20____, personally appeared before me _____ (Individual's Name including title after each name) who, being by me first duly sworn, declared they are respectively the duly authorized persons of _____ (Organization Name), that he / she / they signed the foregoing document, and acknowledged to me that he / she / they executed the same as the free act and deed on behalf of said organization.

(Notary Seal)

Notary Public

Residing at

Commission expires

to the attached sheets for instructions on how to notarize easements.



Easement—Organization (Underground)

The Regents of the University of Idaho

a Corporation, Grantor(s) of

Latah

County,

(Use the legally registered name of the organization.)

State of Idaho, does hereby grant and convey to IDAHO POWER COMPANY, a Corporation, with its principal office located at 1221 W. Idaho Street, Boise, Idaho, its licensees, successors, and assigns, Grantee, for One Dollar and other valuable considerations, receipt of which is hereby acknowledged, a permanent and perpetual easement and right-of-way, sufficient in width to install and maintain: an underground electric power line and related facilities, including, but not limited to, above-ground pad-mounted transformers, with the right to permit the use of cables and conduits of other parties (collectively, the "facilities"), including the perpetual right of ingress and egress, at all reasonable times, to construct, maintain, and repair the facilities over, through, under, and across said lands, together with the right, at the sole expense of Grantee, to excavate and refill ditches and trenches for the location of the facilities, and the further right to remove trees, bushes, sod, flowers, shrubbery, and other obstructions and improvements, interfering with the location, construction, and maintenance of the facilities, over, on, and across the following premises, belonging to the said Grantor(s) in Gooding County, State of Idaho, in the following location, to-wit:

A parcel of land in the NW¼SE¼ Section 6,T08S,R14E,BM, Gooding County, Idaho, more particularly described as follows:

A 10.0 foot strip of land being 5.0 feet on each side of the following described line:

Commencing at the Southeast corner of said Section 6 and running thence N35°23'51"W a distance of 2580 feet more or less to the REAL POINT OF BEGINNING; Thence N43°04'57"W a distance of 75 feet more or less to the point of terminus..

RELOCATION: Grantee agrees to relocate the power line at Grantor's request; provided that (1) Grantor provides a satisfactory easement for the new power line location and (2) Grantor pays for the cost of relocation of the power line in advance.

NON-EXCLUSIVE RIGHT: Grantor may allow other uses of the easement property, provided that such uses shall not unreasonably interfere with Grantee's use of the easement premises for the power line purposes described in this easement.

The facilities generally will consist of buried power wires, above-ground pad-mounted transformers, junction boxes, cables and conduits, and other equipment, part of which may extend above ground.

Executed and delivered this _____ day of _____, _____.

Work Order #: 27204654

Signature(s) of Grantor(s) (Include title where applicable):

STATE OF _____ }
County of _____ } ss.

For County Recorder's Use Only

I, the undersigned notary public, do hereby certify that on this _____ day of _____, 20____, personally appeared before me _____ (Individual's Name including title after each name) who, being by me first duly sworn, declared they are respectively the duly authorized persons of _____ (Organization Name), that he / she / they signed the foregoing document, and acknowledged to me that he / she / they executed the same as the free act and deed on behalf of said organization.

(Notary Seal)

Notary Public

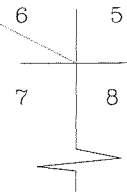
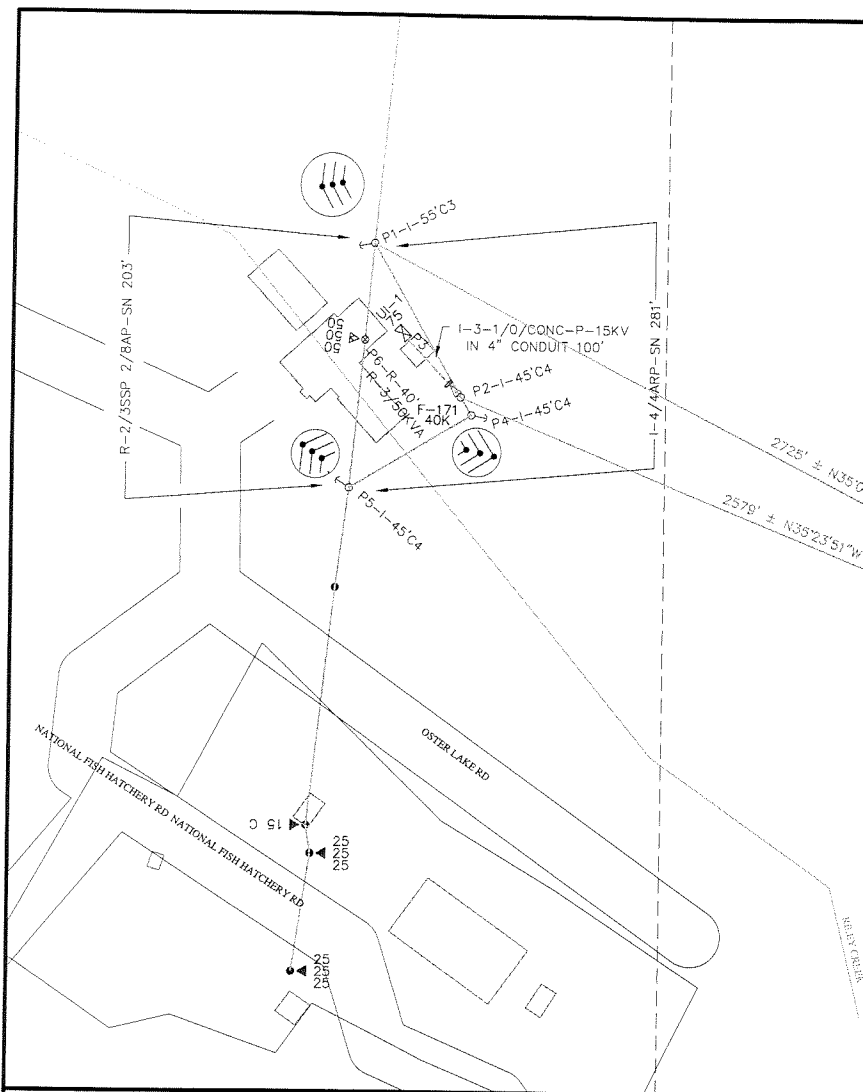
Residing at

Commission expires

to the attached sheets for instructions on how to notarize easements.

EASEMENT MAP

NOTE: METER AT THE PADMOUNT TRANSFORMER.
CUSTOMER TO PROVIDE SERVICE WIRE FROM
THE NEW BUILDING TO THE TRANSFORMER.



TIME SCALE

Job Title: UNIVERSITY OF IDAHO AQUACULTURE SITE--FISH HATCHERY RD/HAGERMAN		Feeder Map file Name: DALE4301		Surveyed or GPS: GPS		Customer:		Date:	
Additional Description:		Qtr 4 Tw 08S Rng 14E Sec 06 Mer BM		Joint Use Attachments: No		Fdr By:		Designer: DHBB986	
Additional Description:		State ID County GOODING		Pre-Built Date: 08/10/05		Date:		Design No: 0000049005	
				Built as Designed:		ArcFM By:		Work Order No: 27204654	
				Construction Date:		Date:			
				Operating Voltage: 12.5 kV					
IDAHO POWER CO. WORK ORDER MAP SCALE: 1"= 100									
Sheet 1 of 1									

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

I. Real and Personal Property and Services

2. Acquisition of Real Property

g. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

5. Disposal of Real Property

b. Board approval of other transfers

(2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO**

SUBJECT

Granting a non-exclusive access easement across the University of Idaho Experimental Forest.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2.g. & 5.b.2.

BACKGROUND

Freeman Wells has been accessing his property and rural residence by using roads existing on UI forestlands for many years. The University has taken no legal or physical action to prevent this access across Regents' property, and the access has caused no financial or land management burden on UI. Recently Mr. Wells has requested that his access rights be formalized with an easement.

DISCUSSION

Given that Mr. Wells' access has existed for some time and that his access does not negatively affect the College of Natural Resources' management of the experimental forest, the University would like to establish a defined access right for the adjoining property. In doing so the University will benefit from maintaining good relations with adjoining property owners and doing so does not compromise UI programs and long-term property interests. The University has concluded that it does not serve its interests to deny Mr. Wells' request for an easement. The proposed easement is non-exclusive, allowing future University uses when not in conflict with the access granted. The proposed easement is granted at no cost but does place maintenance responsibilities on the grantee.

IMPACT

Approval of this easement will have no direct fiscal or programmatic impact on the University of Idaho.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the request for conformance with Board policy and recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

BOARD ACTION

A motion by the State Board of Education, acting as the Board of Regents for the University of Idaho, to grant a non-exclusive access easement across a portion of the UI experimental forest to Mr. Freeman Wells, and to authorize the University's Vice President for Finance and Administration to execute said easement in substantially the same form as submitted as part of this request (see Attachment 1).

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

ATTACHMENT 1

Recording Requested By and
When Recorded Return to:

UNIVERSITY OF IDAHO
Capital Planning & Budget
Attn: Gerard Billington
Moscow, Idaho 83844-3162

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

NON-EXCLUSIVE GRANT OF EASEMENT

This NON-EXCLUSIVE GRANT OF EASEMENT (this "Grant") is made this ____ day of _____, 2005, by and between THE REGENTS OF THE UNIVERSITY OF IDAHO, a state educational institution and a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho ("Grantor"), whose address is Vice President for Finance and Administration, University of Idaho, Moscow, Idaho 83844-3168 and FREEMAN WELLS, a single man, whose mailing address is PO Box 62 Princeton, Idaho 83857 ("Grantee"). Grantor and Grantee shall collectively hereinafter be referred to as the "Parties".

RECITALS

A. Grantor has agreed to grant to Grantee a non-exclusive easement for ingress and egress through Grantor's property along an existing roadway known as Flat Creek Road and as more particularly described and shown on Exhibit A, which is attached hereto and incorporated by reference herein ("Easement Parcel").

B. The Easement Parcel consists of real property to be utilized for the operation, use, maintenance, repair and replacement, of a roadway for the purpose of providing ingress and egress to Grantee's property ("Grantee's Property"). Grantee's Property is located in Latah County, State of Idaho, and legally described as follows:

A parcel of land located in the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) of Section Thirty-Two (32), Township Forty-One (41) North, Range Three (3), West Boise Meridian, more particularly described as follows:

Beginning at the NE Corner of said Parcel and thence running due South 376.1658 feet along the East sideline of said afore-described parcel; thence West 1,158 feet; thence North 376.1658 to the Northern Quarter section line; thence East 1,158 feet to the True Point of Beginning.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

NOW, THEREFORE, in consideration of the recitals above which are incorporated below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. GRANT: Grantor hereby grants and conveys to Grantee, its successors, agents, and assigns, subject to all the terms, conditions and warranties contained herein, a perpetual non-exclusive easement ("Easement") over and across the Easement Parcel, for the purpose of ingress and egress, construction, operation, use, maintenance, repair and replacement of those improvements reasonably necessary for such vehicular and pedestrian ingress and egress to Grantee's Property. All construction, maintenance, operation, use, repair and replacement of the Easement roadway shall be strictly limited to the Easement Parcel. Easement Parcel shall not exceed twenty-five feet in width.

2. NOTICE: Any notice under this Grant shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time-to-time direct in writing:

If to Grantor:

Vice President for Finance and Administration
University of Idaho
PO Box 443168
Moscow, Idaho 83844-3168

If to Grantee:

Freeman Wells
PO Box 62
Princeton ID 83857

or to his successors in interest, agents, assigns or heirs or other record owners of the Grantee's Property that have notified Grantor in writing of such change of Grantee name and address and provided verification of ownership of Grantee's Property.

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whoever received, shall always be effective.

3. BINDING EFFECT: All provisions of this Grant, including the benefits and burdens, are binding upon and inure to the benefit, obligation, and use of the successors, agents, and assigns of the parties hereto. This Grant shall be a burden

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

upon the Easement Parcel, for the benefit of and appurtenant to each and every part of Grantee's Property and shall run with the land.

4. NON-EXCLUSIVE RIGHT AND LIMITATION ON USE: Anything in this instrument to the contrary notwithstanding, Grantee agrees to the following conditions:

a. The Easement herein granted is subject to all easements and encumbrances of record and is non-exclusive, provided that later-granted easements shall be subject to Grantee's rights and uses;

b. Grantor and its successors and assigns shall retain the right to full use of the surface and subsurface of the Easement Parcel. ;

c. Grantee is not authorized by this Grant to use the Easement Parcel for storage, parking or maintenance of vehicles or for any purpose not specified above. Grantee and Grantee's guests and invitees shall not damage the Easement beyond normal wear and tear. Should such damage occur, Grantee shall repair such damage at Grantee's sole cost and expense.

5. INDEMNITY: The Grantee shall indemnify, defend and save Grantor, its successors, assigns, and agents harmless from any and all claims, liabilities, losses, costs, charges, or expenses (including, without limitation, reasonable attorneys' fees) which Grantor may incur as a result of any act or omission of the Grantee, and Grantee's agents, contractors, tenants, licensees and invitees, in their use of the Easement Parcel under this Grant. If any action, claim or demand is made against Grantor for any act or omission of the Grantee or Grantee's agents, contractors, tenants, licensees and invitees, Grantee agrees to assume the expense and shall pay all costs, charges, attorneys' fees, settlements, judgments or other expenses incurred by or obtained against Grantor, and also, including all attorneys' fees and costs associated with any appeal proceeding.

6. REMEDIES: In the event of a breach hereunder by any party, the non-breaching party shall have all remedies available at law or in equity, including injunctive or other equitable relief. In any suit, action or appeal therefrom to enforce or interpret this Grant, the prevailing party shall be entitled to recover its costs incurred therein, including reasonable attorneys' fees and costs, and also including reasonable attorney's fees and costs associated with any appeal proceedings. The failure of Grantor to insist upon strict performance of any of the terms or conditions of this Grant shall not be deemed a waiver of any rights or remedies that Grantor may have, and shall not be deemed a waiver of any subsequent breach or default in the terms or conditions of the Grant by the same or any other person. The covenants, warranties and obligations established herein shall survive the granting of easement rights conveyed to the Grantee and shall remain binding on the parties and their successors in interest and shall survive recording of this Grant of Easement.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

7. MODIFICATION: This Grant shall not be modified unless expressly agreed to by both parties in writing.

8. RELOCATION: The Grantor reserves the right to, and the Grantee agrees that the Easement and Easement Parcel may be relocated at the Grantor's sole option and expense so long as the relocated access provides reasonably equivalent access to the east boundary of the Grantee's property.

9. EASEMENT REPAIRS AND IMPROVEMENTS: Grantor and Grantee agree that Grantor shall have no obligation by this Grant to maintain the Easement Parcel to any particular standard, nor to engage in maintenance other than current and customary practice of discretionary annual repair and maintenance. In the event Grantor no longer uses the Easement Parcel for Grantor's ingress and egress to Grantor's Property, Grantor may discontinue all of its maintenance operations for the Easement Parcel. In such event, any construction, maintenance, operation, use, repair and replacement of the roadway by Grantee shall be at its sole cost and expense; provided however, Grantee shall receive prior written approval of the Grantor for any such projects undertaken by Grantee, such approval not to be unreasonably withheld.

10. RIGHT OF WAY CLEARING AND MAINTENANCE: Grantee shall have the right to cut, trim, and remove any and all brush, branches, and trees located within the Easement Parcel which impair Grantee's ingress and egress. Grantee shall be responsible for all maintenance and repair of Easement.

11. PROVISION FOR SHARED MAINTENANCE COSTS: In the event Grantor grants another party a non-exclusive easement for ingress and egress over all or a part of the Easement Parcel, such subsequent easement shall only be granted subject to Grantor explicitly establishing in any new grant a reasonable and equitable process for sharing costs for any maintenance, repairs or improvements between any new grantee and Grantee. Such process may be amended by those two parties by mutual agreement and without the consent of Grantor, so long as such amended process does not impose any costs or responsibilities upon Grantor.

12. CONDITION OF PARCEL: In the event that the Grantee shall undertake any actions on the Easement Parcel intended for the construction, maintenance, repair or replacement of the Easement, the Grantee shall have the prior written approval by the Grantor for such actions, and Grantee shall return the Easement Parcel, to the extent reasonably practical, at least to the same or better condition as the Easement Parcel was in prior to Grantee's construction, maintenance, repair or replacement activities. In the event that Grantee fails to repair and return the Easement Parcel to said same condition, then the Grantor, at its sole discretion, may restore the Easement Parcel, or any portion thereof, and Grantee shall reimburse Grantor for all costs associated therewith within thirty (30) days from receipt of an invoice therefor.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

13. **TITLE INSURANCE AND ESCROW:** Should Grantee so desire, at its sole expense, Grantee may apply forthwith for a title insurance policy insuring the easement hereby granted and Grantor will make available for inspection by the title company any evidence of title in its possession.

14. **REPRESENTATIONS AND WARRANTIES:** Grantor and Grantee represent and warrant as of the date herein that they and the person(s) executing on their behalf have the power and authority to execute this Grant and to perform Grantor's and Grantee's obligations herein and if Grantor or Grantee are a corporation, all necessary corporate action to authorize this transaction has been taken.

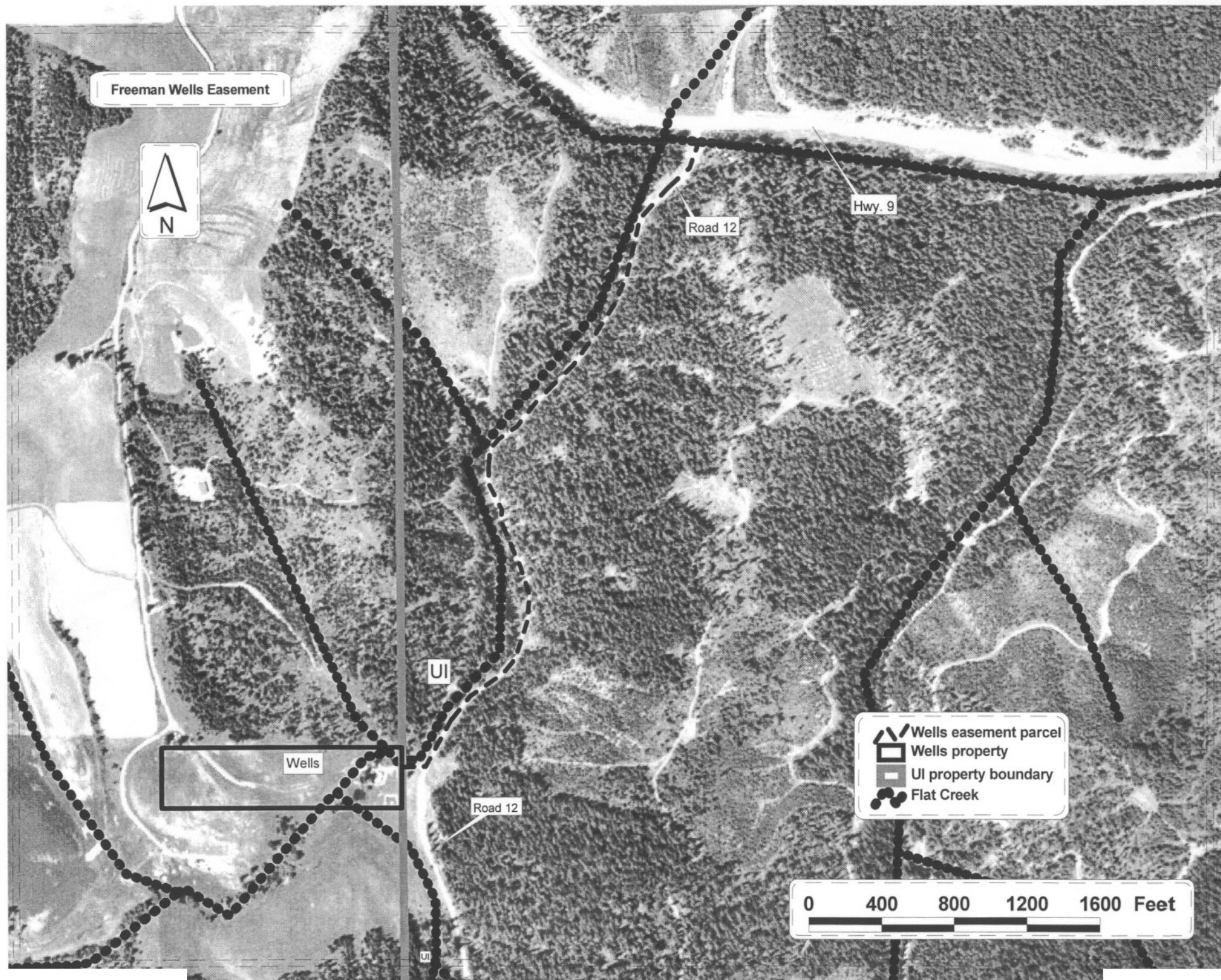
15. **COMPLIANCE WITH ALL LAWS AND INDUSTRY STANDARDS:** The Parties hereby agree to comply in all respects with any and all, applicable federal, state and local statutes, laws, ordinances, codes, regulations, and rules in connection with the use of the Easement and Easement Parcel. In addition, with respect to the construction, operation, use, maintenance, repair or replacement of the Easement which may be undertaken by the Grantee as provided herein, Grantee agrees to comply with all applicable industry standards pertaining thereto.

