

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009**

TAB	DESCRIPTION	ACTION
1	FY 2011 LINE ITEM REQUESTS	Motion to approve
2	STUDENT HEALTH INSURANCE RATES	Motion to approve
3	NCAA ACADEMIC PROGRESS RATE (APR) REPORTS	Information item
4	IDENTITY THEFT (RED FLAG) POLICIES	Motion to approve
5	BOISE STATE UNIVERSITY Memorandum of Understanding & Ground Lease with American Campus Communities	Motion to approve
6	BOISE STATE UNIVERSITY Lease Agreement with College of Western Idaho	Motion to approve
7	BOISE STATE UNIVERSITY Park & Ride Agreement with College of Western Idaho	Motion to approve
8	UNIVERSITY of IDAHO Fire Alarm Improvements to Wallace Complex	Motion to approve
9	UNIVERSITY of IDAHO Faculty-Staff Handbook Revisions	Motion to approve
10	UNIVERSITY of IDAHO Renovation of Niccolls Building	Motion to approve

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TAB	DESCRIPTION	ACTION
11	UNIVERSITY of IDAHO Building Management Contract - Idaho Water Center –	Motion to approve
12	UNIVERSITY of IDAHO Idaho Alumni Association of Alpha Gamma Rho, Inc. Purchase of TKE House	Motion to approve
13	UNIVERSITY of IDAHO Paradise Creek Realignment with Corp of Engineers	Motion to approve
14	UNIVERSITY of IDAHO Settlement Agreement	Motion to approve
15	LEWS-CLARK STATE COLLEGE Property Sale – Rental Apartments	Item pulled
16	LEWS-CLARK STATE COLLEGE Management Agreement – College Place	Item pulled
17	COLLEGE OF WESTERN IDAHO Property Transfer with State Board of Education	Motion to approve
18	ROOM & BOARD RATES	Motion to approve
19	STATE BOARD OF EDUCATION Proposed Lease Agreement between the State Board of Education and ISDB/Bureau of Educational Services for the Deaf and the Blind	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
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AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY 2011 Line Item Budget Requests

REFERENCE

May 7, 2009

Instructions to agencies and institutions regarding submission of line item budget requests

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.1.
Title 67, Chapter 35, Idaho Code

BACKGROUND/ DISCUSSION

As discussed at its May 2009 meeting, the Board will accept the line item requests and provide guidance at the June, 2009 meeting. Subsequently, the Board will approve the final budget request at the August, 2009 meeting. Following Board approval in August, the budget requests will be submitted to Division of Financial Management (DFM) and Legislative Services Office (LSO) by September 1, 2009.

The line items represent the unique needs of the institutions and agencies and statewide needs. The Line Items are prioritized by the Board for each agency and institution, following review.

The following Line Item guidelines were provided:

1. Tie Line Item requests to goals within institution/agency strategic plans and to the Board strategic plan.
2. Prioritize Line Item requests in the following categories:
 - a. Occupancy Costs
 - b. Professional-Technical Education (PTE) Nondiscretionary Adjustments
 - c. Center for Advanced Energy Studies (CAES)
 - d. Opportunity Scholarship
 - e. Recommendations from the Medical Education Committee
 - f. Veterans Administration Biomedical Research Collaboration
 - g. One-time projects with extraordinary and unique circumstances

The information included in the final budget request must include supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

Subsequent to the May Board meeting, the institutions receiving federal stimulus funds were notified by DFM that the amounts the institutions were to receive in FY 2011 decreased due to a ruling by the U.S. Department of Education, after

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reviewing the Idaho application for federal funds, that stimulus funds could not be used in FY 2009 by the Idaho Department of Education due to the limited time for school districts to spend stimulus dollars in the current school year and required Idaho to use these funds in FY 2010. This resulted in a recalculation of the allocation of stimulus funds between the State Department of Education and the higher education institutions. A memo from the Legislative Services Office to the institutions, Page 5, explains in further detail the impact of this ruling.

The institutions receiving stimulus funds were given the opportunity to request line items for critical needs resulting in the loss of the federal funds in FY 2011, and these “Critical Needs” line items are considered a new category in addition to those prioritized by the Board in May.

Attachment 1 lists the line items by category with the new category “Critical Needs” listed first, followed by the Board approved categories listed in priority order. Attachment 2 breaks out the last category, One-time and Unique items, by institution and agency. While the Board encouraged this last group be used for one-time requests, it did allow ongoing needs to be included in this category. The detail information for each line item request is included in separate tabs for each category.

IMPACT

Once the Board has provided guidance on priority, category, dollar limit, etc, Board staff will work with the Business Affairs and Human Resources Committee, DFM and the agencies/institutions to prepare line items to be approved at the August meeting.

An electronic version of Attachment 1 will be available at the Board meeting and used for the Board motion.

ATTACHMENTS

Attachment 1 – Memo Explaining Decrease in Stimulus Funds	Page 5
Attachment 2 – FY 2011 Line Items	Page 6
Attachment 3 – One-time, Unique Line Items	Page 7

Detail Information

Critical Needs	Tab A
Occupancy Costs	Tab B
Center for Advanced Energy Studies	Tab C
Scholarship Programs	Tab D
Medical Education Study Recommendations	Tab E
Bio-Medical Research	Tab F
One-time, Unique	Tab G

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STAFF COMMENTS AND RECOMMENDATIONS

Although the Board prioritization includes PTE Nondiscretionary Adjustments, these items have historically been a maintenance level item even though most recently it has been considered a line item by Legislative Services. Therefore, PTE's line item requests are not included in this agenda in order to focus on discretionary line items, but they will be included in the final list of line items for approval at the August Board meeting.

BOARD ACTION

A motion to approve the FY 2011 Line Items as listed in Attachment 2 and Attachment 3, and to create a blank for each line item.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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Attachment 1

TO: Financial Vice Presidents and Budget Directors
FROM: Matt Freeman, LSO
DATE: June 1, 2009
RE: Change in ARRA Higher Ed Allocation

As promised, I have attempted to draft a more detailed explanation of how and why the federal stimulus funds for higher ed will be significantly less than originally contemplated for FY11. Before I launch into this rather complex matter, however, a disclaimer is in order. For whatever reason, the federal law requires the Governor to make application for the funds, even though the Legislature still has to provide spending authority. As such, DFM negotiated and agreed to the terms of the application for funds at issue, so if you find need for any further clarification you should contact DFM directly.