16. **RECORDING:** After recording this instrument, Grantee shall provide Grantor with a certified copy of the recorded instrument showing the date, instrument number, book, and page of recording.

17. **TERMINATION:** Grantee may terminate this Grant upon the express written consent by Grantor and by recording a release with the Latah County Recorder's Office in recordable form with directions for delivery of the same to Grantor, whereupon all rights, duties, and liabilities hereby created shall terminate. If there is a termination or abandonment of the Easement, Grantee shall remove Grantee's Improvements and return the Easement Parcel to its condition as of the date of this Grant unless, upon Grantee's written request, Grantor authorizes Grantee in writing to not remove Grantee's Improvements.

EXHIBIT A

Easement Parcel



REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

I. Real and Personal Property and Services

2. Acquisition of Real Property

g. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

5. Disposal of Real Property

b. Board approval of other transfers

(2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Approval to sell two property lots to McCann Partners, to provide adequate land to construct a residence hall.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.1. through V.I.3.

REFERENCE

October 2004	Lewis-Clark State College (LCSC) informed Board of shortage of residence hall space.
December 2004	Board asked for a needs presentation and competitive RFP.
January 2005	Board asked for review of private enterprise building any necessary residence halls and/or advantages of self financing without a lease consideration.
March 2005	Board approved the sale of tax-exempt bonds to fund the construction of a residence hall. However, LCSC promised to provide adequate time for private industry to intervene prior to a financial commitment by the College.

BACKGROUND

Lewis-Clark State College has been pursuing a private/public partnership as a means of providing a method to construct needed housing for LCSC students. During the January 2005 meeting the Board asked that LCSC pursue the possibility of allowing the need to be met through the private sector, renting directly to students without a financial obligation to the College. In addition, the Board asked that LCSC pursue other funding alternatives rather than a lease arrangement guaranteeing a return to a private developer.

During the March 2005 meeting, the Board approved the issuance of a tax-exempt bond to fund a new residence hall with the promise from LCSC it would pursue the possibility of encouraging private enterprise to construct a facility and rent directly to the students. The goal is to have a new and affordable housing by Fall Term 2006.

DISCUSSION

Lewis-Clark State College believes it is need of new and modern student housing. A new residence hall would help the college in attaining goals in regard to student body growth and increased retention of students during the first two years on campus.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE – continued

New student housing would also provide the college with more flexibility to house students in order to take portions of existing residence halls off-line to provide system upgrades and address the safety and efficiency needs of those older structures. The College intends to move 59 current students now housed in a local hotel into the new structure and does not intend to rent rooms in Talkington Hall, on campus, in Fall of 2006. This will allow the College to plan for renovation of Talkington Hall to address life safety and energy conservation needs. The College could then start to meet the demand created by the growth of new students on campus and attract more students to the Lewis-Clark State College campus starting Fall 2007.

Lewis-Clark State College has recently been approached by McCann Limited Partnership to develop and construct an apartment style building on 4th street between 8th avenue and 9th avenue, directly across the street from the Student Union Building located on the LCSC campus. The planned project would provide eighty-eight (88) new beds for students. The developer has purchased four of six lots on the block. Lewis-Clark State College owns the other two lots. One lot owned by the College has a house and is scheduled for demolition when time and resources permit. The other lot is vacant land.

The developer is asking to purchase said property for a sum of \$65,000. The attached appraisal shows the fair market value as \$65,000. This project required the approval from the City of Lewiston for a “contract zone” that allows more beds than the current zoning restrictions allow. Part of the requirements of the granted zoning agreement was that the developers negotiate a management agreement with the College that would provide preference for students to be primary residents in the project.

In addition to the project noted above, the College has been working with a second developer who is initiating a project located in downtown Lewiston (corner of 5th Street and Main Street), with a capacity of 116 students. The developer has proposed a similar management agreement as the one being considered for the McCann Limited Partnership project. The completion of both of these projects will allow the College to address the need for new housing and the ability to plan for renovation of existing residence halls on campus.

Both developers have requested the College become the rental agent for the respective residence halls. In this situation, the College will receive revenue to cover the cost of residence hall staffing and facility maintenance.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE – continued

IMPACT

Income from the sale of the two lots, if approved, will be used in the LCSC Residential Life budget for the benefit of students. Exact use of the funds has yet to be determined.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has had extensive discussions over the past 10 months with representatives at Lewis-Clark State College and remains convinced additional housing is needed. Although the Board previously authorized LCSC to issue bonds to construct a residence hall, the College has been receptive to offers of interest from private developers. In this situation, a private developer has offered to construct a residence hall immediately adjacent to the campus, and has contracted with LCSC to manage the proposed residence hall.

The bonds approved to be issued will not be necessary, and Board action to rescind that motion may be needed after the residence hall is fully operational.

The appraisal mentioned above may not have been available at the time the agenda was published. If not, the document will be provided separately.

Staff has reviewed this item for conformance with Board policy and recommends approval.

BOARD ACTION

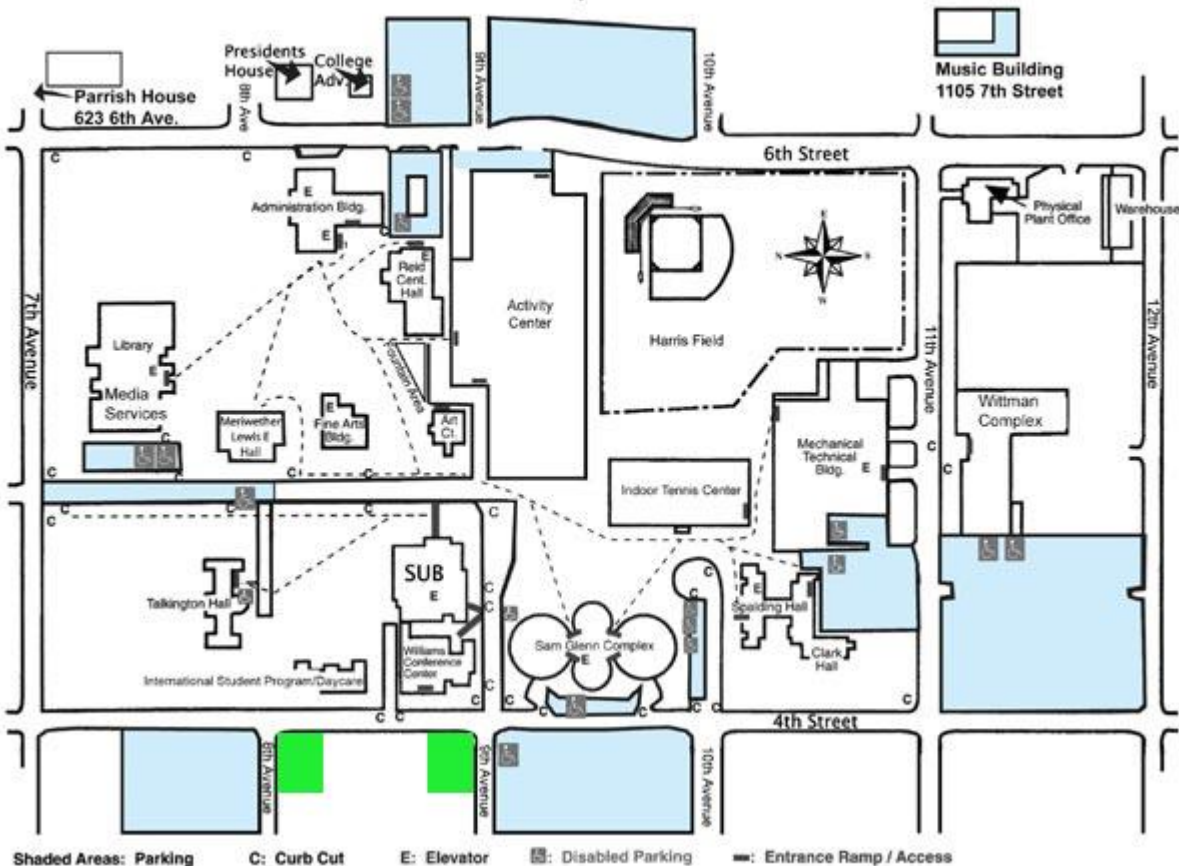
A motion to approve the sale of two lots at 802 4th street and 828 4th street by Lewis-Clark State College to McCann Limited Partnership for the express purpose of constructing a residence hall.

Moved by _____ Seconded by _____ Carried Yes ____ No ____

THIS PAGE INTENTIONALLY LEFT BLANK

LEWIS-CLARK STATE COLLEGE

Lewiston, Idaho



----- Recommended Wheel Chair Access

Prepared by ESD: Bridging Technology students

THIS PAGE INTENTIONALLY LEFT BLANK

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

I. Real and Personal Property and Services

1. Authority

- a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.
- b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.
- c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.
- d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.
- e. If the executive director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

2. Acquisition of Real Property

- a. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.
- b. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the state of Idaho by and through the State Board of Education.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

- c. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)
- d. Acquisition of an option, lease, or any other present or future interest in real property by or on behalf of an institution, school or agency requires prior Board approval if the term of the lease exceeds five (5) years or if the cost exceeds two hundred fifty thousand dollars (\$250,000) annually.
- e. Appraisal.
An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.
- f. Method of sale - exchange of property.
The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.
- g. Execution.
All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.
- b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

APPRAISAL REPORT OF



802 4th Ave
Lewiston, ID 83501

PREPARED FOR

McCann

AS OF

9/30/05

PREPARED BY

Terry Rudd/ Rudd Appraisals
2901 Perry Lane
Clarkston, WA 99403

Terry Rudd/ Rudd Appraisals
2901 Perry Lane
Clarkston, WA 99403

10/06/05

McCann

RE: McCann
802 4th Ave
Lewiston, ID 83501
File No. McCann 02
Case No. N/A

Dear

In accordance with your request, I have personally inspected and prepared an appraisal report of the real property located at:

802 4th Ave, Lewiston, ID 83501

The purpose of this appraisal is to estimate the market value of the property described in the body of this appraisal report.

Enclosed, please find the appraisal report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 9/30/05 is:

\$ 32,500

The opinion of value expressed in this report is contingent upon the limiting conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

Signature: 

Terry Rudd, MAI

Table of Contents

Page Title	Page #
Order Form	1
Land Appraisal	2
Comments	3
Appraiser License Certificate	4
Limiting Conditions	5
Appraiser's Certification	6
Exhibit	7
Exhibit	8
Exhibit	9
Photo Subject	10
Plat Map	11
Sales Location Map	12
Photo Comparables 1-2-3	13

Limited Appraisal/Restricted Report

LAND APPRAISAL REPORT

IDENTIFICATION	
Borrower	McCann
Property Address	802 4th Ave
City	Lewiston
Legal Description	Lewiston: Holcomb's Subdivision: 1 5 / RP L06200810502 A
Sale Price \$	Date of Sale _____ Loan Term _____ yrs. Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD
Actual Real Estate Taxes \$	n/a (yr) Loan Charges to be paid by seller \$ N/A Other Sales Concessions _____
Lender/Client	McCann
Occupant	LCSC
Appraiser	Terry Rudd, MAI
Instructions to Appraiser	Est. Value _____

NEIGHBORHOOD	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural
Built Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%
Growth Rate	<input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow
Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining
Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply
Marketing Time	<input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos.
Present Land Use	50 %1 Family _____ %2-4 Family _____ 5 % Apts _____ % Condo _____ % Commercial _____ %Industrial _____ % Vacant _____ 45 % College _____
Change In Present Land Use	<input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely(*) <input type="checkbox"/> Taking Place (*)
Predominate Occupancy	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant _____
Single Family Price Range	\$ 90 to \$ 350 Predominant Value \$ 130
Single Family Age	0 yrs to 110 yrs. Predominant Age 55 yrs

SITE	
Dimensions	50 X 142 = 7,100 Sqft <input type="checkbox"/> Corner Lot
Zoning Classification	R3 Present Improvements <input checked="" type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations
Highest and best use	<input type="checkbox"/> Present use <input type="checkbox"/> Other (specify) _____
Elec.	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
Gas	<input checked="" type="checkbox"/> _____
Water	<input checked="" type="checkbox"/> _____
San. Sewer	<input checked="" type="checkbox"/> _____
Off Site Improvements	Topo Basically Level
Street Access	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
Surface	Surfaced
Maintenance	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
Storm Sewer	<input type="checkbox"/> Curb/Gutter
Sidewalk	<input type="checkbox"/> Street Lights
Drainage	Appears Adequate
Is the property located in a HUD identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

MARKET DATA ANALYSIS	
The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.	
SUBJECT PROPERTY	COMPARABLE NO.1
Address	802 4th Ave Lewiston, ID 83501
Proximity to Subject	2.67 miles
Sales Price	\$ 27,000
Price /	\$ 3.55 Psf
Data Source	Inspection
Date of Sale and Time Adjustment	DESCRIPTION DESCRIPTION Adjustment
Location	Urban/Average
Site/View	7,100 Sqft
Access:	Public Strt/Crb/Gttr/Alley
Utilities:	At Site
Topography:	Level
Dvlpmnt Pot:	SFR/Apt Potential
Sales or Financing Concessions	Conv. None noted
Net Adj.(Total)	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 3,100
Indicated Value of Subject	Net=11% Gross=14% \$ 30,100

RECONCILIATION	
Comments on Market Data See Attached Addendum	
Comments and Conditions of Appraisal: This appraisal is made on an "as-is" basis assuming the site is properly zoned and available for development as proposed.	
Final Reconciliation: Statistical analysis was applied to the range reflecting the most probable price at the center of the range thereof- as most representative of the value level objective.	
I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 9/30/05 to be \$ 32,500	
Appraiser(s)	Terry Rudd, MAI
Date Report Signed	10/06/05
State Certification #	State _____
Or State License #	CGA-65 State _____ ID _____
Expiration Date of License or Certification	7/30/06

Rudd Appraisals
COMMENT ADDENDUM

File No. McCann 02
Case No. N/A

Borrower McCann							
Property Address 802 4th Ave							
City	Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client McCann		Address , ,					

NEIGHBORHOOD COMMENTS:

Lewiston is the east half of a twin city area located at the confluence of the Snake and Clearwater Rivers. Lewiston, Idaho lies on the east bank of the Snake River which is the dividing line between Washington and Idaho. Clarkston, Washington lies on the west side of the bank. The population in and around Lewiston is approximately 30,000. In the year 2003 the area encompassing Lewiston, Clarkston, and Asotin (which is a neighboring WA town) was given the MPO (Metropolitan Planning Organization) designation, acknowledging a population of at least fifty thousand for the area, allowing Lewiston, Clarkston and Asotin eligibility for federal road and transportation grants.

Lewiston was established before the turn of the 19th Century and contains homes of varied age, style and architectural design. The market was quite strong in the 1990's, turning level in the latter 90's with a downturn beginning in 1998. As a result of lowered mortgage rates in 2003 a flurry of activity has re-invigorated the market. However, value appreciation has remained minimal and is expected to do so until 2007 or whenever the over-arching cycle has reset.

COMMENTS ON SALES COMPARISON:

The comparables selected were the best available with respect to six-month time frame, proximity, and size. Adjustments were based on a 50% reduction of the price differential per square foot for size- further modified for rating of desirability and view. Access was adjusted on the basis of road surfacing, distance to primary access and length of driveway. Utilities were adjusted on the basis of the cost differential from sale to subject. Topography was based on a factor of -10% expected cost per 10% of side slope. Some comp photos may have been provided by MLS, Assessor or appraiser's file(s).

Appraiser License Certificate

File No. McCann 02
Case No. N/A

<p>Bureau of Occupational Licenses Department of Self Governing Agencies The person named has met the requirements for licensure and is entitled under the laws and rules of the State of Idaho to operate as a(n) CERTIFIED GENERAL APPRAISER</p> <p>TERRY RUDD 2901 PERRY LN CLARKSTON WA 99403</p> <p><i>Angela Peterson</i> Chief, B.O.L.</p> <p>CGA-65 Number</p> <p>07/30/2006 Expires</p> <p>TERRY RUDD 2901 PERRY LN CLARKSTON WA 99403</p>	<p>Your license must be shown on demand.</p> <p>← carry this copy</p> <p>display this copy ⇒</p> <p>07/25/2006</p>	<p>Bureau of Occupational Licenses Department of Self Governing Agencies The person named has met the requirements for licensure and is entitled under the laws and rules of the State of Idaho to operate as a(n) CERTIFIED GENERAL APPRAISER</p> <p>TERRY RUDD 2901 PERRY LN CLARKSTON WA 99403</p> <p><i>Angela Peterson</i> Chief, B.O.L.</p> <p>CGA-65 Number</p> <p>07/30/2006 Expires</p>
--	--	--

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazard wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

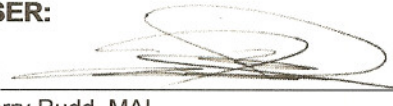
APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraiser report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 802 4th Ave, Lewiston, ID 83501

APPRAISER:

Signature: 
 Name: Terry Rudd, MAI
 Date Signed: 10/06/05
 State Certification #: _____
 or State License #: CGA-65
 State: ID
 Expiration Date of Certification or License: 7/30/06

SUPERVISORY APPRAISER (only if required)

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
☐ Did ☐ Did Not Inspect Property

Borrower McCann					
Property Address 802 4th Ave					
City Lewiston	County	Nez Perce	State	ID	Zip Code 83501
Lender/Client McCann		Address			

FIRREA ADDENDUM

PURPOSE OF APPRAISAL: The purpose of this report is to present the estimated market value of the subject property as defined herein. This estimate is to be used solely by the client as a basis for Federally related loan purposes.

SCOPE OF APPRAISAL: The following steps were taken in arriving at the final estimate of value included in the appraisal report of the subject property:

After receiving assignment, a preliminary search of all data sources was made to determine market trends, influences and other significant factors pertinent to subject value.

A physical inspection of the property was performed. The market data was reviewed and the most relative factors extracted and reflected to the subject. Comparable sales were examined, adequate information about such gathered and market factors weighed and reflected to the subject property.

The appraisal report was then completed in accordance with the departure provision within USPAP, Uniform Standards of Professional Appraisal Practice, and lender guidelines of a limited appraisal in Summary Report Format.

All research, findings and conclusions were personally prepared on an independent basis without prejudice. Furthermore, this report complies with USPAP, Uniform Standards of Professional Appraisal Practice, as adopted by the Appraisal Standards Board of the Appraisal Foundation as of August 9, 1990.

COMPETENCY DISCLOSURE: I certify that I have personally appraised and participated in the construction, ownership, sale, rental and management of properties similar to the subject property over the past 30 years. A generalized list of my additional qualifications have either been attached in the Curriculum Vitae included with this report or is on file with the lender.

TREND ANALYSIS: The real estate market began the next 9 year down cycle in 1998. It is not scheduled to complete until 2007 and could be more severe than the 1980-89 correction. The appraised value herein applies only to the immediate present. Subject values in the future could be much lower than the figure indicated.

CONDITION BASIS: The subject property is valued on its "as is" condition unless stated otherwise. The appraisal report was prepared without any unrealistic assumptions. The highest and best use, as improved, is in conformity with the current land comparables. If listed through the MLS, it's anticipated that the subject would experience a typical marketing period of the neighborhood, unless otherwise noted. If further completion or remodeling is proposed, the appraisal may indicate a secondary value as such. Discounts and deductions which might be necessary to maintain the value level as defined have been considered and were identified if used.

LIMITED APPRAISAL: Due to inadequate rental data, the Income Approach was not requested from the client, therefore invoking the Departure Provision from the Specific Requirement of Standards Rule 1-4(b), (iv), (v), (vi) and (c).

SUMMARY APPRAISAL REPORT: Reporting option by ASB has been exercised. This appraisal report is intended to include enough information necessary to enable the reader to understand the appraiser's opinion. This appraisal is presented in writing.

PERSONAL PROPERTY: All personal property not typically included with the real estate and sale has been excluded from the valuation of the subject. Should a transaction include personal property of sufficient value to deviate from market expectancy, a separate assessment of the personal property, fixtures or tangible items was included with the report as a separate valuation. No inventory, business goodwill or blue sky were included.

APPROACHES TO VALUE: The appraiser has made a reasonable effort to employ all three recognized approaches: Cost, Income and Market Data. As single family residences are less commonly purchased on an investment basis, the use of the Income Approach will only be used at the request of the client on non-owner occupied residential properties or where sufficient market evidence exists in the neighborhood to indicate that rental properties or investor purchases are typical, measurable and the analysis adds to the appraisal process.

Favorable loan financing was assumed to be in place. Thus comparable sales of similar nature were employed with adjustments to all other transactions.

This appraisal presents and supports a current market value, though a sale would necessarily occur in the future by way of the required exposure period. All assumptions and projections are supported by current market conditions, which are not able, however, to accurately reflect the future. No perfect means of prediction exists, even in the near term. Therefore, every user becomes a forecaster like the appraiser, with no guarantee of the indicated price/point of value available.

TITLE/LEGAL: As typical, a preliminary title report for the subject was not furnished. It's assumed that the legal either provided by the client or obtained from courthouse records match the lender's intended collateral. No analysis of any conditions or exceptions was thus attempted. No leasehold interest either negative or positive was considered if the property was not rented. No detriment of any easements not observable from surface indications were included. The dimensions, legal description, public record information and on-site investigations were assumed to present the information as would be found by a prudent market participant.

The maps included in the appraisal are for assistance in comprehending the report only. No engineering survey of the building or of the land itself was attempted and thus, no assumption or responsibility for discrepancies will be accepted. The structures were measured around the exterior to the nearest foot basis. Interior measurements were made only where room size was questionable or unfinished areas determined.

The appraiser assumes that there are no hidden conditions as to sub-surface conditions of the subject that would render it less valuable than presented. No engineering study was performed that might otherwise discover such factors. This also applies to possible infestation from insects such as termites, dry rot, water or earth movement damage not readily apparent upon surface inspection. The property was assumed to be free of such problems, unless otherwise stated.

This property is assumed to be held in responsible ownership, competent management and available for whatever highest and best use was projected. Information, estimates and opinions furnished the appraiser in normal investigation for this report were obtained from sources deemed reliable. Further value changes are not deemed to present an impact on current market value.

The final value concluded is based on the parameters stated herein and limited to the character of the subject property as stated. Any changes in the property's character or the market within which it exists, including but not limited to physical,

Borrower McCann						
Property Address 802 4th Ave						
City Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client McCann		Address				

functional, economic, political and/or financial factors may affect the value conclusion whether it occurs within a different time frame or not.

This appraisal addresses the subject value as of the specified data only. Property values range within the present and cycle over time as well. Values also vary per management and utilization of ownership. Thus the value level reflected may not indicate a future user's intentions or expectations. Furthermore, further change by way of cyclical adjustment of the market may affect the subject value and thus, render the current opinion invalid.

This appraisal, unless otherwise indicated and so adjusted, is based on quiet title and legal access to the property as physically described. All of the improvements have been purported to exist on the subject property including utilities, water and sewage systems and have not been separately surveyed. In the absence of an engineering report otherwise, the access road is assumed to be year-round fee simple or permanent easement, electricity, phone and any TV systems legally connected and unencumbered, public or private water systems providing adequate quality and quantity to that required by government agency, local market and subject requirement, sanitary sewer, septic system and/or drainfield (as indicated) acceptable to all government authorities as well as the market and subject application. Additionally, except as indicated, all off-site improvements, topography, drainage, landscaping and any flood potential acceptable to both Federal agencies, local government, immediate market and full and uninhibited use of the subject, unless indicated and adjusted for otherwise. All energy storage on-site or off-site delivery along with any environmental considerations, zoning variances or additional considerations are assumed to be in agreement by all Federal agencies involved, local market expectancy and fully acceptable to and utilized by subject property. Professional inspections of the property are recommended otherwise, even if no defects have been made known to the appraiser. This report is not warranting the condition or status of any physical or market feature of the subject, except for the sole purpose of arriving at a present market value.

It was not intended that this appraisal would serve as proof of condition or future expectancy by any of the parties served. This appraisal was prepared for the exclusive use of the client indicated and may reflect lending guidelines specific only to that client. Possession of this report, or a copy thereof, does not carry with it any right of publication. Any purchaser that may be involved should be aware that as of 1994, the States of Idaho and Washington require a "Property Disclosure Form" to be supplied by the grantor.

Should this property be foreclosed upon, the value indicated may change as a result of market anticipation. It's generally expected that properties which become real estate owned by financial institutions are prey for bargain hunters. While market prices are occasionally obtainable, most sales when financially depressed situations have precipitated a change in ownership, occur at a lower level than most probable (the objective herein). Therefore, this value conclusion may not avail itself to either future market conditions or a detrimental change in ownership.

Field data and computer data input was performed by Mark Rudd, who also initiated the calculations and completed the final report, and may have also inspected the subject- all under my supervision and training. Terry R. Rudd reviewed the processes and completed the appraisal and value conclusion.

Borrower McCann					
Property Address 802 4th Ave					
City Lewiston	County	Nez Perce	State	ID	Zip Code 83501
Lender/Client McCann		Address			

Terry R. Rudd, MAJ

CURRICULUM VITAE

RESIDENTIAL APPRAISING:

EMPLOYMENT EXPERIENCE:

Appraising Single Family, Multi-Family and Apartment Complexes since 1960.

LICENSES:

Certified Real Estate Appraiser/General Classification (including residential): Idaho, Washington, Oregon.

EDUCATION:

Bachelor of Science Degree, Forest Engineering: Oregon State University 1958.

Successful completion/American Institute of Real Estate Appraiser Courses: I-A and I-B February 1965. II: Income Analysis, June 1971. IV: Grazing Lands and Cattle Ranches, June 1972. Mortgage Financing, March 1980. Litigation Valuation, March 1986. Capitalization Theory and Techniques, Part A, January 1989. Standards of Professional Practice, February 1989, Standards of Professional Practice Part B, March 1993, Money Markets, March 1980: Northwest Regional Conference, July 1982, Current Legal Issues, 1992, Money and the Monetary System, 1992, Technical Inspection of Real Estate 1991, Applied sales Comparison Approach 1993, New URAR Residential Appraisals 1994, FIRREA (Overview and Practical Application) 1993, Real Estate School of Washington 1980, Real Estate Law, 1992, Understanding Limited Appraisals 1994, Standards of Professional Practice Part A and Part B, May 1997.

MEMBERSHIP:

MAI/Member of Appraisal Institute (previously AIREA)

LICENSES:

Certified Real Estate Appraiser/General Classification: Idaho, Washington and Oregon.

Rudd Appraisals
SUBJECT PHOTO ADDENDUM

File No. McCann 02
Case No. N/A

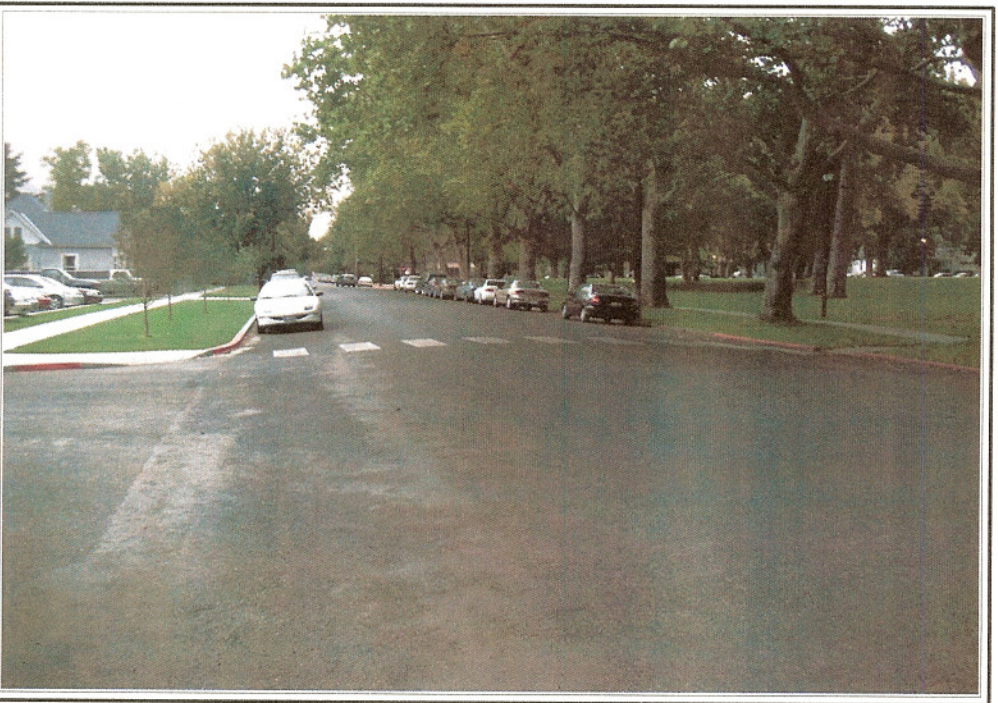
Borrower	McCann						
Property Address	802 4th Ave						
City	Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client	McCann						
	Address						



**FRONT OF
SUBJECT PROPERTY**
802 4th Ave
Lewiston, ID 83501

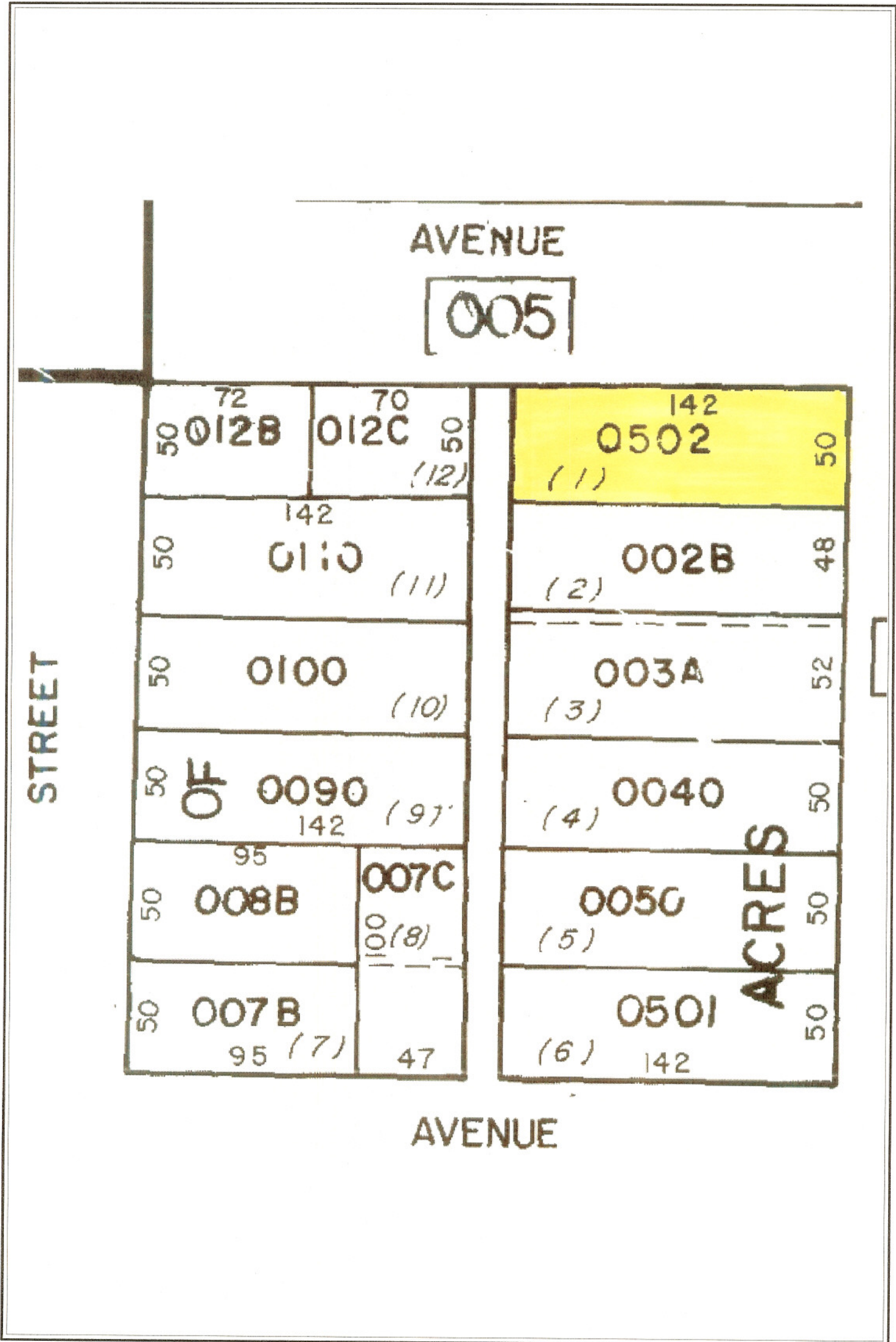


**REAR OF
SUBJECT PROPERTY**



STREET SCENE

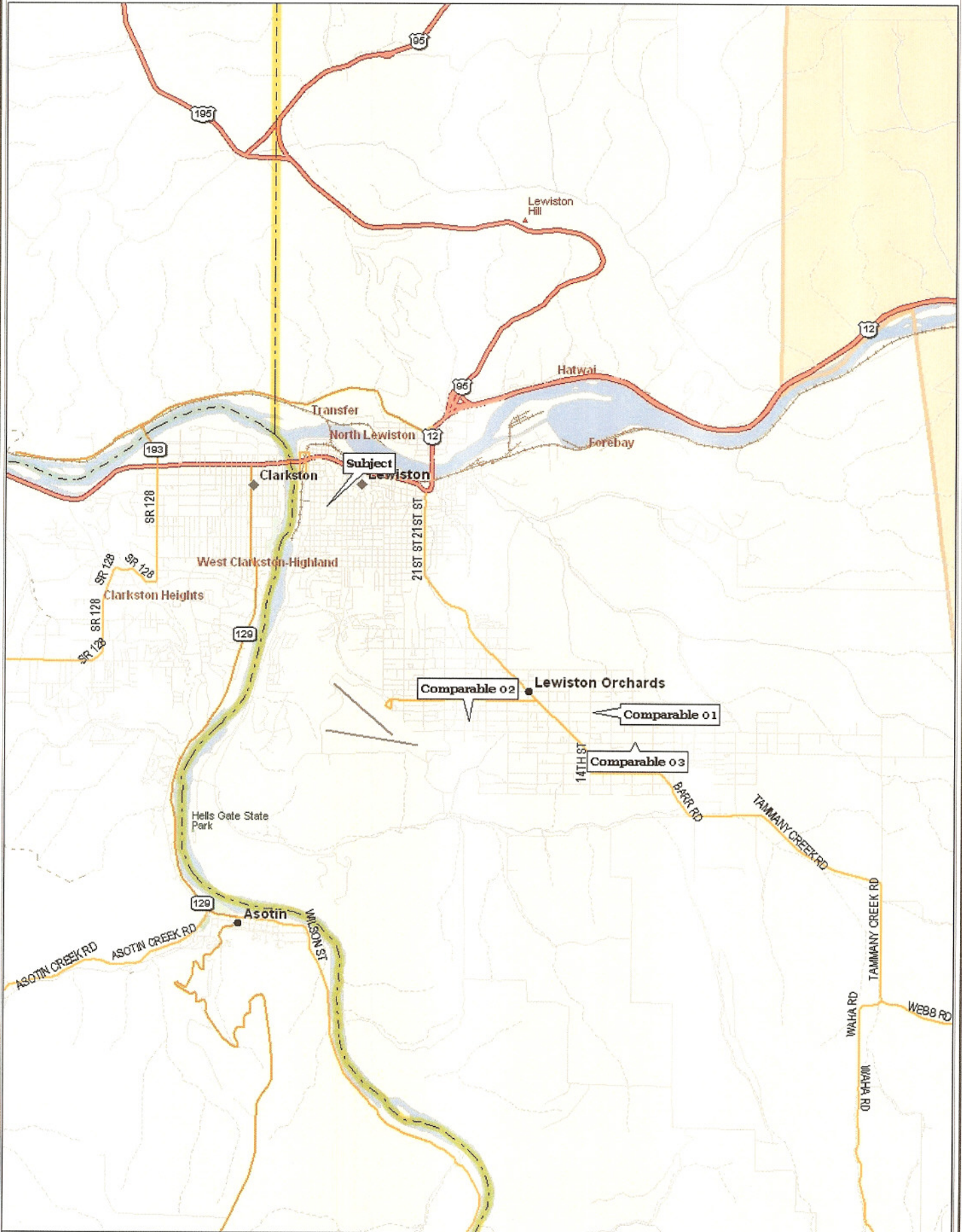
Borrower	McCann				
Property Address	802 4th Ave				
City	Lewiston	County	Nez Perce	State	ID
Lender/Client	McCann		Address		
				Zip Code	83501



Rudd Appraisals
SALES LOCATION MAP

File No. McCann 02
Case No. N/A

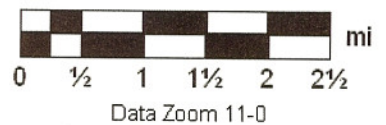
Borrower	McCann						
Property Address	802 4th Ave						
City	Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client	McCann	Address					



DeLORME

© 2003 DeLorme
www.delorme.com

Street Atlas USA® 2004



Rudd Appraisals
COMPARABLES 1-2-3

File No. McCann 02
Case No. N/A

Borrower	McCann							
Property Address	802 4th Ave							
City	Lewiston	County	Nez Perce	State	ID	Zip Code	83501	
Lender/Client	McCann		Address					



COMPARABLE SALE # 1
1413 Burrell
Lewiston, ID 83501



COMPARABLE SALE # 2
810 Cedar Ave
Lewiston, ID 83501



COMPARABLE SALE # 3
1600 Blk Alder Ave
Lewiston, ID 83501

APPRAISAL REPORT
OF



828 4th Ave
Lewiston, ID 83501

PREPARED FOR

McCann

AS OF

9/30/05

PREPARED BY

Terry Rudd/ Rudd Appraisals
2901 Perry Lane
Clarkston, WA 99403

Terry Rudd/ Rudd Appraisals
2901 Perry Lane
Clarkston, WA 99403

10/06/05

McCann

RE: McCann
828 4th Ave
Lewiston, ID 83501
File No. McCann 01
Case No. N/A

Dear

In accordance with your request, I have personally inspected and prepared an appraisal report of the real property located at:

828 4th Ave, Lewiston, ID 83501

The purpose of this appraisal is to estimate the market value of the property described in the body of this appraisal report.

Enclosed, please find the appraisal report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 9/30/05 is:

\$ 32,500

The opinion of value expressed in this report is contingent upon the limiting conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

Signature: 

Terry Rudd, MAI

Table of Contents

Page Title	Page #
Order Form	1
Land Appraisal	2
Comments	3
Appraiser License Certificate	4
Limiting Conditions	5
Appraiser's Certification	6
Exhibit	7
Exhibit	8
Exhibit	9
Photo Subject	10
Plat Map	11
Sales Location Map	12
Photo Comparables 1-2-3	13

Limited Appraisal/Restricted Report

LAND APPRAISAL REPORT

IDENTIFICATION	
Borrower	McCann
Census Tract	9905.98
Map Reference	N/A
Property Address	828 4th Ave
City	Lewiston
County	Nez Perce
State	ID
Zip Code	83501
Legal Description	Lewiston: Holcomb's Subdivision 6 5 / APN: RP L06200810501 A
Sale Price \$	Date of Sale _____ Loan Term _____ yrs. Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD
Actual Real Estate Taxes \$	n/a (yr) Loan Charges to be paid by seller \$ N/A Other Sales Concessions _____
Lender/Client	McCann
Address	_____
Occupant	LCSC
Appraiser	Terry Rudd, MAI
Instructions to Appraiser	Est. Value _____

NEIGHBORHOOD	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural
Built Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%
Growth Rate	<input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow
Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining
Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply
Marketing Time	<input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos.
Present Land Use	50 %1 Family _____ %2-4 Family _____ 5 % Apts _____ % Condo _____ % Commercial _____ % Industrial _____ % Vacant 45 % College
Change In Present Land Use	<input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely(*) <input type="checkbox"/> Taking Place (*)
Predominate Occupancy	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant _____
Single Family Price Range	\$ 90 to \$ 350 Predominant Value \$ 130
Single Family Age	0 yrs to 110 yrs. Predominant Age 55 yrs
Employment Stability	<input checked="" type="checkbox"/> Good Avg. Fair Poor
Convenience to Employment	<input checked="" type="checkbox"/>
Convenience to Shopping	<input checked="" type="checkbox"/>
Convenience to Schools	<input checked="" type="checkbox"/>
Adequacy of Public Transportation	<input checked="" type="checkbox"/>
Recreational Facilities	<input checked="" type="checkbox"/>
Adequacy of Utilities	<input checked="" type="checkbox"/>
Property of Compatibility	<input checked="" type="checkbox"/>
Protection from Detrimental Conditions	<input checked="" type="checkbox"/>
Police and Fire Protection	<input checked="" type="checkbox"/>
General Appearance of Properties	<input checked="" type="checkbox"/>
Appeal to Market	<input checked="" type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): See Attached Addendum

SITE	
Dimensions	50 X 142 = 7,100 Sqft <input type="checkbox"/> Corner Lot
Zoning Classification	R3
Present Improvements	<input checked="" type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations
Highest and best use	<input type="checkbox"/> Present use <input type="checkbox"/> Other (specify) _____
Elec.	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
Gas	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
Water	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
San. Sewer	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
Underground Elect. & Tel.	<input type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
OFF SITE IMPROVEMENTS	Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
Surface	Surfaced
Maintenance	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
Storm Sewer	<input type="checkbox"/> Curb/Gutter
Sidewalk	Street Lights
Topo	Basically Level
Size	Typical For Area
Shape	Rectangular
View	Average/Typical
Drainage	Appears Adequate
Is the property located in a HUD identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): No adverse easements, encroachments, special assessments or slide areas noted from surface inspection.	