Idaho's allocation for education funds under Title XIV of the American Recovery and Reinvestment Act (hereinafter ARRA) is \$201,700,000. The ARRA directs states to use the funds to restore state support for Public Schools (PS) and Higher Ed (HE) for fiscal years 2009, 2010 and 2011 to the greater of FY08 or FY09. The ARRA further directs that if the ARRA funds are insufficient to restore funding to the levels prescribed, then the funds are to be allocated between PS and HE in proportion to their shortfall of state support. Having determined that the funds were in fact insufficient to fully restore, the FY09 holdbacks were used as the benchmark to determine the shortfall. The proportionate shortfalls were calculated at 17.53% HE and 82.46% PS. The HE proportion equated to a total of \$35,367,800 for FY10 and FY11 (this included CU, CC and PTE). The Legislature decided to split this amount 50/50 between the two years.

To understand how this original allocation has changed, you have to understand the PS side of the budget. The original plan for PS was to use \$85.1M in ARRA funds in FY 2009 and the PS budget was set and approved accordingly. However, after reviewing the Idaho application for federal funds, the U.S. Department of Education determined (the day before the Legislature adjourned) that stimulus funds could not be used in FY 2009 due to the limited time for school districts to spend stimulus dollars in the current school year and required Idaho to use these funds in FY 2010. As a result, on the last day of session the Legislature approved H378 which contained a FY09 PS supplemental appropriation for \$85.1M from the Public Education Stabilization Fund (PESF) and a FY10 PS appropriation using the same amount of ARRA funds with a corresponding reduction in General Funds. (The \$85.1M General Funds are then transferred to PESF to restore the fund balance).

The net effect is state support for PS in FY10 is \$85.1M less than originally contemplated when the allocations of ARRA funds were calculated. Stated differently, originally the amount needed to restore the FY 2010 general fund appropriation to the FY 2009 level was \$108M, but H378 includes an additional \$85M or a total of \$194M. This widens the gap and changes the proportion of the PS and HE shortfall because now for FY11 the ARRA formula requires states to restore to FY09 levels. In other words, after the FY10 PS and HE budgets were set, the ARRA formula is reset and looks at the proportionate shortfall in light of the FY10 appropriation. Based on this recalculation, the proportionate share of the shortfall for FY11 is 88.87% PS and 11.13% HE, which equates to a total of \$22,450,800 for HE instead of the original \$35,367,800. Since HE received \$17,683,900, this only leaves \$4,766,900 for FY11.

Again, this revised allocation is pursuant to a directive from the U.S. Department of Education.

STATE BOARD OF EDUCATION

FY 2011 Line Items

By Institution/Agency	FY 2010 Appropriation	Line Items									Total	vs. 2010			Comments
		Critical Needs Tab A	Occupancy Costs Tab B	CAES Tab C	Schol. Programs Tab D	Medical Education Tab E	Bio-Med Research Tab F	One-time Unique Tab G	vs. 2010 Approp	One-Time		Ongoing vs. 2010 Approp			
1 Professional-Technical Educaton	51,599,900	695,500	0	0	0	0	0	0	0	695,500	1.3%	695,500	0.0%		
State Leadership & Technical Asst.	1,974,100									0	0.0%		0.0%		
General Programs	11,084,200	162,300								162,300	1.5%	162,300	0.0%		
Post-secondary Programs	37,324,100	533,200								533,200	1.4%	533,200	0.0%		
Underprepared Adults	239,100									0	0.0%		0.0%		
Related Services	978,400									0	0.0%		0.0%		
2 College and Universities	253,278,100	11,185,600	3,367,700	3,000,000	0	0	1,813,000	12,003,200	31,369,500	12.4%	13,182,800	7.2%			
System-wide Needs	2,900,700	126,400							126,400	4.4%	126,400	0.0%			
Boise State University	78,352,400	3,547,200	926,800	1,000,000			300,000	1,000,000	6,774,000	8.6%	3,547,200	4.1%	Operating Funds		
Idaho State University	65,809,500	3,014,000	1,050,900	1,000,000			843,000	1,722,200	7,630,100	11.6%	4,736,200	4.4%	Meridian labs, Library Resources, ERP		
University of Idaho	92,748,000	3,886,400	904,000	1,000,000			670,000	8,704,000	15,164,400	16.4%	4,161,400	11.9%	Research Safety, Maintenance, Law, CEC, NI		
Lewis-Clark State College	13,467,500	611,600	486,000					577,000	1,674,600	12.4%	611,600	7.9%	PACE/Biology Program Enhancements		
3 Community Colleges	26,407,000	1,198,200	1,549,500	0	0	0	0	1,336,000	4,083,700	15.5%	533,800	13.4%			
College of Southern Idaho	11,762,100	533,800	563,300						1,097,100	9.3%	533,800	4.8%			
North Idaho College	10,058,700	461,600						250,000	711,600	7.1%		7.1%	Physical Therapy Program		
College of Western Idaho	4,586,200	202,800	986,200					1,086,000	2,275,000	49.6%		49.6%	Enrollment Growth		
4 Agricultural Research/Extension	24,989,900							1,073,400	1,073,400	4.3%		4.3%	Deferred Maintenance, CEC		
5 Health Education Programs	9,939,300	0	0	0	0	0	0	243,100	243,100	2.4%	0	2.4%			
WI Veterinary Education	1,739,700							14,200	14,200	0.8%		0.8%	CEC		
WWAMI Medical Education	3,405,200							18,900	18,900	0.6%		0.6%	CEC		
IDEP Dental Education	1,254,500							0	0	0.0%		0.0%			
Univ. of Utah Med. Ed.	1,200,000							0	0	0.0%		0.0%			
Family Medicine Residencies	1,989,300							210,000	210,000	10.6%		10.6%	CDA and Internal Med. Residency, GME Off.		
WICHE	245,800							0	0	0.0%		0.0%			
Psychiatry Residencies	104,800							0	0	0.0%		0.0%			
6 Special Programs	9,407,900	0	0	0	1,250,000	0	0	807,000	2,057,000	21.9%	1,968,500	0.9%			
Forest Utilization Research	556,500							13,000	13,000	2.3%		2.3%	CEC		
Geological Survey	768,600							75,500	75,500	9.8%		9.8%	Operating Expenses, CEC		
Scholarships and Grants	7,101,700				1,250,000				1,250,000	17.6%	1,250,000	0.0%	Opportunity Scholarship, Promise A		
Museum of Natural History	497,500							518,500	518,500	104.2%	518,500	0.0%	Museum Expansion		
Small Bus. Development Centers	275,100							0	0	0.0%		0.0%			
Idaho Council for Economic Ed.	49,300							0	0	0.0%		0.0%			
TechHelp	159,200							200,000	200,000	125.6%	200,000	0.0%	Product Innovation Outreach		
7 State Board of Education	2,246,400	0	0	0	0	0	0	0	0	0.0%	0	0.0%			
8 Idaho Public Television	1,659,800							431,400	431,400	26.0%	37,000	23.8%	Idaho Experience, Legislature Multimedia		
9 Vocational Rehabilitation	7,725,000	0	0	0	0	0	0	0	0	0.0%	0	0.0%			
Renal Disease	631,100							0	0	0.0%		0.0%			
Vocational Rehabilitation	3,201,300							0	0	0.0%		0.0%			
Work Services Community Support Em	3,892,600							0	0	0.0%		0.0%			
10 Total	\$ 387,253,300	\$ 13,079,300	\$ 4,917,200	\$ 3,000,000	\$ 1,250,000	\$ -	\$ 1,813,000	\$ 15,894,100	\$ 39,953,600	10.3%	\$ 16,417,600	6.1%			
Percentage of FY 2010 Appropriation		3.4%	1.3%	0.8%	0.3%	0.0%	0.5%	4.1%	10.3%						