MARKET DATA ANALYSIS							
The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.							
SUBJECT PROPERTY		COMPARABLE NO.1		COMPARABLE NO.2		COMPARABLE NO.3	
Address 828 4th Ave Lewiston, ID 83501		1413 Burrell Lewiston, ID 83501		810 Cedar Ave Lewiston, ID 83501		1600 Blk Alder Ave Lewiston, ID 83501	
Proximity to Subject		2.67 miles		2.19 miles		2.73 miles	
Sales Price \$		\$ 27,000		\$ 32,000		\$ 40,000	
Price / \$		\$ 3.55 Psf		\$ 2.84		\$ 1.48	
Data Source Inspection		Exterior View/Sale Record		Exterior View/Sale Record		Exterior View/Sale Record	
Date of Sale and Time Adjustment		DESCRIPTION DESCRIPTION Adjustment		DESCRIPTION DESCRIPTION Adjustment		DESCRIPTION DESCRIPTION Adjustment	
Location Urban/Average		Urban/Average		Urban/Average		Urban/Average	
Site/View 7,100 Sqft		7,596 Sf -400		11,250 Sf -3,300		27,015 Sf -8,000	
Access: Public Strt/Crb/Gttr/Alley		Public Strt/No Crb/Gttr		Public Strt/No Crb/Gttr		Public Strt/No Crb/Gttr	
Utilities: At Site		At Site		At Site		At Site	
Topography: Level		Gntle Roll To Street		Gntle Roll To Street		Gntle Roll To Street	
Dvlpmnt Pot: SFR/Apt Potential		SFR/Duplex Only +3,500		SFR/Duplex Only +3,500		SFR Only +5,000	
Sales or Financing Conv.		Conv.		Conv.		Conv.	
Concessions None noted		None noted		None noted		None noted	
Net Adj. (Total)		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 3,100		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 200		<input type="checkbox"/> Plus <input checked="" type="checkbox"/> Minus \$ -3,000	
Indicated Value of Subject		Net=11% Gross=14% \$ 30,100		Net=1% Gross=21% \$ 32,200		Net=-8% Gross=33% \$ 37,000	
Comments on Market Data See Attached Addendum							

RECONCILIATION	
Comments and Conditions of Appraisal: This appraisal is made on an "as-is" basis assuming the site is properly zoned and available for development as proposed.	
Final Reconciliation: Statistical analysis was applied to the range reflecting the most probable price at the center of the range thereof- as most representative of the value level objective.	
I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 9/30/05 to be \$ 32,500	
Appraiser(s) Terry Rudd, MAI	
Review Appraiser (if applicable) <input type="checkbox"/> Did <input type="checkbox"/> Did Not Physically	
Inspect Property	
Date Report Signed 10/06/05	
State Certification # _____ State _____	
Or State License # CGA-65 State ID _____	
Expiration Date of License or Certification 7/30/06	
Expiration Date of License or Certification _____	

Rudd Appraisals
COMMENT ADDENDUM

File No. McCann 01
Case No. N/A

Borrower McCann						
Property Address 828 4th Ave						
City Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client McCann		Address , ,				

NEIGHBORHOOD COMMENTS:

Lewiston is the east half of a twin city area located at the confluence of the Snake and Clearwater Rivers. Lewiston, Idaho lies on the east bank of the Snake River which is the dividing line between Washington and Idaho. Clarkston, Washington lies on the west side of the bank. The population in and around Lewiston is approximately 30,000. In the year 2003 the area encompassing Lewiston, Clarkston, and Asotin (which is a neighboring WA town) was given the MPO (Metropolitan Planning Organization) designation, acknowledging a population of at least fifty thousand for the area, allowing Lewiston, Clarkston and Asotin eligibility for federal road and transportation grants.

Lewiston was established before the turn of the 19th Century and contains homes of varied age, style and architectural design. The market was quite strong in the 1990's, turning level in the latter 90's with a downturn beginning in 1998. As a result of lowered mortgage rates in 2003 a flurry of activity has re-invigorated the market. However, value appreciation has remained minimal and is expected to do so until 2007 or whenever the over-arching cycle has reset.

COMMENTS ON SALES COMPARISON:

The comparables selected were the best available with respect to six-month time frame, proximity, and size. Adjustments were based on a 50% reduction of the price differential per square foot for size- further modified for rating of desirability and view. Access was adjusted on the basis of road surfacing, distance to primary access and length of driveway. Utilities were adjusted on the basis of the cost differential from sale to subject. Topography was based on a factor of -10% expected cost per 10% of side slope. Some comp photos may have been provided by MLS, Assessor or appraiser's file(s).

Appraiser License Certificate

File No. McCann 01
Case No. N/A

<p>Bureau of Occupational Licenses Department of Self Governing Agencies <small>The person named has met the requirements for licensure and is entitled under the laws and rules of the State of Idaho to operate as a(n)</small> CERTIFIED GENERAL APPRAISER</p> <p>TERRY RUDD 2901 PERRY LN CLARKSTON WA 99403</p> <p><i>Ronald Stinson</i> Chief, B.O.L.</p> <p>CGA-65 Number</p> <p>07/30/2006 Expires</p> <p>TERRY RUDD 2901 PERRY LN CLARKSTON WA 99403</p>	<p>Your license must be shown on demand.</p> <p>← carry this copy</p> <p>display this copy ⇒</p> <p>07/25/2005</p>	<p>Bureau of Occupational Licenses Department of Self Governing Agencies <small>The person named has met the requirements for licensure and is entitled under the laws and rules of the State of Idaho to operate as a(n)</small> CERTIFIED GENERAL APPRAISER</p> <p>TERRY RUDD 2901 PERRY LN CLARKSTON WA 99403</p> <p><i>Ronald Stinson</i> Chief, B.O.L.</p> <p>CGA-65 Number</p> <p>07/30/2006 Expires</p>
--	--	--

169

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazard wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.


APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraiser report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 828 4th Ave, Lewiston, ID 83501

APPRAISER:

Signature: 
 Name: Terry Rudd, MAI
 Date Signed: 10/06/05
 State Certification #: _____
 or State License #: CGA-65
 State: ID
 Expiration Date of Certification or License: 7/30/06

SUPERVISORY APPRAISER (only if required)

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
☐ Did ☐ Did Not Inspect Property

Borrower McCann					
Property Address 828 4th Ave					
City Lewiston	County	Nez Perce	State	ID	Zip Code 83501
Lender/Client McCann			Address		

FIRREA ADDENDUM

PURPOSE OF APPRAISAL: The purpose of this report is to present the estimated market value of the subject property as defined herein. This estimate is to be used solely by the client as a basis for Federally related loan purposes.

SCOPE OF APPRAISAL: The following steps were taken in arriving at the final estimate of value included in the appraisal report of the subject property:

After receiving assignment, a preliminary search of all data sources was made to determine market trends, influences and other significant factors pertinent to subject value.

A physical inspection of the property was performed. The market data was reviewed and the most relative factors extracted and reflected to the subject. Comparable sales were examined, adequate information about such gathered and market factors weighed and reflected to the subject property.

The appraisal report was then completed in accordance with the departure provision within USPAP, Uniform Standards of Professional Appraisal Practice, and lender guidelines of a limited appraisal in Summary Report Format.

All research, findings and conclusions were personally prepared on an independent basis without prejudice. Furthermore, this report complies with USPAP, Uniform Standards of Professional Appraisal Practice, as adopted by the Appraisal Standards Board of the Appraisal Foundation as of August 9, 1990.

COMPETENCY DISCLOSURE: I certify that I have personally appraised and participated in the construction, ownership, sale, rental and management of properties similar to the subject property over the past 30 years. A generalized list of my additional qualifications have either been attached in the Curriculum Vitae included with this report or is on file with the lender.

TREND ANALYSIS: The real estate market began the next 9 year down cycle in 1998. It is not scheduled to complete until 2007 and could be more severe than the 1980-89 correction. The appraised value herein applies only to the immediate present. Subject values in the future could be much lower than the figure indicated.

CONDITION BASIS: The subject property is valued on its "as is" condition unless stated otherwise. The appraisal report was prepared without any unrealistic assumptions. The highest and best use, as improved, is in conformity with the current land comparables. If listed through the MLS, it's anticipated that the subject would experience a typical marketing period of the neighborhood, unless otherwise noted. If further completion or remodeling is proposed, the appraisal may indicate a secondary value as such. Discounts and deductions which might be necessary to maintain the value level as defined have been considered and were identified if used.

LIMITED APPRAISAL: Due to inadequate rental data, the Income Approach was not requested from the client, therefore invoking the Departure Provision from the Specific Requirement of Standards Rule 1-4(b), (iv), (v), (vi) and (c).

SUMMARY APPRAISAL REPORT: Reporting option by ASB has been exercised. This appraisal report is intended to include enough information necessary to enable the reader to understand the appraiser's opinion. This appraisal is presented in writing.

PERSONAL PROPERTY: All personal property not typically included with the real estate and sale has been excluded from the valuation of the subject. Should a transaction include personal property of sufficient value to deviate from market expectancy, a separate assessment of the personal property, fixtures or tangible items was included with the report as a separate valuation. No inventory, business goodwill or blue sky were included.

APPROACHES TO VALUE: The appraiser has made a reasonable effort to employ all three recognized approaches: Cost, Income and Market Data. As single family residences are less commonly purchased on an investment basis, the use of the Income Approach will only be used at the request of the client on non-owner occupied residential properties or where sufficient market evidence exists in the neighborhood to indicate that rental properties or investor purchases are typical, measurable and the analysis adds to the appraisal process.

Favorable loan financing was assumed to be in place. Thus comparable sales of similar nature were employed with adjustments to all other transactions.

This appraisal presents and supports a current market value, though a sale would necessarily occur in the future by way of the required exposure period. All assumptions and projections are supported by current market conditions, which are not able, however, to accurately reflect the future. No perfect means of prediction exists, even in the near term. Therefore, every user becomes a forecaster like the appraiser, with no guarantee of the indicated price/point of value available.

TITLE/LEGAL: As typical, a preliminary title report for the subject was not furnished. It's assumed that the legal either provided by the client or obtained from courthouse records match the lender's intended collateral. No analysis of any conditions or exceptions was thus attempted. No leasehold interest either negative or positive was considered if the property was not rented. No detriment of any easements not observable from surface indications were included. The dimensions, legal description, public record information and on-site investigations were assumed to present the information as would be found by a prudent market participant.

The maps included in the appraisal are for assistance in comprehending the report only. No engineering survey of the building or of the land itself was attempted and thus, no assumption or responsibility for discrepancies will be accepted. The structures were measured around the exterior to the nearest foot basis. Interior measurements were made only where room size was questionable or unfinished areas determined.

The appraiser assumes that there are no hidden conditions as to sub-surface conditions of the subject that would render it less valuable than presented. No engineering study was performed that might otherwise discover such factors. This also applies to possible infestation from insects such as termites, dry rot, water or earth movement damage not readily apparent upon surface inspection. The property was assumed to be free of such problems, unless otherwise stated.

This property is assumed to be held in responsible ownership, competent management and available for whatever highest and best use was projected. Information, estimates and opinions furnished the appraiser in normal investigation for this report were obtained from sources deemed reliable. Further value changes are not deemed to present an impact on current market value.

The final value concluded is based on the parameters stated herein and limited to the character of the subject property as stated. Any changes in the property's character or the market within which it exists, including but not limited to physical,

Borrower McCann						
Property Address 828 4th Ave						
City Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client McCann		Address				

functional, economic, political and/or financial factors may affect the value conclusion whether it occurs within a different time frame or not.

This appraisal addresses the subject value as of the specified data only. Property values range within the present and cycle over time as well. Values also vary per management and utilization of ownership. Thus the value level reflected may not indicate a future user's intentions or expectations. Furthermore, further change by way of cyclical adjustment of the market may affect the subject value and thus, render the current opinion invalid.

This appraisal, unless otherwise indicated and so adjusted, is based on quiet title and legal access to the property as physically described. All of the improvements have been purported to exist on the subject property including utilities, water and sewage systems and have not been separately surveyed. In the absence of an engineering report otherwise, the access road is assumed to be year-round fee simple or permanent easement, electricity, phone and any TV systems legally connected and unencumbered, public or private water systems providing adequate quality and quantity to that required by government agency, local market and subject requirement, sanitary sewer, septic system and/or drainfield (as indicated) acceptable to all government authorities as well as the market and subject application. Additionally, except as indicated, all off-site improvements, topography, drainage, landscaping and any flood potential acceptable to both Federal agencies, local government, immediate market and full and uninhibited use of the subject, unless indicated and adjusted for otherwise. All energy storage on-site or off-site delivery along with any environmental considerations, zoning variances or additional considerations are assumed to be in agreement by all Federal agencies involved, local market expectancy and fully acceptable to and utilized by subject property. Professional inspections of the property are recommended otherwise, even if no defects have been made known to the appraiser. This report is not warranting the condition or status of any physical or market feature of the subject, except for the sole purpose of arriving at a present market value.

It was not intended that this appraisal would serve as proof of condition or future expectancy by any of the parties served. This appraisal was prepared for the exclusive use of the client indicated and may reflect lending guidelines specific only to that client. Possession of this report, or a copy thereof, does not carry with it any right of publication. Any purchaser that may be involved should be aware that as of 1994, the States of Idaho and Washington require a "Property Disclosure Form" to be supplied by the grantor.

Should this property be foreclosed upon, the value indicated may change as a result of market anticipation. It's generally expected that properties which become real estate owned by financial institutions are prey for bargain hunters. While market prices are occasionally obtainable, most sales when financially depressed situations have precipitated a change in ownership, occur at a lower level than most probable (the objective herein). Therefore, this value conclusion may not avail itself to either future market conditions or a detrimental change in ownership.

Field data and computer data input was performed by Mark Rudd, who also initiated the calculations and completed the final report, and may have also inspected the subject- all under my supervision and training. Terry R. Rudd reviewed the processes and completed the appraisal and value conclusion.

Borrower McCann						
Property Address 828 4th Ave						
City Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client McCann		Address				

Terry R. Rudd, MAI

CURRICULUM VITAE

RESIDENTIAL APPRAISING:

EMPLOYMENT EXPERIENCE:

Appraising Single Family, Multi-Family and Apartment Complexes since 1960.

LICENSES:

Certified Real Estate Appraiser/General Classification (including residential): Idaho, Washington, Oregon.

EDUCATION:

Bachelor of Science Degree, Forest Engineering: Oregon State University 1958.

Successful completion/American Institute of Real Estate Appraiser Courses: I-A and I-B February 1965. II: Income Analysis, June 1971. IV: Grazing Lands and Cattle Ranches, June 1972. Mortgage Financing, March 1980. Litigation Valuation, March 1986. Capitalization Theory and Techniques, Part A, January 1989. Standards of Professional Practice, February 1989, Standards of Professional Practice Part B, March 1993, Money Markets, March 1980: Northwest Regional Conference, July 1982, Current Legal Issues, 1992, Money and the Monetary System, 1992, Technical Inspection of Real Estate 1991, Applied sales Comparison Approach 1993, New URAR Residential Appraisals 1994, FIRREA (Overview and Practical Application) 1993, Real Estate School of Washington 1980, Real Estate Law, 1992, Understanding Limited Appraisals 1994, Standards of Professional Practice Part A and Part B, May 1997.

MEMBERSHIP:

MAI/Member of Appraisal Institute (previously AIREA)

LICENSES:

Certified Real Estate Appraiser/General Classification: Idaho, Washington and Oregon.

Rudd Appraisals
SUBJECT PHOTO ADDENDUM

File No. McCann 01
Case No. N/A

Borrower	McCann						
Property Address	828 4th Ave						
City	Lewiston	County	Nez Perce	State	ID	Zip Code	83501
Lender/Client	McCann						
	Address						



**FRONT OF
SUBJECT PROPERTY**
828 4th Ave
Lewiston, ID 83501



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

Rudd Appraisals
PLAT MAP

File No. McCann 01
Case No. N/A

Borrower McCann

Property Address 828 4th Ave

County _____

Nez Perce

State

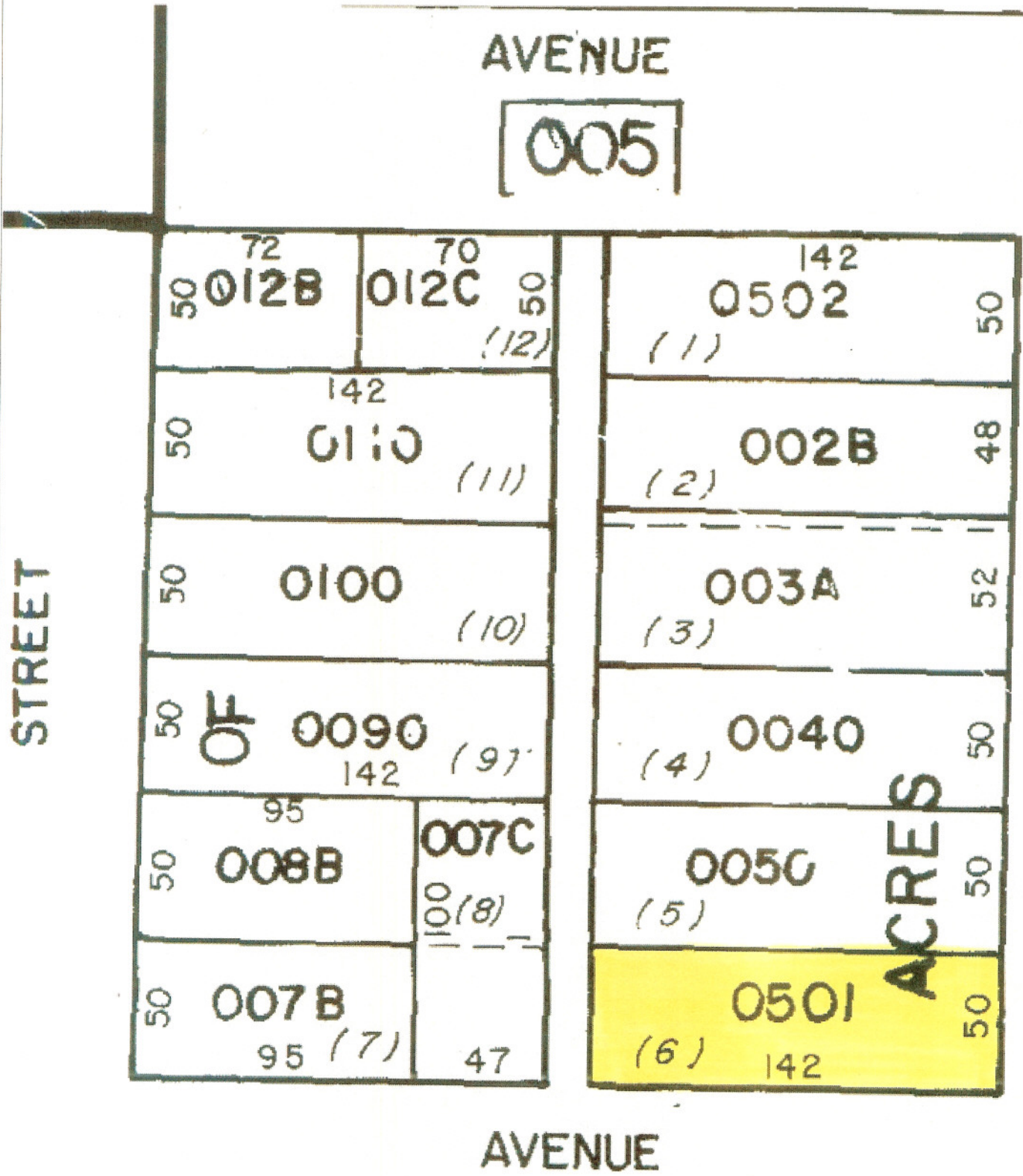
ID

Zip Code

83501

Lender/Client McCann

Address , ,



Rudd Appraisals
SALES LOCATION MAP

File No. McCann 01
Case No. N/A

Borrower McCann

Property Address	828 4th Ave
------------------	-------------

County

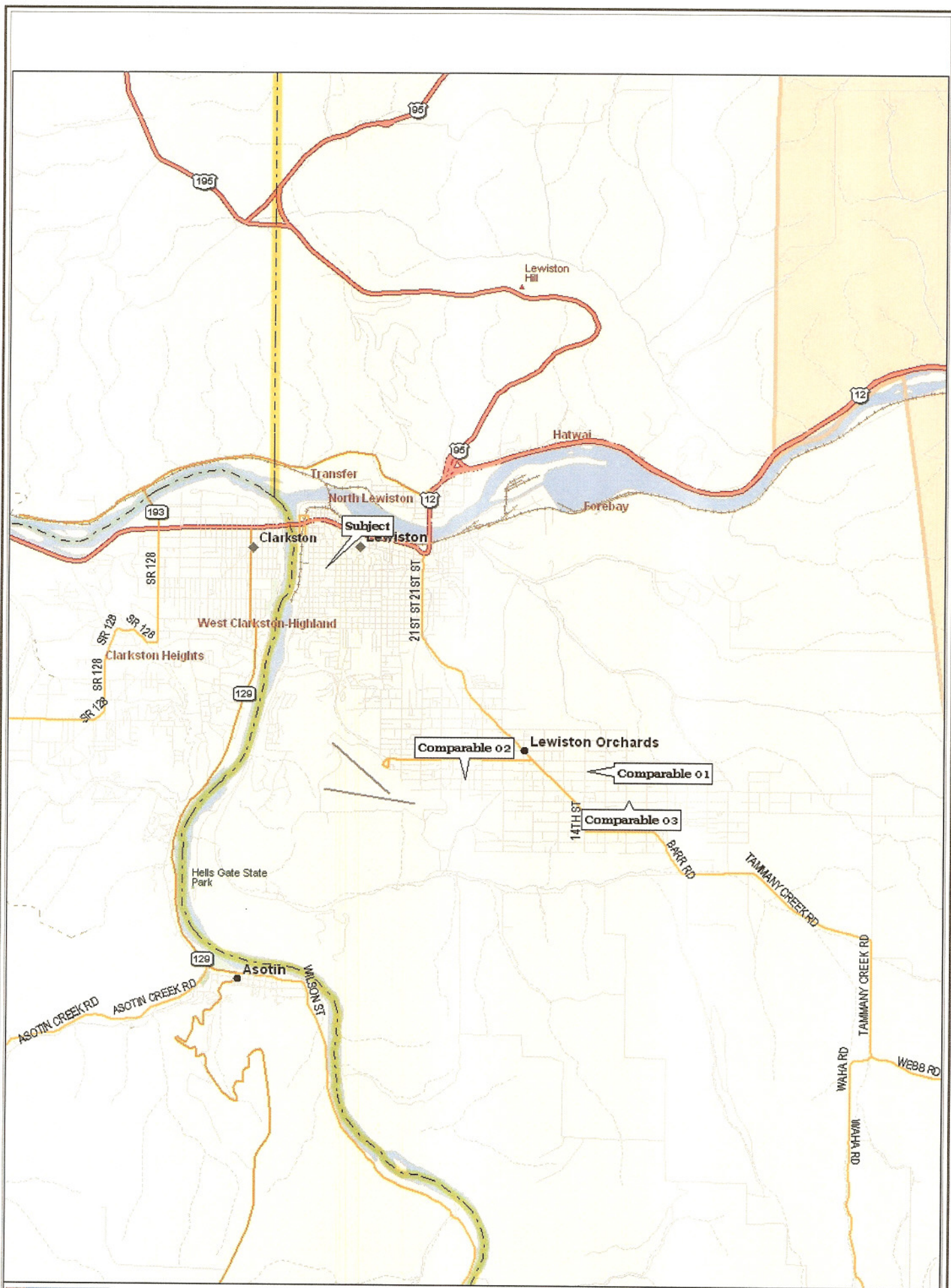
State

ID

Zip Code

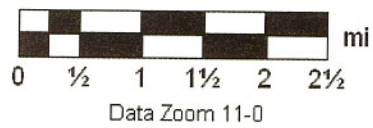
83501

Address



© 2003 DeLorme
www.delorme.com

Street Atlas USA® 2004



Rudd Appraisals
COMPARABLES 1-2-3

File No. McCann 01
Case No. N/A

Borrower	McCann							
Property Address	828 4th Ave							
City	Lewiston	County	Nez Perce	State	ID	Zip Code	83501	
Lender/Client	McCann		Address					



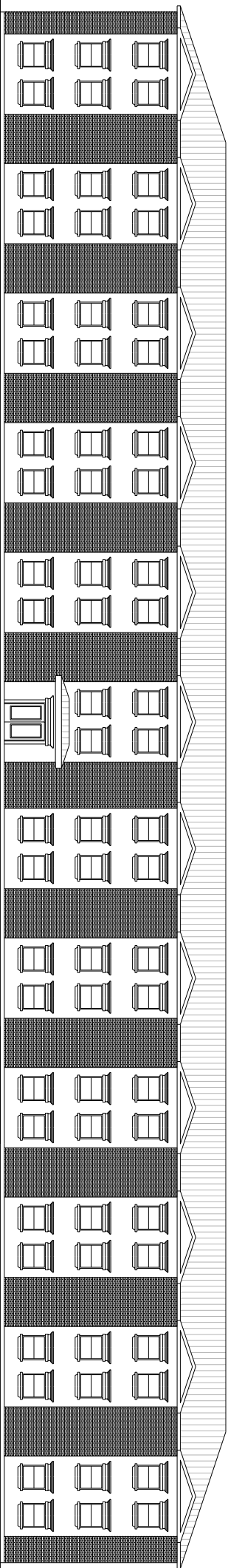
COMPARABLE SALE # 1
1413 Burrell
Lewiston, ID 83501



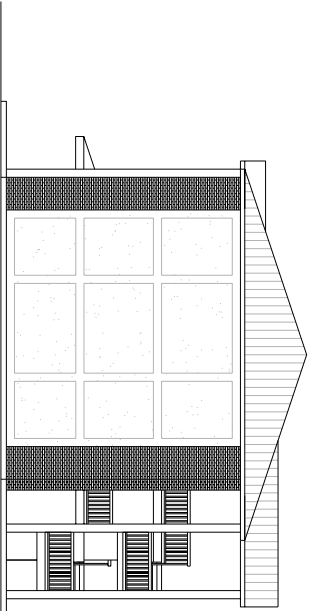
COMPARABLE SALE # 2
810 Cedar Ave
Lewiston, ID 83501



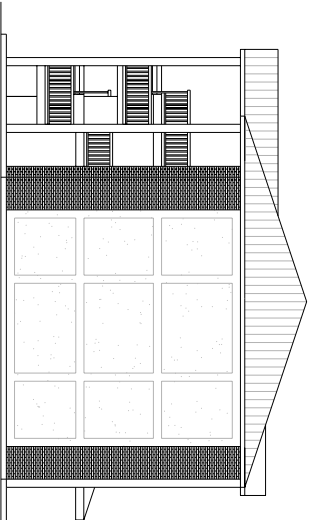
COMPARABLE SALE # 3
1600 Blk Alder Ave
Lewiston, ID 83501



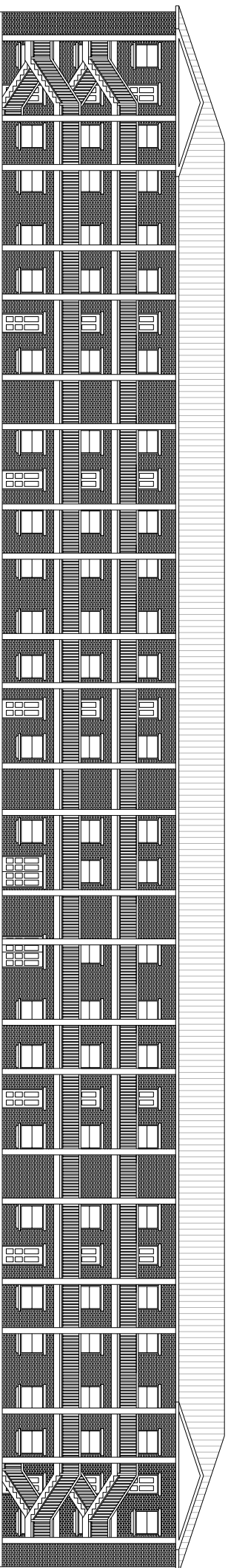
1 FRONT (EAST) ELEVATION
Scale 3/32" = 1'-0"



2 RIGHT (NORTH) ELEVATION
Scale 3/32" = 1'-0"



3 LEFT (SOUTH) ELEVATION
Scale 3/32" = 1'-0"



4 REAR (WEST) ELEVATION
Scale 3/32" = 1'-0"

REVISIONS:

COPYRIGHT
WARD STUDIO ARCHITECTS
All rights reserved. Reproduction or
translation of any part of this work
without written permission of Ward
Studio - Architects is unlawful and
subject to criminal prosecution.

STAMP:
WARD STUDIO ARCHITECTS
LEWISTON, IDAHO

ELEVATIONS

SHEET TITLE:

WARRIOR'S COURT
STUDENT HOUSING
NWC 9TH AVE & 4TH STREET
LEWISTON, ID

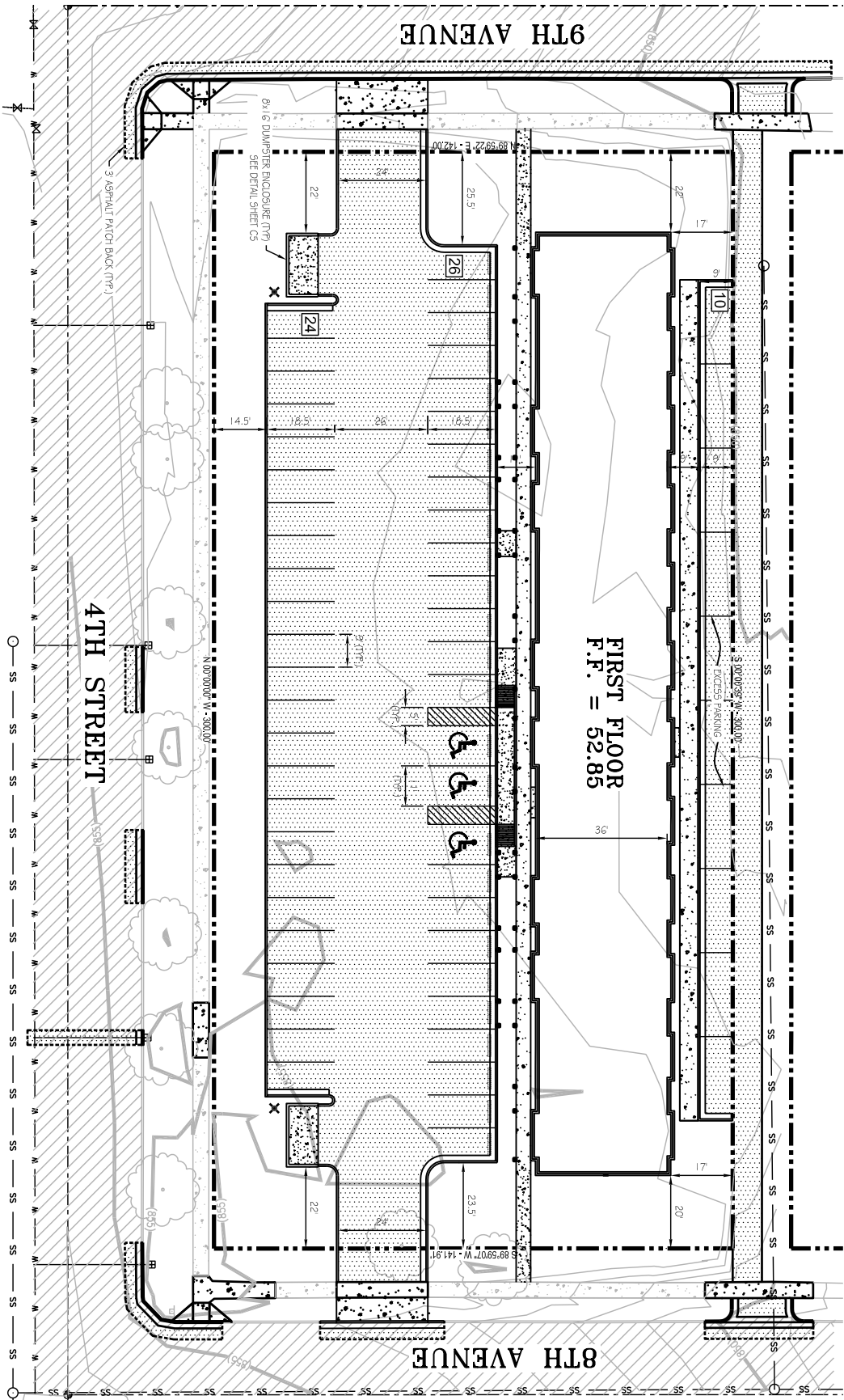
WARD STUDIO - architects

ARCHITECTURAL DESIGN • INTERIOR DESIGN • GRAPHIC DESIGN
711 East 15th Avenue, Post Falls, Idaho 83854 • PHONE: (208)457-0514

DATE: MAR 24, 2005

A3.1

NOT FOR CONSTRUCTION



GENERAL NOTES:

- 1) THE CONTRACTOR SHALL PAY FOR ALL NECESSARY PERMITS AND FEES.
- 2) THE CONTRACTOR SHALL INVESTIGATE ON SITE AND VERIFY ALL CONDITIONS AND DIMENSIONS OF THE PROJECT AND SHALL NOTIFY THE ENGINEER OF ANY DISCREPANCY IN THE CONTRACT DOCUMENTS REQUIRING MODIFICATION PRIOR TO PROCEEDING.
- 3) THE CONTRACTOR SHALL TAKE ALL NECESSARY PREVENTATIVE MEASURES TO PROTECT THE EXISTING IMPROVEMENTS. ANY DAMAGE SHALL BE REPLACED AT NO COST TO THE OWNER.
- 4) THE CONTRACTOR SHALL PROVIDE TRAFFIC CONTROL PER IDAHO TRANSPORTATION DEPARTMENT STANDARD SPECIFICATIONS.
- 5) OWNER'S PROPERTY CORNERS SHALL BE PROTECTED AT ALL TIMES, AND THE CONTRACTOR SHALL RETAIN THE SERVICES OF A PROFESSIONAL LAND SURVEYOR REGISTERED IN THE STATE OF IDAHO TO REFERENCE ALL CORNERS. UPON COMPLETION OF THE LAND SURVEY, THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL CORNERS DAMAGED BY CONSTRUCTION OR OTHER ACTIVITY SHALL BE REPLACED BY A PROFESSIONAL LAND SURVEYOR.
- 6) ALL WORK SHALL CONFORM TO STATE AND LOCAL CODES AND CONFORM TO THE CITY OF LEWISTON STANDARD DRAWINGS AND STANDARD TECHNICAL SPECIFICATIONS.
- 7) SITE DISTANCES FOR ADJUTING PROPERTIES, DRIVEWAYS, AND INTERSECTIONS MUST BE MAINTAINED.
- 8) EROSION AND DUST CONTROL MEASURES MUST BE USED DURING CONSTRUCTION TO REDUCE OR ELIMINATE BLOWING DUST, TRACKING SOIL AND MUD ONTO STREETS FROM CONSTRUCTION EQUIPMENT AND VEHICLES.
- 9) IMPROVEMENTS CONSTRUCTED ON RIGHT-OF-WAY REQUIRE A RIGHT OF WAY PERMIT OBTAINED AT THE CONSTRUCTION MANAGEMENT SECTION OF THE PUBLIC WORKS DEPARTMENT.
- 10) ALL CONSTRUCTION NOT SPECIFICALLY MENTIONED OR SHOWN SHALL CONFORM TO CITY ORDINANCES AND STANDARDS.
- 11) 1) ALL TOPSOIL SHALL BE STRIPPED AND STOCKPILED BEFORE EXCAVATION.
- 12) 2) ALL EXPOSED CUT/FILL SLOPES SHALL BE SEEDDED TO PREVENT EROSION.
- 13) 3) ALL ROADWAY FILL SHALL BE AS A MINIMUM, CLEAL, UNIFORMLY GRADED, COMPACTED TO 90% OF THE MAX. DRY DENSITY DETERMINED BY MODIFIED PROCTOR. COMPACTION LAYERS SHALL BE 8" DEEP.
- 14) 4) ALL ASPHALTIC CEMENT PAVING REMOVAL SHALL BE SAW CUT AND WHEN REPLACED, FEATHERED INTO EXISTING PAVEMENT.
- 15) 5) UNLESS OTHERWISE NOTED, STREET CROSS SECTIONS SHALL CONFORM TO NEZ PERCE COUNTY STANDARD RURAL ROAD SECTION WITH 2% CROSS-SLOPE. (LOCAL RESIDENTIAL)

AGENCY TELEPHONE NUMBERS:

CITY OF LEWISTON BUILDING INSPECTOR	(208) 746-1319
CITY OF LEWISTON WATER & SEWER	(208) 746-1317
AUGUSTA UTILITIES	(208) 798-1473
CONTACT: GENE RAY	
ONEST CORPORATION	(208) 798-0607
CONTACT: KIM BIGGS	
CHALKONE	(208) 746-3325
CONTACT: LES SPENCER	
UNDERGROUND UTILITY LOCATE	1-800-342-1565
(CALL 48 HOURS BEFORE YOU DIG)	
DEVELOPER:	
MCCANN LIMITED PARTNERSHIP	
202 26TH AVENUE	
LEWISTON, ID 83501	
CONTACT:	
PAT MCCANN	(208) 743-7399

No.	DATE	BY	DESCRIPTION

SITE PLAN

WARRIOR COURT

NWC 9TH AVENUE & 4TH STREET

LEWISTON, ID 83501



KELTIC ENGINEERING, INC.

141 9th Street ♦ Suite 2 ♦ Lewiston, Idaho 83501 ♦ (208) 743-2135 ♦ (208) 743-2136 fax
♦ Development ♦ Planning ♦ Design ♦ Construction Management



DRAWN BY:	ECB	CHECKED BY:	ETH
DESIGNED BY:	KHK		
DATE:	05-30-05		
LAST REV.:	09-23-05		
PROJECT NO.:	05-010		
SHEET NO.:	02 OF 03		

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

REFERENCE

August, 2005

Board approved FY 2007 College and University budget requests.

SUBJECT

Adjust Board-approved budget requests for FY 2007 to match the amounts requested by the College and Universities and agencies

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V. B.1

BACKGROUND

At its August 2005 meeting, the State Board of Education approved Maintenance of Current Operations (MCO) and Line Item budget requests for submission to the Legislative Services Office (LSO) and Division of Financial Management (DFM). Subsequent to publishing the August agenda, several technical revisions are necessary to match the Board-approved budget request with the material provided by OSBE staff to DFM and LSO.

Although Board action gave authorization for the Executive Director to approve all MCO budgets, staff is bringing these changes to the Board for its review and approval.

DISCUSSION

Subsequent to the August Board meeting, the institutions and staff have revised the budget requests to adhere to the budget development guidelines. Also, including the changes outlined above will allow the institutions to obtain Board approval for all items contained in the budget requests sent to DFM and LSO.

IMPACT

College and Universities

MCO Revisions – Board action

- Library Books & Periodicals and Inflationary Capital Outlay have been moved to Replacement Items. This resulted in an increase to Replacement Items of \$739,100 and a decrease to Inflationary Adjustments of \$237,700.
- Nondiscretionary Adjustments decreased by \$501,400.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA

COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued

- The original University of Idaho request did not include \$219,200 for Utility increases and the Lewis-Clark State College request did not include \$16,000 for Library Books & Periodicals. This brings the total increase to Replacement Items to \$755,100 and the total decrease to Nondiscretionary Adjustments to \$282,200, the net change being an increase of \$235,200.
- In addition, the August Board agenda did not include include Replacement Items for the University of Idaho. The UI is properly is requesting \$1,398,000 for Replacement Items.

Line Item Revisions – Board action

- Revised calculations for FY 2007 Occupancy costs result in a decrease of \$77,300.

The attached spreadsheet displays a comparison of the Board Approved, revision items, and Revised Budget totals for the College and Universities. These above amounts have been included in the revised budget material submitted to the legislative and Executive budget offices.

Line 1 of the spreadsheet shows a revision in the Base of \$2,380,200. This change is detailed on footnote #1, endowment fund revision and removal of the 27th payroll for Boise State University. These items are technical revisions not requiring Board approval.

Agencies

MCO Revisions – information only

- The Historical Society made an adjustment to their MCO budget as follows: the FY 2006 Supplemental Request for security equipment (\$90,000), which is one-time in nature, was not removed from the FY 2007 base. This change reduces the MCO request for General Funds by \$90,000.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005**

INSTITUTION / AGENCY AGENDA

COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued

- The Idaho Department Vocational Rehabilitation (IDVR) made an adjustment to their MCO budget as follows: due to implementation of a new case management system, IDVR, in coordination with the Division of Human Resources (DHR), has determined the duties of the Office Specialist II classification, job grade 'E', does not match the duties required for the new system. The DHR has determined that the job grade 'G' is appropriate for the new duties. IDVR requests additional spending authority in Federal Funds to accommodate the increase in salaries. The change increases the MCO request for federal fund appropriation by \$141,500.

All of these revisions have been reviewed with the Finance Committee Chair, Mr. Terrell.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has worked with the institutions, agencies to ensure these budget requests revisions are in agreement with budget development guidelines issued by the DFM and LSO.

A motion to approve the MCO changes for the College and Universities is included below. Because the Occupancy Cost item is a decrease from the Board-approved amount, no motion is included. No motion is provided for the agency changes as they are within the MCO area, which the Board previously gave approval for.