STATE BOARD OF EDUCATION
One-time, Unique Category Line Items

<u>By Institution/Agency</u>	<u>Amount</u>	<u>Page #</u>	<u>One-Time</u>
1 Boise State University	1,000,000		0
Operating Funds	1,000,000	1	
2 Idaho State University	1,722,200		1,722,200
Clinical Lab Sciences Expansion in Boise	625,000	3	625,000
Library Materials and Resources	564,000	5	564,000
ERP Implementation Support	533,200	9	533,200
3 University of Idaho	8,704,000		2,576,000
Research Compliance & Safety Support	611,200	13	25,000
Maintenance/Infrastructure	4,000,000	17	2,136,000
Third-Year Law Program in Boise	900,800	19	415,000
CEC increase for faculty and staff	2,882,300	23	
Northern Idaho Faculty Positions	309,700	25	
5 Lewis-Clark State College	577,000		0
PACE/Biology Program Enhancements	577,000	29	
4 Community Colleges	1,336,000		0
NIC: Physical Therapy Program	250,000	33	
CWI: Enrollment Growth	1,086,000	35	
6 Agricultural Research	1,073,400		300,000
Facility Maintenance	300,000	39	300,000
CEC increase for faculty and staff	773,400	41	
7 Health Programs	243,100		0
WI: CEC increase for faculty and staff	14,200	43	
WWAMI: CEC increase for faculty and staff	18,900	45	
Family Medicine Residencies: CDA Residency	55,000	47	
Family Medicine Residencies: Internal Medicine Residency	55,000	49	
Family Medicine Residencies: GME Office Support	100,000	51	
8 Special Programs	807,000		718,500
Forest Utilization Research: CEC	13,000	55	
Geological Survey: Critical Mission Capability	55,000	57	
Geological Survey: CEC	20,500	59	
Museum of Natural History: Museum Expansion	518,500	61	518,500
Tech Help: Product Innovation Outreach	200,000	65	200,000
9 Idaho Public Television	431,400		0
Idaho Experience	314,700	69	
Idaho Legislature Live/Multimedia Personnel	116,700	73	
Total	\$ 15,894,100		\$ 5,316,700

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CRITICAL NEEDS

AGENCY: Division of Professional-Technical Education

FUNCTION: General Programs

ACTIVITY:

Agency No.: 503

Function No.: 02

Activity No.:

FY 2011 Request

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Original Submission X or

Revision No. ___

A: Decision Unit No:	Title: Secondary Critical Needs			Priority Ranking of	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:	162,300				162,300
LUMP SUM:					
GRAND TOTAL					

How connected to institution/agency and Board strategic plans:

Goal 2, Objective 5: Maintain access to quality secondary professional-technical education programs and services.

Description:

This request will partially replace one-time funds appropriated for professional-technical schools and allow the Division of Professional-Technical Education to meet the required maintenance of effort level under the federal Carl D. Perkins Act. The FY2009 appropriation included one-time state general funds at the maintenance level to provide added cost support units for professional-technical schools. In FY2010, these one-time state general funds were replaced with ARRA funds .

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

This request will help replace one-time state general funds appropriated in FY2009 and one-time ARRA funds appropriated in FY2010. The PTE budget includes \$2,095,000 on-going state general funds for professional technical schools.

2. What resources are necessary to implement this request?

1. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

N/A

2. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

N/A

3. List any additional operating funds and capital items needed.

N/A

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Secondary students enrolled in professional-technical schools.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

CRITICAL NEEDS

AGENCY: Division of Professional-Technical Education

FUNCTION: Postsecondary Programs

ACTIVITY:

Agency No.: 503

Function No.: 03

Activity No.:

FY 2011 Request

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Original Submission X or

Revision No. ___

A: Decision Unit No:	Title: Postsecondary Critical Needs			Priority Ranking of	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:	533,200				533,200
GRAND TOTAL					

How connected to institution/agency and Board strategic plans:

Goal 2, Objective 6: Maintain access to quality postsecondary and adult professional-technical education programs and training opportunities.

Description:

This budget request will provide funds to meet critical needs that will be eliminated due to the reduction in state general funds. The request will also allow the Division of Professional-Technical Education to meet the required maintenance of effort level under the federal Carl D. Perkins Act.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

This request will replace one-time ARRA funds appropriated in FY2010 and will provide funds for critical needs at the six technical colleges. The request will also allow the Division of Professional-Technical Education to meet the required maintenance of effort level under the federal Carl D. Perkins Act.

The postsecondary programs base includes \$37,324,100 of state general funds and \$458,000 in unrestricted funds

2. What resources are necessary to implement this request?

1. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

N/A

2. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

NA

3. List any additional operating funds and capital items needed.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

These are one-time state general funds.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Students enrolled in the six technical colleges are being served by this request. This request will provide the needed funding to maintain, develop and expand programs and student services at the technical colleges.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

FY 2010 BUDGET REQUEST

Institution / Agency: Higher Education System-wide Needs

Decision Unit / Line Item: 12.01

Category: Critical Needs

Title: Higher Education Research Council

FTP:

Gen	\$126,400	Fed	\$	Ded/Other	\$	Total	\$126,400
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A fully funded budget for the Higher Education Research Council (HERC) would provide secure funding for their grant programs of which Idaho's public institutions receive funding from infrastructure, matching funds, and research centers. The Research Center Grant Program awards funds over a three-year period to the successful recipient. Without consistent funding, the recipient would be unable to meet its research goals and commitments. A decrease in funding would also preclude HERC and institutions from meeting and attaining goals set forth in the Board's Strategic plan for biomedical research. **\$126,400 One-time Funds**

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CRITICAL NEEDS

AGENCY: Boise State University

Agency No.: 512

FY 2011 Request

FUNCTION:

Function No.: 01

Page ___ of ___ Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ___

A: Decision Unit No: 12.01		Title: Base Restoration			Priority Ranking 1 of 5
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses					
2.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Replacement Capital					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:	3,547,200				
GRAND TOTAL	3,547,200				3,547,200

How connected to institution/agency and Board strategic plans:

The FY 2010 appropriation included 4,856,400 in federal stimulus funds to partially offset the general fund base reduction and 5% cut in personnel costs. The fee increases approved by the Board for FY 2010 were estimated to make up the difference. It was anticipated that an equal amount of federal stimulus funds would be available in FY 2011 in order to maintain the same level of operating funds as FY 2010. That is no longer the case and in fact the amount anticipated for FY 2011 is reduced by 3,547,200.

Description:

The Division of Financial Management (DFM) has been working with the U.S. Department of Education in making formal application for the stimulus funds. Pursuant

CRITICAL NEEDS

to a memo received from Wayne Hammon on May 21, 2009, there has been a major adjustment to the amount of stimulus funds available to higher education in FY 2011.

The original plan for the State Department of Education (SDE) was to use \$85m in stimulus funds in FY 2009. After reviewing the Idaho application for federal funds, the U.S. Department of Education determined that stimulus funds could not be used in FY 2009 and required Idaho to use these funds in FY 2010. Subsequently, the Legislature appropriated a FY 2009 supplemental appropriation of \$85m from the Public Education Stabilization Fund to SDE (HB 378). Before this appropriation, the amount needed to restore the FY 2010 general fund appropriation to the FY 2009 level was around \$108m. Now that amount includes an additional \$85m or a total of \$194m.

This changes the proportion of the K12 and Higher Ed shortfall and results in a reallocation of federal stimulus funds. Instead of Higher Ed getting \$35.4m over two years they would receive \$22.5m. Since Higher Ed is getting \$17.7m in FY 2010, this would leave \$4.8m for FY 2011. This is an overall reduction of \$13m; however, the calculation below shows the total proportion of funding (general and stimulus):

FY 2009	K12 81.4%	HE 18.6%
FY 2010	K12 81.2%	HE 18.8%
FY 2011	K12 80.6%	HE 19.4%

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

Detailed information to be provided as soon as possible. It is anticipated that positions as well as infrastructure funding will be needed in order to avert further erosion of critical services to students.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.

This request is for a base restoration in operating funds to get back to the FY 2010 funding level.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

This request is for one-time funds, per Office of the State Board of Education's recommendation. The intent is that ongoing general funds will be requested in the FY 20112 request process.

CRITICAL NEEDS

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Not funding base restorations will result in a limitation in course offerings, reduce the frequency and variety of programs, increase fees and the length of time for a student to graduate, and consequently increase the total cost of education to the student.

Also, decreases in State funding may jeopardize participation in some Federal Financial Aid programs. According to Section 116 of the Higher Education Opportunity Act, the State shall provide funding which is equal to or greater than the average amount provided for non-capital and non-direct research and development expenses or costs during the five most recent years.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

This item was not requested in the FY 2010 budget request.

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CRITICAL NEEDS

AGENCY: Idaho State University

Agency No.: 513

FY 2011 Request

FUNCTION: General Education

Function No.: 1000

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ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ___

A: Decision Unit No: 12.01		Title: Critical Needs			Priority Ranking 1 of 1
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses					
2.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Replacement Capital					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:	3,014,000				3,014,000
GRAND TOTAL	3,014,000				3,014,000

How connected to institution/agency and Board strategic plans:

The FY 2010 appropriation included \$4,125,900 in federal stimulus funds to partially offset the 7% general fund base reduction and 5% cut in personnel costs. It was anticipated that an equal amount of federal stimulus funds would be available in FY 2011 in order to maintain the same level of operating funds as FY 2010.

Description:

The Division of Financial Management (DFM) has been working with the U.S. Department of Education in making formal application for the stimulus funds. Pursuant to a memo received from Wayne Hammon on May 21, 2009, there has been a major adjustment to the amount of stimulus funds available to higher education in FY 2011.

CRITICAL NEEDS

The original plan for the State Department of Education (SDE) was to use \$85m in stimulus funds in FY 2009. After reviewing the Idaho application for federal funds, the U.S. Department of Education determined that stimulus funds could not be used in FY 2009 and required Idaho to use these funds in FY 2010. Subsequently, the Legislature appropriated a FY 2009 supplemental appropriation for \$85m from the Public Education Stabilization Fund to SDE (HB 378). Before this appropriation, the amount needed to restore the FY 2010 general fund appropriation to the FY 2009 level was around \$108m. Now that amount includes an additional \$85m or a total of \$194m.

This changes the proportion of the K12 and Higher Ed shortfall and results in a reallocation of federal stimulus funds. Instead of Higher Ed getting \$35.4m over two years they would receive \$22.5m. Since Higher Ed is getting \$17.7m in FY 2010, this would leave \$4.8m for FY 2011. This is an overall reduction of \$13m; however, the calculation below shows the total proportion of funding (general and stimulus):

FY 2009	K12 81.4%	HE 18.6%
FY 2010	K12 81.2%	HE 18.8%
FY 2011	K12 80.6%	HE 19.4%

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

No FTP is being requested.

2. What resources are necessary to implement this request?

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
- c. List any additional operating funds and capital items needed.

This request is to maintain services & operations at the FY 2010 funding level with the adjusted federal stimulus dollars.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

One-time general funds are being requested.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Not funding the anticipated reduction in Federal Stimulus funds will result in a limitation in course offerings, reduce the frequency and variety of programs, increase fees and the length of time for a student to graduate, and consequently increase the total cost of education to the student.