Staff recommends approval of the MCO and Line Item motion for the College and Universities.

BOARD ACTION

A motion to increase the College and University FY 2007 MCO request for Replacement items by \$2,153,100, to decrease Inflationary Adjustments by \$237,700 and Nondiscretionary Adjustments by \$282,200, and to decrease the Line Item for Occupancy costs by \$77,300.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK

College and Universities
State Board of Education Recommendation and Revised Budget Requests
Fiscal Year 2007 Budget Request Summary

Decision Units		Board Approved	Revisions	Revised Budget	
1	9.00 FY 2007 BASE	355,897,400	2,380,200	358,277,600	(1)
2	Program Maintenance				
3	10.10 Employee Benefit Costs	1,954,200	(600)	1,953,600	(2)
4	10.20 Inflationary Adjustments (1.9%)	1,556,100	(237,700)	1,318,400	(3)
5	10.30 Replacement Items (see attached detail)	4,278,600	2,153,100	6,431,700	(4)
6	10.60 Change in Employee Compensation (1%)	2,446,400	(2,800)	2,443,600	
7	10.70 Nondiscretionary Adjustments				
8	10.71 Enrollment Workload	1,287,300		1,287,300	
9	10.72 Library Books/Periodicals	501,400	(501,400)		(5)
10	10.74 Utility Rate Increases	433,800	219,200	653,000	
11					
12					
13	11.00 FY 2007 TOTAL MAINTENANCE	368,355,200	4,010,000	372,365,200	
14	12.00 PROGRAM LINE ITEMS:				
15	12.01 Occupancy	591,600	(77,300)	514,300	(6)
16	12.03 Salaries	9,209,700		9,209,700	
17	12.04 Library Support	1,024,600		1,024,600	
18	12.05 Operating Budget Support	3,000,000		3,000,000	
19	12.06 Enhanced/New Instruction Programs	4,109,400		4,109,400	
20	12.07 Infrastructure - Physical Plan Maint.	15,000,000		15,000,000	
21	12.08 Infrastructure - Technology	2,022,100		2,022,100	
22	12.09 Funding Equity	607,200		607,200	
23	13.00 FY 2007 TOTAL	403,919,800	3,932,700	407,852,500	
24	Amount Change From Base	48,022,400	1,552,500	49,574,900	
25	Percent Change From Base	13%		14%	

(1) Endowment Fund one-time shift for fund shortfall and removal of 27th Payroll of \$1,228,000 for BSU

(2) Revision to worksheets used to calculate Inflationary Adjustments

(3) Moved inflation based capital outlay from DU 10.21 to DU 10.31

(4) Inflation based capital and Library Books & Periodicals moved to DU 10.30, UI Replacement Items \$1,398,000

(5) Library Books & Periodicals moved from DU 10.72 to DU 10.32

(6) Revised Occupancy Costs worksheet

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection B. Budget Policy

April 2002

1. Budget Requests

For purposes of Item 1., the community colleges (CSI and NIC), the State Historical Society, and the State Library are included.

a. Submission of Budget Requests

The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

b. Direction by the Office of the State Board of Education

The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

c. Preparation and Submission of Annual Budget Requests

Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the executive director.

d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

First Reading – Amendment to Board Policy V.S.2 – Enrollment Workload Adjustment (EWA) Base Multiplier

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.S.2.

REFERENCE

September 2001	Board requested president's council to review the process used to allocate the annual General Education allocation to the college and universities, and make recommendations for changes.
October 2001	Board Task Force presented its recommendations to the full Board.
November 2001	Board Task Force provided an update and reviewed probable recommendations and indicated a final report would be ready in January
January 2002	Board accepted the (draft) Task Force Report
March 2005	First reading of the policy occurred.
April 2005	Second reading and approval of the policy, for weighting factors only (see below)

BACKGROUND

In April 2001 the Idaho State Board of Education contracted with MGT of America, Inc. (MGT) to review the method of allocating funds to the four senior institutions of higher education: Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College.

At the January 2002 Board meeting, the Board accepted the Task Force Report (see Attachment 1, page 3) which included recommendations to separately identify the credit hours generated by doctoral students and to establish the weights for doctoral level credit hours with a maximum weight of 10.00. This action was approved by Board action in March and April, 2005.

However, the Task Force recommendation to increase the dollar value of the weighted credit hour used to fund enrollment increases has not been extensively discussed or acted upon by the Board. The Financial Vice President's group has noted the importance of this matter on several occasions.

INSTITUTION / AGENCY AGENDA

AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

DISCUSSION

The current EWA calculation includes “the total budget base of the institutions shall be multiplied by 0.33 and divided by the three-(3) year moving average of total weighted credit hours for the prior year”. The MGT study included a recommendation (see Attachment 2 excerpts from MGT Executive Summary) to remove the component that multiplies the base by 0.33 in order to “increase both the adequacy and equity of the allocation mechanism.”

This proposal would increase the multiplier factor from 0.33 to 0.67, a doubling of the current weight, but still less than the MGT recommendation of 1.00.

IMPACT

Removing the component that multiplies the budget base by 0.33 will increase both the adequacy and equity of the allocation mechanism by increasing the dollar value of the weighted credit hour that is used to fund enrollment increases per recommendations adopted by the Board in January 2002.

The college and universities have been experiencing significant growth in enrollment and inflation-driven costs, and increasing the dollar value of the weighted credit hour within the Enrollment Workload Adjustment is the sole means the institutions have from state support to increase their revenue accordingly.

If the Board approves first reading in October and second reading in December, 2005, the budget request for FY 2007 would not be revised. It is still possible the legislative appropriation for FY 2007 might incorporate the revised weighting, but more likely the first impact will be felt for the FY 2008 process.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has determined that applicable Board policy must be updated to reflect the second portion of the recommendations previously adopted by the Board.

BOARD ACTION

A motion to approve the first reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V.S.2., Allocation of Lump Sum Appropriation (BSU, ISU, UI, LCSC) to increase the credit hour multiplier from 0.33 to 0.67 used in the Enrollment Workload Adjustment calculation.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

State Board of Education

Task Force Report

Funding Equity

Recommendations Adopted by the

State Board of Education on

January 21, 2002

Introduction/Background

The legislature provides a lump-sum appropriation to the State Board of Education (Board) for higher education programs at the four-year postsecondary institutions. Based on Board policy, this lump-sum appropriation (general account and endowment funds only) is allocated to Boise State University, Idaho State University, University of Idaho, and Lewis-Clark State College. The student fee revenue portion of the appropriation is retained at the institution that generates the funds. The Board's allocation policy starts with the current year's base funding with additional allocations for enrollment workload adjustment, new occupancy costs, and areas with legislative intent.

Recently concerns have been expressed that funds are not equitably allocated among the institutions. As a result of these concerns, the Board asked the President's Council for recommendations on the funding process. The presidents hired a consulting firm (MGT of America) who determined an inequity exists among the institution and also provided recommendations for allocating the lump-sum appropriation. After receiving comments and recommendations from the presidents regarding equity, the Board created a Task Force to provide recommendations on funding equity for the Board's consideration.

Calculating Equity

MGT concluded that the four institutions are not funded equitably when compared to their peer institutions. Peer institutions were identified for each institution based on role and mission statements, degrees awarded, number of students, location in urban/rural area, discipline mix, number of staff, and research expenditures, etc. The Task Force viewed the MGT results as external determination of inequity or funding inadequacy.

The Task Force's focus was on determining internal equity among the four institutions. The task was to determine if similar students in similar programs were funded equally. For this analysis, only the instructional program was considered. The task of determining equity for research and public service was deferred. To complete the instructional analysis, adjustments had to be made to the funds considered so only the instructional funds were involved. Also, to consider the difference in student costs, weights were assigned for different levels and disciplines. Once these adjustments were made, the instructional funds were divided by the weighted credit hours to determine equity.

The Task Force adjusted the amount of lump-sum general account and endowment funds to be used in determining funding equity, in order to account for these differences in the role and mission statements and to focus only on the funds that support the instructional mission. Many of the programs identified in the role and mission statements are separately funded but rely on the general education lump-sum appropriation to provide administrative support. The Task Force allocated administrative support funds to the other appropriation-funded programs in order to arrive at comparable educational costs. A final funding adjustment was made to allocated

administrative and support costs (academic support, institutional support, physical plant and student serviced) to the three primary functional areas (instruction, research, and public service). After these adjustments were made, only the adjusted instructional funds were involved in the analysis to determine equity.

The second part of the equation also provided complicating factors. The Task Force determined that doctoral students should be funded at a higher rate than lower division students (freshman and sophomores) and that engineering students should be funded at a higher level than a social science or a history student. To account for these differences, the actual credit hours are weighted which provides additional funds for higher cost programs. From recommendations provided in the MGT report and input from the institutions, the Task Force weighted the actual credit hours generated, by level and discipline, as displayed in Attachment A. The institutions report total actual credit hours generated annually by level and by discipline which are reduced for full-fee paying nonresidents, students enrolled in the medical and dental programs, and student contract course to arrive at the weighted credit hours used in the equity calculation.

Enrollment Workload Adjustment Funding

The enrollment workload adjustment (EWA) is a process the Board uses to fund institutions for enrollment changes (both positive and negative). The EWA is part of the Board's annual budget request for the general education programs and is one of the key items in the Board's allocation process. The EWA is calculated on changes in the weighted credit hours using a three-year moving average to stabilize the annual enrollment fluctuations. The value of a weighted credit hour used to reimburse the institutions for enrollment changes is calculated by dividing one-third of the general account and endowment funds budget base for higher education by the three-year moving average for the prior year. This weighted credit hour value is multiplied by the changes in the three-year moving averages for each institution to arrive at the amount necessary to fund enrollment changes.

Findings and Recommendations

The Task Force accepted the findings in the MGT report that calculated the institutions were not adequately funded when compared to their peer institutions.

It is recommended that the Board support efforts to increase the funding for all college and universities' higher education programs, which will promote the development of tomorrow's workforce and support efforts in science and technology.

The Task Force, in determining funding equity, focused exclusively on the instructional mission. Based on this analysis, the Task Force found that a funding inequity exists in the current funding base. The adjusted instructional funds per weighted credit hour at Boise State University and

Idaho State University are below the University of Idaho funding level. The Task Force calculated that \$7,920,000 would be needed to correct this inequity (RE: Attachment B).

It is recommended that additional/new funds be used to achieve equity and not through reallocation of base funds.

It is recommended that the request for the additional equity funds will be one of the Board's top priorities for higher education until equity is achieved.

It is recommended that unfunded requests for enrollment changes (EWA request) for FY03 and beyond will accumulate and be requested in subsequent years (negative adjustments will reduce the identified inequity amount, not the funding base). As funds become available, allocations for unfunded EWA will be considered prior to funding the identified base inequity.

The Task Force found that the EWA did not adequately fund the doctoral level students and did not adequately fund increases in enrollment.

It is recommended to separately identify the credit hours generated by doctoral students and to establish the weights for doctoral level credit hours with a maximum weight of 10.00.

It is recommended to retain four groups and the current groupings of disciplines for weighting purposes.

It is recommended to retain the five percent additional weighting for the role and mission emphasis designation of each institution.

It is recommended to continue the current practice of excluding credit hours generated from full-fee paying nonresident students and to develop controls or adjustments for awarding partial waivers.

It is recommended to increase the dollar value of the weighted credit hour that is used to fund enrollment increases. The amount of the increase is being developed.

ATTACHMENT 2

Rolling three-year Average. Idaho uses a rolling three year average of enrollments to calculate the workload adjustment. A rolling three-year average provides a buffer for institutions when enrollments are declining, and is consistent with the guiding principles stability and responsiveness. However, Idaho includes only one-third of any changes in enrollment or workload in the adjustments. As a result, over time, increases in enrollments are not reflected in institutional budgets, and decreases in enrollments result in funding of “phantom students.” This one adjustment has contributed significantly to inequity in the institutional allocations over time.

Recommendation 3: Rolling Three-Year Average:

Change the Board policy on the rolling three-year average to the following: “The total budget base of the institutions shall be divided by the three-year moving average of total weighted credit hours for the prior year. The resultant amount per credit hour shall be multiplied by the change from the prior three-year moving average of weighted credit hours for each institution to calculate the adjustment by institution.”

Adoption of this recommendation will increase both the adequacy and equity of the allocation mechanism.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005**

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: S. Allocation of Lump Sum Appropriation

April 2005

S. Allocation of Lump Sum Appropriation (BSU, ISU, LCSC, UI)

2. Methodology

The allocation shall consist of the total of the lump sum general account appropriation and actual land grant endowment receipts. The allocation shall be made in the following order:

- a. Each institution shall be allocated its base allocation of the prior year.
- b. An Enrollment Workload Adjustment shall be applied to the allocation of each institution. The adjustment shall be calculated as follows:
 - (1) A three-(3) year moving average of credit hours multiplied by the program weights shall be used. The three (3) years to be used shall be those which precede the year of the allocation and shall consist of two (2) years of actual and one (1) year of estimated credit hours.
 - (2) Effective with the FY 1990 allocation, credit hours generated from externally funded sources and contracts shall be removed from this adjustment. Credit hours for in-service teacher education shall not be removed.
 - (3) The total budget base of the institutions shall be multiplied by ~~0.33~~0.67 and divided by the three-(3)year moving average of total weighted credit hours for the prior year. The resultant amount per credit hour shall be multiplied by the change from the prior three-(3)year moving average of weighted credit hours for each institution to calculate the adjustment by institution.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

- (4) Program weights are the weighting factors applied to four (4) categories of instructional disciplines with different weight factors by category and course level. The groups and factors follow.

<u>Group I</u> Physical Education Law Letters Library Sciences Mathematics Military Science Psychology Social Sciences	<u>Group II</u> Area Studies Business & Management Education Communications Home Economics Public Affairs Interdisciplinary Studies
<u>Group III</u> Agricultural & Natural Resources Architecture & Environmental Design Biological Sciences Fine & Applied Arts Foreign Languages Physical Sciences	<u>Group IV</u> Engineering Health Professions Computer & Information Sciences

The weighting factors for the above categories are as follows:

<u>Course Level</u>	<u>Category</u>			
	I	II	III	IV
Lower Division	1.00	1.30	1.60	3.00
Upper Division	1.50	1.90	2.50	3.50
Masters	3.50	3.50	6.00	6.50
Doctoral	5.00	6.25	7.50	10.00
Law	3.50	--	--	--

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

An additional five percent (5%) emphasis factor is given to the Primary Emphasis areas at each institution. These areas are:

<u>Boise State University</u> Business Social Science (includes Economics) Public Affairs Performing Arts (excluding Art) Education Engineering	<u>Idaho State University</u> Health Professions Biological Sciences Physical Sciences Education
<u>University of Idaho</u> Agriculture Forestry Mines Engineering Architecture Law Foreign Languages Education	<u>Lewis-Clark State College</u> Business Criminal Justice Nursing Social Work Education

- c. Operations and maintenance funds (custodial, maintenance, and utilities) for new, major general education capital improvement projects shall be allocated to affect institutions.
- d. Decision units above the base shall be consistent with the legislative budget request. The allocation of these decision units to the institutions shall be based on the proportionate share of each institution in the total budget request for these decision units applied to the increase in appropriations above the base excluding special allocations.
- e. The Board may also allocate funds for special activities or projects at the discretion of the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA

SUBJECT

1st Reading of Proposed Amendments to Board Policy, Section V.E. – Gifts and Affiliated Foundations.

REFERENCE

April 2005	Review by the Board for this proposed Policy update
June 2005	1 st Reading by the Board for this proposed Policy update
August 2005	Review by the Board of the proposed Policy update

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections I.A.4. & 5.

Idaho State Board of Education Governing Policies & Procedures, Section V.E.

BACKGROUND

The State Board of Education has requested a review of the relationship of affiliated foundations to the Board's institutions and agencies.

DISCUSSION

Following the August 2005 meeting, the Board heard from university and foundation representatives who requested a meeting to discuss proposed revisions to the policy. State Board staff hosted a one-day work session on August 31, with various representatives from the four-year institutions, their affiliated foundations and foundation legal representatives.

The institutions and their affiliated foundations unanimously requested that the policy be revised to provide more flexibility, meaning that many of the directives in the previous draft have been re-characterized as generally guidelines, which each institution/foundation will need to address in greater detail in their written operating agreements.

IMPACT

This revised policy, which is the product of significant discussion among the institutions and their affiliated foundations and Board staff, more accurately reflects the practical working/business relationship between foundations and the agencies/institutions.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA- continued

STAFF COMMENTS AND RECOMMENDATIONS

In order to bring finality to this process (which began before the April 2005 Board meeting), Board and legal staff arranged the August 31, 2005, work session noted above. Conclusions were reached, and incorporated into a single document that, because of the extent of editing, is not easily compared to previous versions.

On September 28, 2005, Board members and university representatives were provided with a copy, via email, of the product of the August 31 work session. University and foundation representatives offered additional comments, many of which were incorporated into the document that follows.

A red-line version of the changes made between the September 28 and enclosed versions will be available at the October meeting, or before if requested.

BOARD ACTION

A motion to approve for First Reading the changes to Idaho State Board of Education Governing Policies & Procedures, Section V.E. – Gifts and Affiliated Foundations.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

1st READING

CLEAN VERSION

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: E. Gifts and Affiliated Foundations

October, 2005

E. Gifts and Affiliated Foundations

1. Purpose of the Policy.

a. The Board recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the institutions, school, and agencies under its governance. Private support for public education is an accepted and firmly established practice throughout the United States. Tax-exempt foundations are one means of providing this valuable support to help the institutions, school, and agencies under the Board's governance raise money through private contributions. Foundations are separate, legal entities, tax-exempt under Section 501(c) of the United States Internal Revenue Code of 1986, as amended, associated with the institutions, school, and agencies under the Board's governance. Foundations are established for the purpose of raising, receiving, holding, and/or using funds from the private sector for charitable, scientific, cultural, educational, athletic, or related endeavors that support, enrich, and improve the institutions, school, or agencies. The Board wishes to encourage a broad base of support from many sources, particularly increased levels of voluntary support. To achieve this goal, the Board will cooperate in every way possible with the work and mission of recognized affiliated foundations.

b. The Board recognizes that foundations:

(1) Provide an opportunity for private individuals and organizations to contribute to the institutions, school, and agencies under the Board's governance with the assurance that the benefits of their gifts supplement, not supplant, state appropriations to the institutions, school, and agencies;

(2) Provide assurance to donors that their contributions will be received, distributed, and utilized as requested for specified purposes, to the extent legally permissible, and that donor records will be kept confidential to the extent requested by the donor and as allowed by law;

(3) Provide an instrument through which alumni and community leaders can help strengthen the institutions, school, and agencies through participation in the solicitation, management, and distribution of private gifts; and

(4) Aid and assist the Board in attaining its approved educational, research, public service, student loan and financial assistance, alumni relations, and financial development program objectives.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

c. The Board, aware of the value of tax-exempt foundations to the well being of the institutions, school, and agencies under the Board's governance, adopts this policy with the following objectives:

(1) To preserve and encourage the operation of recognized foundations associated with the institutions, school, and agencies under the Board's governance; and

(2) To ensure that the institutions, school, and agencies under the Board's governance work with their respective affiliated foundations to make certain that business is conducted responsibly and according to applicable laws, rules, regulations, and policies, and that such foundations fulfill their obligations to contributors, to those who benefit from their programs, and to the general public.

2. Institutional Foundations.

The foregoing provisions are designed to promote and strengthen the operations of foundations that have been, and may be, established for the benefit of the public colleges and universities in Idaho. The intent of this policy is to describe general principles that will govern institutional relationships with their affiliated foundations. It is intended that a more detailed and specific description of the particular relationship between an institution and its affiliated foundation will be developed and committed to a written operating agreement, which must be approved by the Board. Technology transfer organizations, including the Idaho Research Foundation, are not subject to this policy.

a. Board Recognition of Affiliated Foundations.

(1) The Board may recognize an entity as an affiliated foundation if it meets and maintains the requirements of this policy. The chief executive officer of each institution must ensure that any affiliated foundation recognized by the Board ascribes to these policies. The Board acknowledges that it cannot and should not have direct control over affiliated foundations. These foundations must be governed separately to protect their private, independent status. However, because the Board is responsible for ensuring the integrity and reputation of the institutions and their campuses and programs, the Board must be assured that any affiliated foundation adheres to sound business practices and ethical standards appropriate to such organizations in order to assure the public that the foundation is conducting its mission with honesty and integrity.

(2) Upon the effective date of this policy, the institution chief executive officer shall provide a list of current affiliated foundations and an implementation plan to bring each foundation before the Board to be formally recognized as a nonprofit corporation or affiliated foundation to benefit a public college or university in Idaho, for one or more of the purposes previously described in this policy. Each foundation shall be brought into substantial conformance with these policies and, upon so

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

doing, the institution shall provide prompt notice to the Board in order that the Board may recognize the affiliated foundation. Upon recognition by the Board, the organization of the nonprofit corporation or foundation is ratified, validated, and confirmed, and it shall be deemed to have been organized as if its organization had taken place under authority of this policy. Likewise, any new foundations established subsequent to implementation of this policy must be brought to the Board for formal recognition before such foundation begins operations.

b. General Provisions Applicable to all Affiliated Foundations recognized by the Board.