CRITICAL NEEDS

Also, decreases in State funding may jeopardize participation in some Federal Financial Aid programs. According to Section 116 of the Higher Education Opportunity Act, the State shall provide funding which is equal to or greater than the average amount provided for non-capital and non-direct research and development expenses or costs during the five most recent years.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

This item was not requested in the FY 2010 budget request.

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CRITICAL NEEDS

AGENCY: University of Idaho
 FUNCTION: General Education
 ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

FY 2011 Request
 Page 1 of 3 Pages
 Original Submission X or
 Revision No. ____

A: Decision Unit No: 12.01		Title: Base Restoration			Priority Ranking 1 of 8
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses					
2.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Replacement Capital					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:	3,886,400				3,886,400
GRAND TOTAL	3,886,400				3,886,400

How connected to institution/agency and Board strategic plans:

The FY 2010 appropriation for the University of Idaho included \$4,790,200 in federal stimulus (ARRA) funds to partially offset the 7% general fund base reduction and 5% cut in personnel costs. The fee increases approved by the Board for FY 2010 were estimated to make up the difference. It was anticipated that an equal amount of federal stimulus funds would be available in FY 2011 in order to maintain the same level of operating funds as FY 2010; however this is no longer the case and the University of Idaho is now anticipating a reduction of \$3,886,400 in ARRA funding in FY 2011.

Description:

The Division of Financial Management (DFM) has been working with the U.S. Department of Education in making formal application for the stimulus funds. Pursuant

CRITICAL NEEDS

to a memo received from Wayne Hammon on May 21, 2009, there has been a major adjustment to the amount of stimulus funds available to higher education in FY 2011.

The original plan for the State Department of Education (SDE) was to use \$85m in stimulus funds in FY 2009. After reviewing the Idaho application for federal funds, the U.S. Department of Education determined that stimulus funds could not be used in FY 2009 and required Idaho to use these funds in FY 2010. Subsequently, the Legislature appropriated a FY 2009 supplemental appropriation for \$85m from the Public Education Stabilization Fund to SDE (HB 378). Before this appropriation, the amount needed to restore the FY 2010 general fund appropriation to the FY 2009 level was around \$108m. Now that amount includes an additional \$85m or a total of \$194m.

This changes the proportion of the K12 and Higher Ed shortfall and results in a reallocation of federal stimulus funds. Instead of Higher Ed getting \$35.4m over two years they would receive \$22.5m. Since Higher Ed is getting \$17.7m in FY 2010, this would leave \$4.8m for FY 2011. This is an overall reduction of \$13m; however, the calculation below shows the total proportion of funding (general and stimulus):

FY 2009	K12 81.4%	HE 18.6%
FY 2010	K12 81.2%	HE 18.8%
FY 2011	K12 80.6%	HE 19.4%

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

No additional FTP is being requested. The University of Idaho will be finalizing the expenses to be covered by ARRA funds in the next several months. It is anticipated that personnel, operating and infrastructure funding will be needed in order to avoid further erosion of critical services to students.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.

This request is for operating funds to offset the anticipated reduction in ARRA funds available to the University of Idaho in FY 2011.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Per the recommendation of OSBE this request is for one-time funds. The intent is that ongoing general funds will be requested as part of the FY 2012 request process.

CRITICAL NEEDS

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Not funding the anticipated reduction in ARRA funds will result in additional cuts to the base operating budgets of the university. This in turn will result in decreased services, limited course offerings, reduced frequency and variety of programs, increased fees and longer time to graduations for students, consequently increasing the total cost of education to the student.

Also, decreases in State funding may jeopardize participation in some Federal Financial Aid programs. According to Section 116 of the Higher Education Opportunity Act, the State shall provide funding which is equal to or greater than the average amount provided for non-capital and non-direct research and development expenses or costs during the five most recent years.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

This item was not requested in the FY 2010 budget request.

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CRITICAL NEEDS

AGENCY: Lewis-Clark State College

Agency No.: 511

FY 2011 Request

FUNCTION:

Function No.:

Page ___ of ___ Pages

ACTIVITY: Critical Needs

Activity No.:

Original Submission X or
Revision No. ___

A: Decision Unit No: 12.03		Title: Critical Needs			Priority Ranking of	
DESCRIPTION	General	Dedicated	Federal	Other	Total	
FULL TIME POSITIONS (FTP)						
PERSONNEL COSTS:						
1. Salaries						
2. Benefits						
3. Group Position Funding						
TOTAL PERSONNEL COSTS:						
OPERATING EXPENDITURES by summary object:						
1. Instructional Materials						
2. Supplies						
3. Program Expense						
TOTAL OPERATING EXPENDITURES:						
CAPITAL OUTLAY by summary object:						
1. Computers/Office Setup						
2. Instructional Computers/Technology						
TOTAL CAPITAL OUTLAY:						
T/B PAYMENTS:						
LUMP SUM:	611,600				611,600	
GRAND TOTAL						

How connected to institution/agency and Board strategic plans:

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

This one-time request replaces stimulus funds needed to mitigate student fee increases and prevent deeper personnel cuts for FY2011

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

CRITICAL NEEDS

- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

One-time general funds

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

CRITICAL NEEDS

AGENCY: College of Southern Idaho

Agency No.:

FY 2011 Request

FUNCTION: Education

Function No.:

Page ___ of ___ Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ___

A: Decision Unit No: 12.02		Title: Base Restoration			Priority Ranking 2 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	52,400				52,400
2. Benefits	28,600				28,600
3. Group Position Funding	64,300				64,000
TOTAL PERSONNEL COSTS:	145,300				145,300
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses	212,700				212,700
2.					
TOTAL OPERATING EXPENDITURES:	212,700				212,700
CAPITAL OUTLAY by summary object:					
1. Replacement Capital					
TOTAL CAPITAL OUTLAY:	0				
T/B PAYMENTS:	0				
LUMP SUM:					
GRAND TOTAL	358,000				358,000

How connected to institution/agency and Board strategic plans:

The FY 2010 appropriation included \$730,700 in federal stimulus funds to partially offset the 7% general fund base reduction and 5% cut in personnel costs. The fee increases approved by the College of Southern Idaho (CSI) Board of Trustees for FY 2010 were estimated to make up the difference. It was anticipated that an equal amount of federal stimulus funds would be available in FY 2011 in order to maintain the same level of operating funds as FY 2010.

As a result of adjustments to the amount of stimulus funds available for higher education for FY 2011, CSI will receive \$196,900 instead of the anticipated \$730,700. This shortfall of \$533,800 will impact programs and services.

This line item details requests for \$358,000 of the \$533,800 shortfall.

Description:

This request is for the continuation of funding for interpreter services for the hearing impaired. Federal law requires that we provide adequate support services for the handicapped and hearing impaired. Over the last few years hearing impaired students attending the College of Southern Idaho have grown in numbers to 18. These students are more successful, stay longer and complete at a higher rate than previous students due to the work of our Idaho State School for the Deaf and the Blind transition coordinator who is housed on our campus. The outstanding services provided are also the reason we have so many of these students. CSI serves more hearing impaired students than the rest of the state institutions combined.

While this is success story for students, it is very difficult for CSI financially. In FY 2009, we will spend over \$400,000 on disability services alone.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

We are requesting \$350,100 to maintain two existing interpreter positions (\$81,000), part time interpreters (\$64,300) and contract interpreters (\$204,800) for our hearing impaired program.

2. What resources are necessary to implement this request?

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

Staffing for this request is already in place.

- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

We are required by federal law to properly serve these student and will have to direct funds from other areas to meet this need.

- c. List any additional operating funds and capital items needed.

None

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

One time general funds are being requested for FY 2011. We will make future requests for ongoing funds based upon FY 2012 guidelines.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Services for hearing impaired students are required by Federal law. If this request is not funded, other programs or funds will have to be redirected to provide this service.

CRITICAL NEEDS

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

This item was not requested in the FY 2010 budget request.

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CRITICAL NEEDS

AGENCY: College of Southern Idaho

FUNCTION: Education

ACTIVITY:

Agency No.:

Function No.:

Activity No.:

FY 2011 Request

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Original Submission X or

Revision No. ___

A: Decision Unit No: 12.03		Title: Nursing Position Replacement			Priority Ranking 3 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	3.4				
PERSONNEL COSTS:					
1. Salaries	126,200				126,200
2. Benefits	49,600				49,600
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	175,800				175,800
OPERATING EXPENDITURES by summary object:					
1. Supplies	0				
2. Materials	0				
TOTAL OPERATING EXPENDITURES:	0				
CAPITAL OUTLAY by summary object:					
1. Equipment	0				
TOTAL CAPITAL OUTLAY:	0				
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	175,800				175,800

How connected to institution/agency and Board strategic plans:

The FY 2010 appropriation included \$730,700 in federal stimulus funds to partially offset the 7% general fund base reduction and 5% cut in personnel costs. The fee increases approved by the College of Southern Idaho Board of Trustees for FY 2010 were estimated to make up the difference. It was anticipated that an equal amount of federal stimulus funds would be available in FY 2011 in order to maintain the same level of operating funds as FY 2010.

As a result of adjustments to the amount stimulus funds available for higher education for FY 2011, CSI will receive \$196,900 instead of the anticipated \$730,700. This shortfall of \$533,800 will impact programs and services.

This line item details requests for \$175,800 of the \$533,800 shortfall.

Description:

The request for 3.4 full time equivalent nursing faculty salaries and benefits is to continue to maintain faculty that have been previously funded with grant and community donated funds. Through this proposal, these faculty members will move to the general fund base for funding. This will allow us to continue to grow our nursing program and provide the proper staffing for our new health science and human services building.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

The request is to provide funding for faculty members who have been funded through grants, donations or stimulus funds over the last four years. These positions are critical in maintaining the current level of nurses we graduate from CSI each year. In FY 2008, 109 registered nurses graduated from our two year CSI program.

There are currently 16.6 FTE in the nursing department funded in our general fund base.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
See Attached Spreadsheet
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
These positions are currently integrated into our nursing department. We do not expect existing operations to be negatively impacted.
 - c. List any additional operating funds and capital items needed.
No additional funding other than salaries is needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

We will continue to utilize grant funds to the maximum extent possible. These faculty were funded on grants and donated funds that have ended and we need to keep them in order to maintain our 109 registered nursing graduates each year.

One time general funds are being requested for FY 2011. We will make future requests for ongoing funds based upon FY 2012 guidelines.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

The students and staff of the College of Southern Idaho are the primary beneficiaries of this request. Ultimately, the residents of the Magic Valley and the state will benefit from the health care providers educated in this facility.

If the request is not funded, we will be faced with the reallocation of resources or the loss of these individuals as faculty. At a time when nursing and health care providers are critically needed, it does not make good economic sense to reduce our program numbers.

CRITICAL NEEDS

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

This is our number three priority. This decision unit was requested but was not funded last year. We continue to have difficulties funding these positions through donated funds and grants. Based upon current commitments, donated funds are decreasing from approximately \$170,000 in FY 2010 to \$50,000 in FY 2011. Additionally, other grant funding has ended. Without stimulus funds, it will be difficult to fund these positions in FY 2011.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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REQUEST BY DECISION UNIT
 AGENCY: North Idaho College
 FUNCTION: Community College
 ACTIVITY: Critical Needs

Agency No.: 120601
 Function No.:
 Activity No.:

FY 2011 Request
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 Original Submission X or Revision No. _

A: Decision Unit No: 12.01		Descriptive Title: Critical Needs			Agency Priority Ranking 1 of 2	
DESCRIPTION	General	Dedicated	Federal	Other	Total	
FULL TIME POSITIONS (FTP)						
PERSONNEL COSTS:						
1. Salaries	0				0	
2. Benefits	0				0	
3. Group Position Funding					0	
TOTAL PERSONNEL COSTS:	0	0	0	0	0	
OPERATING EXPENDITURES by summary object:						
1. Program Development	0				0	
2. Scholarships for Students	150,000				150,000	
3. Renovation/Remodeling					0	
TOTAL OPERATING EXPENDITURES:	150,000	0	0	0	150,000	
CAPITAL OUTLAY by summary object:						
1 Classroom Equipment	311,600				311,600	
					0	
					0	
					0	
					0	
TOTAL CAPITAL OUTLAY:	311,600	0	0	0	311,600	
T/B PAYMENTS:						
LUMP SUM:						
GRAND TOTAL	461,600	0	0	0	461,600	

North Idaho College (NIC) is requesting \$311,600 for classroom technology. For the past several years, NIC has requested funds for a line item for multi-year improvements to bring classrooms across campus up to current technology standards. The Federal Stimulus were used for this purpose in FY 10 and NIC is requesting a similar appropriation from State General Funds in FY 11 to continue with this installation and upgrade to complete the project.