(1) All private support of an institution not provided directly to such institution shall be through a recognized affiliated foundation. While an institution may accept gifts made directly to the institution or directly to the Board, absent unique circumstances making a direct gift to the institution more appropriate, donors shall be requested to make gifts to affiliated foundations.

(2) Each affiliated foundation shall operate as an Idaho nonprofit corporation that is legally separate from the institution and is recognized as a 501(c)(3) public charity by the Internal Revenue Service. The management and control of a foundation shall rest with its governing board. All correspondence, solicitations, activities, and advertisements concerning a particular foundation shall be clearly discernible as from that foundation, and not the institution.

(3) The institutions and foundations are independent entities and neither will be liable for any of the other's contracts, torts, or other acts or omissions, or those of the other's trustees, directors, officers, members, or staff.

(4) It is the responsibility of the foundation to support the institution at all times in a cooperative, ethical, and collaborative manner; to engage in activities in support of the institution; and, where appropriate, to assist in securing resources, to administer assets and property in accordance with donor intent, and to manage its assets and resources.

(5) Foundation funds shall be kept separate from institution funds. No institutional funds, assets, or liabilities may be transferred directly or indirectly to a foundation without the prior approval of the Board except as provided herein. Funds may be transferred from an institution to a foundation without prior Board approval when:

- (a) Adonor inadvertently directs a contribution to an institution that is intended for the foundation. If an affiliated foundation is the intended recipient of funds made payable to the Board or to an institution, then such funds may be deposited with or transferred to the affiliated foundation, provided that accompanying documents demonstrate that the foundation is the intended recipient. Otherwise, the funds shall be deposited in an institutional account, and Board approval will be required prior to transfer to an affiliated foundation; or

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

(b) The institution has gift funds that were transferred from and originated in an affiliated foundation, and the institution wishes to return a portion of funds to the foundation for reinvestment consistent with the original intent of the gift.

(6) Transactions between an institution and an affiliated foundation shall meet the normal tests for ordinary business transactions, including proper documentation and approvals. Special attention shall be given to avoiding direct or indirect conflicts of interest between the institution and the affiliated foundation and those with whom the foundation does business. Under no circumstances shall an institution employee represent both the institution and foundation in any negotiation, sign for both the institution and foundation in a particular transaction, or direct any other institution employee under their immediate supervision to sign for the related party in a transaction between the institution and the foundation.

(7) Prior to the start of each fiscal year, an affiliated foundation must provide the institution chief executive officer with the foundation's proposed annual budget, as approved by the foundation's governing board.

(8) Each foundation shall conduct its fiscal operations to conform to the institution's fiscal year. Each foundation shall prepare its annual financial statements in accordance with Government Accounting Standards Board (GASB) or Financial Accounting Standards Board (FASB) principles, as appropriate.

(9) Institution chief executive officers shall be invited to attend all meetings of an affiliated foundation's governing board in an advisory role. On a case by case basis, other institution employees may also serve as advisors to an affiliated foundation's governing board, as described in the written foundation operating agreement approved by the Board.

(10) The foundation, while protecting personal and private information related to private individuals, is encouraged, to the extent possible or reasonable, to be open to public inquiries related to revenue, expenditure policies, investment performance and/or other information that would normally be open in the conduct of institution affairs.

(11) A foundation's enabling documents (e.g., articles of incorporation and bylaws) and any amendments are to be provided to the institution. These documents must include a clause requiring that in the event of the dissolution of a foundation, its assets and records will be distributed to its affiliated institution, provided the affiliated institution is a qualified charitable organization under relevant state and federal income tax laws. To the extent practicable, the foundation shall provide the institution with an advance copy of any proposed amendments, additions, or deletions to its articles of incorporation or bylaws. The institution shall be responsible for providing all of the foregoing documents to the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

(12) Foundations may not engage in activities that conflict with federal or state laws, rules and regulations; the policies of the Board; or the role and mission of the institutions. Foundations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.

(13) Fund-raising campaigns and solicitations of major gifts for the benefit of an institution by its affiliated foundation shall be developed cooperatively between the institution and its affiliated foundation. Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by an institution, a foundation will obtain the prior approval of the institution chief executive officer or a designee.

(14) Foundations shall obtain prior approval in writing from the institution chief executive officer or a designee if gifts, grants, or contracts include a financial or contractual obligation binding upon the institution.

(15) Foundations shall make clear to prospective donors that:

(a) The foundation is a separate legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the institution; and

(b) Responsibility for the governance of the foundation, including investment of gifts and endowments, resides in the foundation's governing board.

(16) Institutions shall ensure that foundation-controlled resources are not used to acquire or develop real estate or to build facilities for the institution's use without prior Board approval. The institution shall notify the Board, at the earliest possible date, of any proposed purchase of real estate for such purposes, and in such event should ensure that the foundation coordinates its efforts with those of the institution. Such notification to the Board may be through the institution's chief executive officer in executive session pursuant to Idaho Code 67-2345 (1) (c).

c. Foundation Operating Agreements.

Each institution shall enter into a written operating agreement with each recognized foundation that is affiliated with the institution. Operating agreements must be signed by the chairman or president of the foundation's governing board, and by the institution chief executive officer. The operating agreement must be approved by the Board prior to execution and must be re-submitted to the Board every two (2) years, or as otherwise requested by the Board, for review and re-approval. Foundation operating agreements shall establish the operating relationship between the parties, and shall, at a minimum, address the following topics:

(1) Institution Resources and Services.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

- (a) Whether, and how, an institution intends to provide contract administrative and/or support staff services to an affiliated foundation. When it is determined that best practices call for an institution employee to serve in a capacity that serves both the institution and an affiliated foundation, then the operating agreement must clearly define the authority and responsibilities of this position within the foundation. Notwithstanding, no employee of an institution who functions in a key administrative or policy making capacity (including, but not limited to, any institution vice-president or equivalent position) shall be permitted to have responsibility or authority for foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of foundation employees. The responsibility of this position within the foundation that is performed by an institution employee in a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated foundation fundraising efforts, and the provision of administrative support to foundation fundraising activities.
- (b) Whether, and how, an institution intends to provide other resources and services to an affiliated foundation, which are permitted to include:
- (i) Access to the institution's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through the institution's financial system, the foundation shall comply with the institution's financial and administrative policies and procedures manuals);
 - (ii) Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting;
 - (iii) Investment, management, insurance, benefits administration, and similar services; and
 - (iv) Development services, encompassing research, information systems, donor records, communications, and special events.
- (c) Whether the foundation will be permitted to use any of the institution's facilities and/or equipment, and if so, the details of such arrangements.
- (d) Whether the institution intends to recover its costs incurred for personnel, use of facilities or equipment, or other services provided to the foundation. If so, then payments for such costs shall be made directly to the institution. No payments shall be made directly from a foundation to institution employees in connection with resources or services provided to a foundation pursuant to this policy.
- (2) Management and Operation of Foundations.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

- (a) Guidelines for receiving, depositing, disbursing and accounting for all funds, assets, or liabilities of a foundation, including any disbursements/transfers of funds to an institution from an affiliated foundation. Institution officials into whose department or program foundation funds are transferred shall be informed by the foundation of the restrictions, if any, on such funds and shall be responsible both to account for them in accordance with institution policies and procedures, and to notify the foundation on a timely basis regarding the use of such funds.
 - (b) Procedures with respect to foundation expenditures and financial transactions, which must ensure that no person with signature authority shall be an institution employee in a key administrative or policy making capacity (including, but not limited to, an institution vice-president or equivalent position).
 - (c) The liability insurance coverage the foundation will have in effect to cover its operations and the activities of its directors, officers, and employees.
 - (d) Description of the investment policies to be utilized by the foundation, which shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the foundation's governing board. Moreover, such investments must be consistent with the terms of the gift instrument.
 - (e) Procedures that will be utilized to ensure that institution and foundation funds are kept separate.
 - (f) Detailed description of the organization structure of the foundation, which addresses conflict of interest in management of funds and any foundation data.
- (3) Foundation Relationships with the Institutions.
- (a) The institution's ability to access foundation books and records.
 - (b) The process by which the institution chief executive officer ,or designee, shall interact with the foundation's board regarding the proposed annual operating budget and capital expenditure plan prior to approval by the foundation's governing board.
 - (c) Whether, and how, supplemental compensation from the foundation may be made to institutional employees. Any such payments must have prior Board approval, and shall be paid by the foundations to the institutions, which in turn will make payments to the employee in accordance with normal practice. Employees shall not receive any payments or other benefits directly from the foundations.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

(4) Audits and Reporting Requirements.

(a) The procedure foundations will utilize for ensuring that regular audits are conducted and reported to the Board. Unless provided for otherwise in the written operating agreement, such audits must be conducted by an independent certified public accountant, who is not a director or officer of the foundation. The independent audit shall be a full scope audit, performed in accordance with generally accepted auditing standards.

(b) The procedure foundations will use for reporting to the institution chief executive officer the following items:

(i) Regular financial audit report;

(ii) Annual report of transfers made to the institution, summarized by department;

(iii) Annual report of unrestricted funds received, and of unrestricted funds available for use in that fiscal year;

(iv) A list of foundation officers, directors, and employees;

(v) A list of institution employees for whom the foundation made payments to the institution for supplemental compensation or any other approved purpose during the fiscal year, and the amount and nature of that payment;

(vi) A list of all state and federal contracts and grants managed by the foundation; and

(vii) An annual report of the foundation's major activities;

(viii) An annual report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding foundation fiscal year for the benefit of the institution; and

(ix) An annual report of any actual litigation involving the foundation during its fiscal year, as well as legal counsel used by the foundation for any purpose during such year. This report should also discuss any potential or threatened litigation involving the foundation.

(5) Conflict of Interest and Code of Ethics and Conduct.

A description of the foundation's conflict of interest policy approved by the foundation's governing board and applicable to all foundation directors, officers, and staff members, and which shall also include a code of ethics and conduct.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

Such policy must assure that transactions involving the foundation and the personal or business affairs of a trustee, director, officer, or staff member should be approved in advance by the foundation's governing board. In addition, such policy must provide that directors, officers, and staff members of a foundation disqualify themselves from making, participating, or influencing a decision in which they have or would have a financial interest. Finally, such policy must assure that no director, trustee, officer, or staff member of a foundation shall accept from any source any material gift or gratuity in excess of fifty dollars (\$50.00) that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a prohibited gift or gratuity be extended by such an individual on a similar basis.

4. Foundations for Other Agencies and Idaho School for the Deaf and the Blind (ISDB).

Other agencies and ISDB under the Board's jurisdiction may establish foundations to accept gifts made for the benefit of the agencies' or school's operating purposes. These agencies and school are subject to the same policies as the institutional foundations. However, agency/school foundations with annual revenues less than \$100,000 are not required to obtain an independent audit. These agencies/school must instead submit an annual report to the Board of gifts received and the disposition of such gifts.

5. Idaho Educational Public Broadcasting System Foundations and Friends Groups.

Foundations and Friends groups that exist for the benefit of the Idaho Educational Public Broadcasting System (IEPBS) are required by Federal Communications Commission (FCC) regulations to have specific spending authority designated by the Board. Audits of the IEPBS Foundation and Friends groups will be conducted by the State Legislative Auditor.

a. By action of the Board, the Idaho Educational Public Broadcasting System Foundation, Inc., has been designated to accept gifts made for the benefit of public television in the state of Idaho. The Foundation will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

b. By action of the Board, the Friends of Channel 4, Inc., has been designated to accept gifts made for the Benefit of KAID TV, Channel 4. The Friends of Channel 4, Inc., will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

c. By action of the Board, the Friends of Channel 10, Inc., has been designated to accept gifts made for the benefit of KISU TV, Channel 10. The Friends of Channel 10, Inc., will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

d. By action of the Board, the Friends of KUID, Inc., has been designated to accept gifts made for the benefit of KUID TV, Channel 12. The Friends of Channel 12, Inc., will

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

6. Acceptance of Direct Gifts.

Notwithstanding the Board's desire to encourage the solicitation and acceptance of gifts through affiliated foundations, the Board may accept donations of gifts, legacies, and devises (hereinafter "gifts") of real and personal property on behalf of the state of Idaho that are made directly to the Board or to an institution, school, or agency under its governance. Gifts worth more than \$250,000 must be reported to and approved by the executive director of the Board before such gift may be expended or otherwise used by the institution, school, or agency. Gifts worth more than \$500,000 must be approved by the Board. The chief executive officer of any institution, school, or agency is authorized to receive, on behalf of the Board, gifts that do not require prior approval by the executive director or the Board and that are of a routine nature. This provision does not apply to transfers of gifts to an institution, school, or agency from an affiliated foundation (such transfers shall be in accordance with the written operating agreement between the institution, school, or agency and an affiliated foundation, as described more fully herein).

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. Governing Policies and Procedures

Subsection: A. Policy-Making Authority

April 2004

4. Conformance with State and Federal Law

All Board Governing Policies and Procedures and the internal policies and procedures of its institutions, agencies and school will comply with and be in conformance to applicable laws.

5. Adoption, Amendment, or Repeal of Board Policies

a. Board policies may be adopted by majority vote at any regular or special meeting of the Board. The adoption, amendment, or repeal of a Board policy may be requested by any member of the Board, the executive director, or any chief executive officer. Persons who are Board employees, or students or student groups, must file a written request with the chief executive officer of an institution, agency or school, or his or her designee, to receive Board consideration. An Idaho resident, other than those described above, may file a written request with the executive director for Board consideration of a proposal. Regardless of the source, a statement of the proposed adoption, amendment, or repeal must be presented to the executive director for transmittal to the Board. If the subject matter of the presentation concerns an agency, institution, school, or department of the Board, the executive director will also notify the appropriate chief executive officer of the nature of the request.

b. Board action on any proposal will not be taken earlier than the next regular or special meeting following Board approval for first reading. During the interim between the first reading and Board action, the chief executive officers will seek to discuss and review the proposal with faculty, staff, or other Board employees and students or student groups, as appropriate. The chief executive officers will transmit summaries of oral statements and written comments on the proposal to the executive director. After thorough consideration, the proposal will be presented by the executive director to the Board for action.

c. The executive director is authorized to make nonsubstantive corrections and amendments to Board Governing Policies and Procedures as may be necessary in such areas as typographical errors, cross-references, and citations of state and federal statutes.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 16-17, 2005

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

FY2006 College and Universities Summary of Sources and Uses of Funds

APPLICABLE STATUTES, RULE OR POLICY

N/A

BACKGROUND

Idaho's public higher education institutions receive funding from a variety of sources. General account, endowment funds, and student fees are appropriated by the Legislature each year. In addition, the college and universities receive student activity fees; federal, state, and private grant funds; receipts from sales of products and services, and funds from other sources.

Funds are used for instruction, research, public service, academic support, libraries, student services, institutional support, physical plant, scholarships and fellowships, auxiliary enterprises, and for other purposes.

DISCUSSION

An estimate of the sources and uses of funds for Fiscal Year 2006 is displayed in pages 2 through 10. Included on pages 7 and 8 are two charts which display a five-year history of sources and uses of funds. Note these numbers are budgeted amounts for the current fiscal year - not actual amounts. This report is prepared each year based on estimates for the upcoming year. Pages 9 and 10 display the fiscal year 2006 sources and uses of funds by percentage.

IMPACT

Board members, researchers and the general public are able to review sources of funding, and expenditures, for the higher education institutions.

STAFF COMMENTS AND RECOMMENDATIONS

Staff notes the amounts shown on the spreadsheets are estimates for the current fiscal year, and includes all funds, appropriated and non-appropriated.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

College & Universities Summary
Summary of Sources and Uses of Funds
Fiscal Year 2006

		Operating Budgets								
		Board Approved Budgets			CEO Approved	Estimated Budgets		Total		Plant Funds
		General	Vocational	Special	Auxiliary	Instit	Grants &	Operating		
		Education	Education	Programs	Enter. (1)	Accounts	Contracts	Budgets	%	
Sources of Funds:										
State Appropriations										
1	General Account	\$225,894,100	\$19,753,929	\$33,880,200	\$0	\$0	\$0	\$279,528,229	30.0%	\$0
2	Economic Recovery (27th payroll)	4,247,900	444,383	913,100	0	0	0	5,605,383	0.6%	0
3	Endowment Funds	9,519,600	0	0	0	0	0	9,519,600	1.0%	0
4	Student Fees	119,693,300	0	122,976	0	0	0	119,816,276	12.8%	0
5										
6	Total Appropriations	\$359,354,900	\$20,198,312	\$34,916,276	\$0	\$0	\$0	\$414,469,488	44.4%	\$0
7										
8	Other Student Fees	\$0	\$0	\$227,300	\$25,325,791	\$24,116,406	\$0	\$49,669,497	5.3%	\$4,150,700
9	Federal Approp	0	0	4,599,500	0	0	0	4,599,500	0.5%	0
10	Federal Grants & Contracts	0	0	0	76,000	0	235,047,059 (4)	235,123,059	25.2%	0
11	State Grants & Contracts	0	0	0	0	463,386	26,518,059	26,981,445	2.9%	0
12	Private Gifts, Grts & Contr	0	0	0	3,251,917	7,510,859	30,276,841	41,039,617	4.4%	0
13	Sales & Serv of Educ Act	0	0	181,900	119,210	41,221,583	0	41,522,693	4.5%	0
14	Sales & Serv of Aux Ent	0	0	0	78,141,400	17,029,225	0	95,170,625	10.2%	0
15	Indirect Costs	0	0	0	0	14,866,709	0	14,866,709	1.6%	0
16	Other	130,600	0	236,100	3,095,862	4,992,675	815,462	9,270,699	1.0%	8,383,400 (3)
17										
18	Total Revenue	\$359,485,500	\$20,198,312	\$40,161,076	\$110,010,180	\$110,200,843	\$292,657,421	\$932,713,332	100.0%	\$12,534,100
19										
20										
21 Uses of Funds:										
22	Instruction	\$179,416,365	\$19,209,386	\$6,929,276	\$0	\$30,884,327	\$30,229,823	\$266,669,177	28.6%	\$0
23	Research	10,201,383	0	18,948,200	0	12,370,050	80,471,766	121,991,399	13.1%	0
24	Public Service	721,288	0	13,205,700	0	4,683,191	17,951,282	36,561,461	3.9%	0
25	Academic Support	26,981,026	395,218	0	0	9,853,681	967,972	38,197,897	4.1%	0
26	Libraries	19,112,318	0	0	0	980,555	0	20,092,873	2.2%	0
27	Student Services	22,609,430	149,325	0	0	4,198,675	1,624,865	28,582,295	3.1%	0
28	Institutional Support	41,885,013	0	0	0	27,196,847	43,000	69,124,860	7.4%	0
29	Physical Plant	46,345,589	0	0	0	2,881,522	0	49,227,111	5.3%	8,883,400 (3)
30	Scholarships & Fellowships	0	0	0	4,792,434	5,004,565	160,966,377 (4)	170,763,376	18.3%	0
31	Auxiliary Enterprises (1) & (2)	7,965,188	0	0	104,574,477	11,751,000	0	124,290,665	13.3%	213,507
32	Mandatory Transfers	0	0	0	0	0	0	0	0.0%	2,865,393
33	Other	0	0	164,800	0	0	0	164,800	0.0%	0
34	27th Payroll	4,247,900	443,983	913,100	218,996	246,964	265,936	6,336,879	0.7%	0
35										
36	Total Uses	\$359,485,500	\$20,197,912	\$40,161,076	\$109,585,907	\$110,051,377	\$292,521,021	\$932,002,793	100.0%	\$11,962,300
37										
38										
39	Incr/(Decr) to Balance	\$0	\$400	\$0	\$424,273	\$149,466	\$136,400	\$710,539		\$571,800

- 44 (1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education column not the auxiliary enterprise column.
- 45
- 46 (2) Auxiliary Enterprises includes University of Idaho's Kibbie Dome operations
- 47 (3) Plant funds includes University of Idaho's federal grants for capital projects
- 48 (4) Includes Federal Direct Student Loan funds