At the end of FY 10, North Idaho College will have partially equipped 101 of 152 classrooms for media presentations using readily available technology like projectors, internet-attached computers, and audio/video players. Rooms will have had lighting, screens and furniture added to make it easy for faculty and students to use the technology for teaching and learning.

While the processes and services to acquire and support the use of teaching technology have improved, there is still a lack of systematic equipping to protect the investments, lower operating costs and further improve use. A "baseline" reset of the classroom technology is needed to bring all appropriate classrooms to the minimum campus standard. The following benefits will be achieved.

1. Provide the capability to use presentation technology in all classrooms where required.
2. Improve facility efficiency by creating flexibility in assigning classrooms.
3. Allow technology classrooms to begin a replacement funding rotation for equipment.
4. Lower the per room cost to acquire expensive equipment.
5. Lower the per room cost to support those using equipment.

NIC is requesting \$311,600 as the second of a two-year installation program to equip all classrooms to the campus minimum standard. Classrooms will be assessed against the standard classroom minimum. All items with useful life will continue to be used. Classrooms that will not be used for student or instructor presentations are not included.

In addition NIC will continue with a Student Book Scholarship of \$150,000 that will provide textbooks to students who are in need to continue with their formal education. These scholarships are awarded to students who otherwise would not be eligible to receive scholarships. The scholarships are useable only in the NIC Bookstore for textbooks necessary in classes.

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CRITICAL NEEDS

AGENCY: College of Western Idaho

Agency No.: 501

FY 2011 Request

FUNCTION:

Function No.: 02

Page ___ of ___ Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ___

A: Decision Unit No: 12.03		Title: Critical Needs – Facility Upgrades			Priority Ranking 3 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses – facility leases and/or additional costs related to increased enrollment.					
2. Renovate and remodel classroom space in Canyon County Center (CCC).	\$ 202,800				\$ 202,800
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	\$ 202,800				\$ 202,800

How connected to institution/agency and Board strategic plans:

The FY 2010 appropriation included \$ 277,500 in federal stimulus funds to partially offset the 7% general fund base reduction and 5% cut in personnel costs. It was anticipated that an equal amount of federal stimulus funds would be available in FY 2011 in order to maintain the same level of operating funds as FY 2010.

This request is connected to the College of Western Idaho (CWI) strategic plan as follows:

Goal 1: CWI is known for its quality, 21st century teaching in all learning environments.

Strategy 7: Create consistency of services at all locations.

Strategy 8: Utilize 21st century technologies to enhance teaching and learning.

Goal 7: CWI keeps pace with future learning through state of the art environment and facilities.

Strategy 1: Complete a facilities master plan.

Description:

The Division of Financial Management (DFM) has been working with the U.S. Department of Education in making formal application for the stimulus funds. Pursuant to a memo received from Wayne Hammon on May 21, 2009, there has been a major adjustment to the amount of stimulus funds available to higher education in FY 2011.

The original plan for the State Department of Education (SDE) was to use \$85m in stimulus funds in FY 2009. After reviewing the Idaho application for federal funds, the U.S. Department of Education determined that stimulus funds could not be used in FY 2009 and required Idaho to use these funds in FY 2010. Subsequently, the Legislature appropriated a FY 2009 supplemental appropriation for \$85m from the Public Education Stabilization Fund to SDE (HB 378). Before this appropriation, the amount needed to restore the FY 2010 general fund appropriation to the FY 2009 level was around \$108m. Now that amount includes an additional \$85m or a total of \$194m.

This changes the proportion of the K12 and Higher Ed shortfall and results in a reallocation of federal stimulus funds. Instead of Higher Ed getting \$35.4m over two years they would receive \$22.5m. Since Higher Ed is getting \$17.7m in FY 2010, this would leave \$4.8m for FY 2011. This is an overall reduction of \$13m; however, the calculation below shows the total proportion of funding (general and stimulus):

FY 2009	K12 81.4%	HE 18.6%
FY 2010	K12 81.2%	HE 18.8%
FY 2011	K12 80.6%	HE 19.4%

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

Request is for facility leases or and related operating costs to accommodate increased enrollment and classroom technology. No additional FTP is being requested.

CRITICAL NEEDS

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.

This request is for a base restoration in operating funds to allow CWI to invest state appropriated funds into facility leases/operating costs and renovation and remodeling of the Canyon County Center (CCC). This will allow for expenditures at a level anticipated for FY 2011 before the federal stimulus funds were reallocated to other education functions. (K-12).

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Funds requested are one-time for classroom-related costs and facility upgrades, even though projects of this nature will need to be undertaken every year.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Students are being served by this request. Not funding base restorations will result in a limitation in course offerings due to insufficient classroom space and out-of-date technology for teaching and learning.

Also, decreases in State funding may jeopardize participation in some Federal Financial Aid programs. According to Section 116 of the Higher Education Opportunity Act, the State shall provide funding which is equal to or greater than the average amount provided for non-capital and non-direct research and development expenses or costs during the five most recent years.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

This item was not requested in the FY 2010 budget request because enrollment estimates were uncertain, at the time the budget request was made CWI was not yet providing instruction (transfer from BSU had not taken place).

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STATE BOARD OF EDUCATION
FY 2011 Budget Request
Colleges & Universities/Agencies
Calculation of Occupancy Costs