Boise State University
Summary of Sources and Uses of Funds
Fiscal Year 2006

		Operating Budgets							
		Board Approved Budgets			CEO Approved	Estimated Budgets		Total	
		General	Vocational	Special	Auxiliary	Instit	Grants &	Operating	Plant
		Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	Funds
Sources of Funds:									
State Appropriations									
1	General Account	\$69,888,500	\$6,766,190	\$504,700				\$77,159,390	29.9%
2	Economic Recovery (27th payroll)	1,228,000	51,999					1,279,999	0.5%
3	Endowment Funds							0	0.0%
4	Student Fees	41,320,900						41,320,900	16.0%
5									
6	Total Appropriations	\$112,437,400	\$6,818,189	\$504,700	\$0	\$0	\$0	\$119,760,289	46.4%
7									
8	Other Student Fees				\$9,121,205	\$9,958,990		\$19,080,195	7.4%
9	Federal Approp							0	0.0%
10	Federal Grants & Contracts						55,016,949 (2)	55,016,949	21.3%
11	State Grants & Contracts					292,000	7,591,212	7,883,212	3.1%
12	Private Gifts, Grts & Contr					1,816,492	3,779,822	5,596,314	2.2%
13	Sales & Serv of Educ Act					4,257,000		4,257,000	1.7%
14	Sales & Serv of Aux Ent				38,936,323	2,041,170		40,977,493	15.9%
15	Indirect Costs					2,091,161		2,091,161	0.8%
16	Other				551,082	2,749,382		3,300,464	1.3%
17									
18	Total Revenue	\$112,437,400	\$6,818,189	\$504,700	\$48,608,610	\$23,206,195	\$66,387,983	\$257,963,077	100.0%
19									
20									
21 Uses of Funds:									
22	Instruction	\$58,189,261	\$6,766,190			\$9,696,325	\$7,506,059	\$82,157,835	31.8%
23	Research	1,521,904		286,700		663,678	9,182,889	11,655,171	4.5%
24	Public Service	717,831		53,200		2,755,068	6,699,035	10,225,134	4.0%
25	Academic Support	11,295,932				2,288,669		13,584,601	5.3%
26	Libraries	6,283,939				341,955		6,625,894	2.6%
27	Student Services	6,521,952				562,100		7,084,052	2.7%
28	Institutional Support	12,845,701				6,195,062		19,040,763	7.4%
29	Physical Plant	11,753,680				627,398		12,381,078	4.8%
30	Scholarships & Fellowships				2,559,621	75,940	43,000,000 (2)	45,635,561	17.7%
31	Auxiliary Enterprises (1)	2,079,200			45,991,897			48,071,097	18.6%
32	Mandatory Transfers							0	0.0%
33	Other (Incl One-Time Funds)			164,800				164,800	0.1%
34	27th Payroll	1,228,000	51,599		57,092			1,336,691	0.5%
35									
36	Total Uses	\$112,437,400	\$6,817,789	\$504,700	\$48,608,610	\$23,206,195	\$66,387,983	\$257,962,677	100.0%
37									
38									
39	Incr/(Decr) to Balance	\$0	\$400	\$0	\$0	\$0	\$0	\$400	\$0
40									
41									
42	Employee FTE	1,201.04	95.09	5.00	346.74	124.14	130.00	1,902.01	
43									
44	(1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education								
45	column not the auxiliary enterprise column.								
46	(2) Includes Federal Direct Student Loan funds								

Idaho State University
Summary of Sources and Uses of Funds
Fiscal Year 2006

		Operating Budgets							
		Board Approved Budgets			CEO Approved	Estimated Budgets		Total	
		General	Vocational	Special	Auxiliary	Instit	Grants &	Operating	Plant
		Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	Funds
								%	
Sources of Funds:									
State Appropriations									
1	General Account	\$61,893,600	\$9,366,511	\$2,128,800				\$73,388,911	28.9%
2	Economic Recovery (27th payroll)	1,140,800	282,298	34,100				1,457,198	0.6%
3	Endowment Funds	1,602,800						1,602,800	0.6%
4	Student Fees	32,320,000		122,976				32,442,976	12.8%
5									
6	Total Appropriations	\$96,957,200	\$9,648,809	\$2,285,876	\$0	\$0	\$0	\$108,891,885	42.9%
7									
8	Other Student Fees				\$8,285,290	\$6,128,816		\$14,414,106	5.7%
9	Federal Approp							0	0.0%
10	Federal Grants & Contracts				76,000		81,589,610 (2)	81,665,610	32.1%
11	State Grants & Contracts					171,386	7,218,547	7,389,933	2.9%
12	Private Gifts, Grts & Contr				1,009,592	1,955,167	9,658,419	12,623,178	5.0%
13	Sales & Serv of Educ Act				119,210	3,204,883		3,324,093	1.3%
14	Sales & Serv of Aux Ent				9,456,898	10,604,455		20,061,353	7.9%
15	Indirect Costs					2,671,948		2,671,948	1.1%
16	Other				843,980	1,378,093	815,462	3,037,535	1.2%
17									
18	Total Revenue	\$96,957,200	\$9,648,809	\$2,285,876	\$19,790,970	\$26,114,748	\$99,282,038	\$254,079,641	100.0%
19									
20									
21	Uses of Funds:								
22	Instruction	\$52,881,549	\$9,366,511	\$1,740,176		\$10,768,202	\$5,491,764	\$80,248,202	31.6%
23	Research	2,479,657				1,928,372	19,580,577	23,988,606	9.4%
24	Public Service	0		511,600		110,123	3,597,947	4,219,670	1.7%
25	Academic Support	5,739,957				3,049,812	967,972	9,757,741	3.8%
26	Libraries	4,752,400				140,000		4,892,400	1.9%
27	Student Services	5,993,337				751,375	1,413,765	8,158,477	3.2%
28	Institutional Support	9,229,548				6,309,885		15,539,433	6.1%
29	Physical Plant	12,109,721				1,538,324		13,648,045	5.4%
30	Scholarships & Fellowships					1,242,225	67,964,077 (2)	69,206,302	27.2%
31	Auxiliary Enterprises (1)	2,630,231			19,549,557			22,179,788	8.7%
32	Mandatory Transfers							0	0.0%
33	Other (One-Time)							0	0.0%
34	27th Payroll	1,140,800	282,298	34,100	161,904	246,964	265,936	2,132,002	0.8%
35									
36	Total Uses	\$96,957,200	\$9,648,809	\$2,285,876	\$19,711,461	\$26,085,282	\$99,282,038	\$253,970,666	100.0%
37									
38									
39	Incr/(Decr) to Balance	\$0	\$0	\$0	\$79,509	\$29,466	\$0	\$108,975	\$571,800
40									
41									
42	Employee FTE	1,069.81	142.21	15.40	136.13	145.50	159.88	1,668.93	
43									
44	(1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education column not the auxiliary enterprise column.								
45									
46	(2) Includes Federal Direct Student Loan funds								

University of Idaho
Summary of Sources and Uses of Funds
Fiscal Year 2006

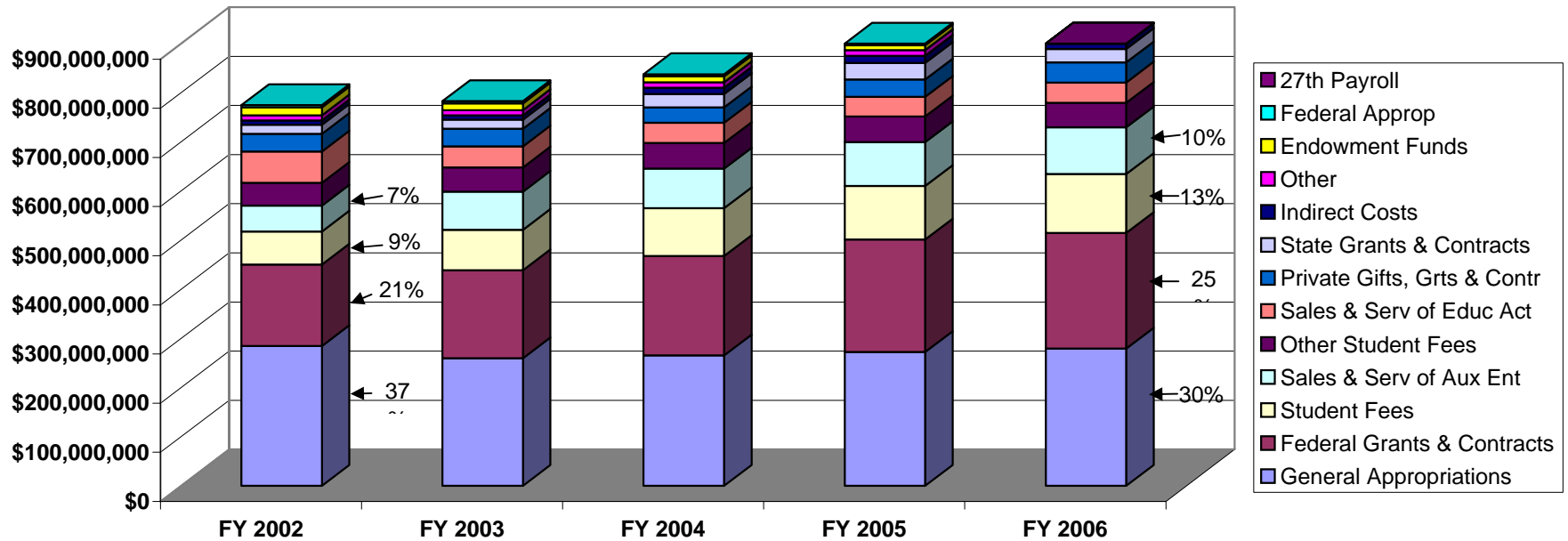
Operating Budgets								
Board Approved Budgets			CEO Approved	Estimated Budgets		Total		
General	Vocational	Special	Auxiliary	Instit	Grants &	Operating		Plant
Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	%	Funds
\$82,753,500		\$31,246,700				114,000,200	29.9%	0
1,598,700		879,000				2,477,700	0.6%	0
6,314,000						6,314,000	1.7%	0
38,737,000						38,737,000	10.2%	0
129,403,200		32,125,700	0	0	0	161,528,900	42.3%	0
		227,300	6,610,496	5,403,600		12,241,396	3.2%	
		4,599,500				4,599,500	1.2%	
					95,367,200 (2)	95,367,200	25.0%	
					9,600,000	9,600,000	2.5%	
			2,242,325	3,739,200	15,500,000	21,481,525	5.6%	
		181,900		32,437,600		32,619,500	8.5%	
			28,527,579	4,383,600		32,911,179	8.6%	
				10,000,000		10,000,000	2.6%	
130,600		236,100	873,100			1,239,800	0.3%	8,383,400 (3)
129,533,800		37,370,500	38,253,500	55,964,000	120,467,200	381,589,000	100.0%	8,383,400
58,685,091		5,189,100		8,395,000	15,500,000	87,769,191	23.0%	
6,070,321		18,661,500		9,514,000	51,700,000	85,945,821	22.5%	
3,457		12,640,900		1,679,000	6,600,000	20,923,357	5.5%	
8,177,574				3,917,000		12,094,574	3.2%	
7,175,866				280,000		7,455,866	2.0%	
8,567,744				2,239,000		10,806,744	2.8%	
16,801,442				13,991,000		30,792,442	8.1%	
19,898,277				560,000		20,458,277	5.4%	8,383,400 3)
			2,232,813	3,638,000	46,667,200 (2)	52,538,013	13.8%	
2,555,328			35,743,023	11,751,000		50,049,351	13.1%	
						0	0.0%	
1,598,700		879,000				2,477,700		
129,533,800		37,370,500	37,975,836	55,964,000	120,467,200	381,311,336	99.4%	8,383,400
0		0	277,664	0	0	277,664		0

- 44 1) The General Education program supports intercollegiate athletics, which is an auxiliary enterprise. General Education support for athletics
 45 is reported in the General Education column, not the auxiliary enterprise column.
 46 2) Includes Federal Direct Student Loan funds.
 47 3) Plant Funds include federal grants for capital projects.
 48 4) Auxiliary Enterprises includes Kibbie Dome operations and the Student Recreation Center.

Lewis-Clark State College
Summary of Sources and Uses of Funds
Fiscal Year 2006

		Operating Budgets							
		Board Approved Budgets			CEO Approved	Estimated Budgets		Total	
		General	Vocational	Special	Auxiliary	Instit	Grants &	Operating	Plant
		Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	Funds
								%	
Sources of Funds:									
State Appropriations									
1	General Account	\$11,358,500	\$3,621,228					\$14,979,728	38.3%
2	Economic Recovery (27th payroll)	280,400	110,086					390,486	1.0%
3	Endowment Funds	1,602,800						1,602,800	4.1%
4	Student Fees	7,315,400						7,315,400	18.7%
5									
6	Total Appropriations	\$20,557,100	\$3,731,314	\$0	\$0	\$0	\$0	\$24,288,414	62.1%
7									\$0
8	Other Student Fees				1,308,800	2,625,000	0	3,933,800	10.1%
9	Federal Approp					0	0	0	0.0%
10	Federal Grants & Contracts					0	3,073,300	3,073,300	7.9%
11	State Grants & Contracts					0	2,108,300	2,108,300	5.4%
12	Private Gifts, Grts & Contr					0	1,338,600	1,338,600	3.4%
13	Sales & Serv of Educ Act					1,322,100	0	1,322,100	3.4%
14	Sales & Serv of Aux Ent				1,220,600	0	0	1,220,600	3.1%
15	Indirect Costs					103,600	0	103,600	0.3%
16	Other				827,700	865,200	0	1,692,900	4.3%
17									
18	Total Revenue	\$20,557,100	\$3,731,314	\$0	\$3,357,100	\$4,915,900	\$6,520,200	\$39,081,614	100.0%
19									\$0
20									
Uses of Funds:									
22	Instruction	\$9,660,464	\$3,076,685			\$2,024,800	\$1,732,000	\$16,493,949	43.0%
23	Research	129,501				264,000	8,300	401,801	1.0%
24	Public Service					139,000	1,054,300	1,193,300	3.1%
25	Academic Support	1,767,563	395,218			598,200	0	2,760,981	7.2%
26	Libraries	900,113				218,600	0	1,118,713	2.9%
27	Student Services	1,526,397	149,325			646,200	211,100	2,533,022	6.6%
28	Institutional Support	3,008,322				700,900	43,000	3,752,222	9.8%
29	Physical Plant	2,583,911				155,800	0	2,739,711	7.1%
30	Scholarships & Fellowships					48,400	3,335,100	3,383,500	8.8%
31	Auxiliary Enterprises (1)	700,429			3,290,000	0	0	3,990,429	10.4%
32	Mandatory Transfers					0	0	0	0.0%
33									
34	27th Payroll	280,400	110,086						
35									
36	Total Uses	\$20,557,100	\$3,731,314	\$0	\$3,290,000	\$4,795,900	\$6,383,800	\$38,367,628	100.0%
37									\$0
38									
39	Incr/(Decr) to Balance	\$0	\$0	\$0	\$67,100	\$120,000	\$136,400	\$713,986	\$0
40									
41									
42	Employee FTE	273.92	53.70	0.00	22.48	54.45	44.94	449.49	0.00
43									
44	(1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education								
45	column not the auxiliary enterprise column.								
46									

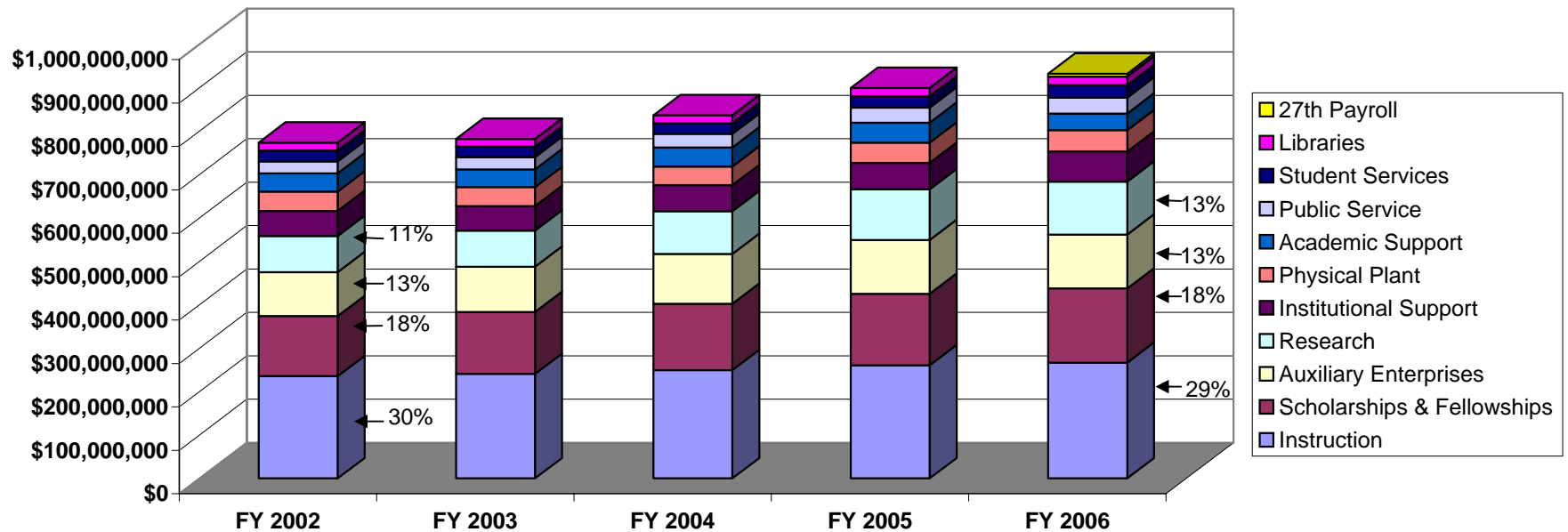
State of Idaho College and Universities All Funds Revenues FY 2002-2006



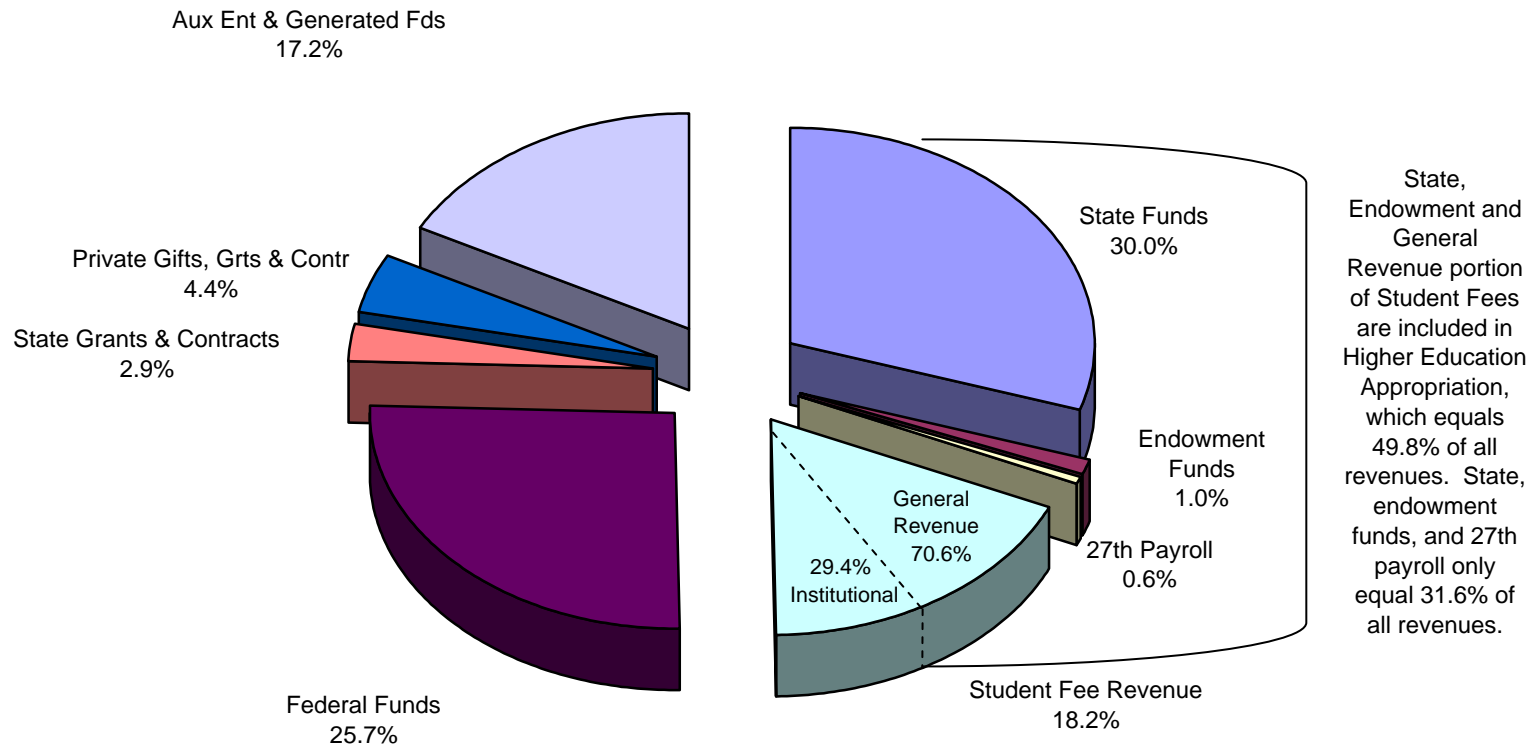
State of Idaho

College and Universities

All Funds Expenditures FY 2002-2006



Idaho's College and Universities Revenue Budget for all Funds by Source Fiscal Year 2006



Idaho's College and Universities
Expenditure Budget for all Funds by Functional Classification
Fiscal Year 2006