1 Institution/Project	2 Projected Date of Occupancy	3 % of Use for Non-Aux. Education	4 Gross Sq Footage	5 Non-Aux. Sq Footage	(1) Custodial Costs				(3) Utility Estimate	(4) Maintenance Costs		(5) Other	Total Occ Cost	% qtrs used in FY10	Prior Year Funding	Revised FY10
					(1) FTE	(2) Sal & Ben	(2) Supplies	(2) Total		Repl Value	Cost@1.5%					
BOISE STATE UNIVERSITY																
4 Park Center	Sept. 2008	100%	83,801	83,801	3.22	105,400	8,400	113,800	146,700	16,760,200	251,400	77,900	589,800	100%		589,800
5 Norco Building (floors 3 and 4)	July-09	48%	81,300	39,017	1.50	49,100	3,900	53,000	68,300	8,661,774	62,400	37,000	220,700	100%		220,700
6 Norco Building classroom 1st floor	July-09	2%	81,300	1,374	0.05	1,600	100	1,700	2,400	305,028	100	1,300	5,500	100%		5,500
7 Capitol Village University Adv.	March-06	100%	8,954	8,954	0.34	11,100	900	12,000	15,700	1,790,800	26,900	8,300	62,900	100%		62,900
8 Non Auxiliary Space in Parking Deck	Oct. 2007	50%	10,346	5,173	0.20	6,500	500	7,000	9,100	1,034,500	7,800	4,800	28,700	100%		28,700
9 Capitol Village Emeritus Guild	March-09	100%	2,111	2,111	0.08	2,600	200	2,800	3,700	422,000	6,300	2,000	14,800	100%		14,800
10 Capitol Village Adv. Expansion	March-09	100%	1,512	1,512	0.06	2,000	200	2,200	2,600	302,400	4,500	1,400	10,700	100%		10,700
11 **	Park Center Space utilization is pending. It will need to be reviewed, with potential changes this schedule. What is being requested is the maximum amount, and this may be reduced depending on information not yet available.															
					5.45	178,300	14,200	192,500	248,500		359,400	132,700	933,100		0	933,100
IDAHO STATE UNIVERSITY																
16 Rendezvous Center (Acad Side)	June-07	100%	101,920	101,920	3.92	128,400	10,200	138,600	178,400	15,000,000	225,000	90,500	632,500	100%	300,000	332,500
17 Meridian Building	July-09	100%	90,000	90,000	3.46	113,300	9,000	122,300	157,500	12,960,000	194,400	79,700	553,900	100%		553,900
18 CAES	July-08	33%	55,000	18,333	0.71	23,300	1,800	25,100	32,100	15,400,000	77,000	26,400	160,600	100%		160,600
					8.09	265,000	21,000	286,000	368,000		496,400	196,600	1,347,000		0	1,047,000
UNIVERSITY OF IDAHO																
22 Alumni Residence Center (A)	January-06	100%	28,667	28,667	1.10	36,000	2,900	38,900	50,200	6,905,905	103,600	27,600	220,300	100%		220,300
23 Vandal Athletic Center (B)	January-04	14%	35,236	5,000	0.19	6,200	500	6,700	8,800	8,175,148	17,400	10,400	43,300	100%		43,300
24 Living Learning Center @	May-04	5%	202,616	10,180	0.39	12,800	1,000	13,800	17,800	37,800,000	28,500	38,100	98,200	100%		98,200
25 UI Research Park Post Falls	July-02	38%	30,580	11,700	0.45	14,700	1,200	15,900	20,500	5,321,583	30,500	13,300	80,200	100%		80,200
26 Professional Golf Mgmt Program Space	July-04	51%	3,642	1,860	0.07	2,300	200	2,500	3,300	718,835	5,500	2,000	13,300	100%		13,300
27 Teaching and Learning Center	January-05	100%	27,228	27,228	1.05	34,300	2,700	37,000	47,600	4,475,052	67,100	24,500	176,200	100%		176,200
28 Collaborative Center for Applied Fish Stu	September-06	50%	13,525	6,762	0.26	8,500	700	9,200	11,800	3,259,123	24,400	7,800	53,200	100%		53,200
29 Idaho Water Center*	Phased Aug 04 to May 08	30%	225,227	67,500	2.60	85,000	6,800	91,800	118,100	54,764,643	246,200	95,800	551,900	100%	375,000	176,900
30 Janssen Engineering Bldg**	March-09	100%	3,079	3,079	0.12	3,900	300	4,200	5,400	1,929,600	28,900	3,900	42,400	100%		42,400
					6.23	203,700	16,300	220,000	283,500		552,100	223,400	1,279,000		0	904,000
LEWIS-CLARK STATE COLLEGE																
34 Nursing & Health Science Faculty	July-09	100%	60,000	60,000	2.31	76,000	6,000	82,000	105,000	16,000,000	240,000	59,000	486,000	100%		486,000
Collge of Southern Idaho																
37 Health Science & Human Services	January-10	100%	72,400	72,400	2.78	87,700	7,200	94,900	126,700	18,000,000	270,000	70,100	561,700	50%		280,900
Collge of Western Idaho																
40 CWI Main building (Nampa)	January-09	100%	65,000	62,600	2.41	74,300	6,300	80,600	109,600	15,000,000	225,000	60,200	475,400	100%		475,400
41 Canyon County Center	July-09	100%	77,000	77,000	2.96	91,300	7,700	99,000	134,800	12,960,000	194,400	69,700	497,900	100%		497,900
					5.37	165,600	14,000	179,600	244,400		419,400	129,900	973,300		0	973,300

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(1) FTE For the first 13,000 gross square footage and in 13,000 GSF increments thereafter, .5 Custodial FTE will be provided.
 (2) Salary for custodians will be 80% of Policy for pay grade "E" as prepared by the Division of Human Resources.
 Benefit rates as stated in the annual Budget Development Manual prepared by the Division of Financial Management.

Salary	CU: \$19,635.00	CC: \$18,700.00							
Benefits									
FICA									
SSDI salary to \$92,150	6.2000% x salary								
SSHI	1.4500% x salary								
Unemployment Insurance	0.1900% x salary								
Life Insurance	0.9000% x salary								
Retirement									
Regular	10.3900% x salary	BSU	ISU	UI	LCSC	CSI	NIC	CWI	
Workmans Comp	x salary	3.68%	3.68%	3.80%	4.56%	3.40%	???	???	
Sick Leave	0.6500% x salary								
Human Resources	x salary	0.34%	0.34%		0.34%	0.34%	0.34%	0.34%	
	<u>19.7800%</u>	<u>23.8000%</u>	<u>23.8000%</u>	<u>23.5800%</u>	<u>24.6800%</u>	<u>23.5200%</u>	<u>#VALUE!</u>	<u>#VALUE!</u>	
Health Insurance	\$8,440.00 per position	\$8,440							
Supplies	0.10	UI							

(3) Annual utility costs will be projected at \$1.75 per 1.75
 (4) Building maintenance funds will be based on 1.5% of the construction cost (excluding architectural/engineering fees, site work, movable equipment, etc.) for new buildings or 1.5% of the replacement value for existing buildings.
 (5) Other:

IT Maintenance	1.5000 GSF
Security	0.2200 GSF
General Safety	0.0900 GSF
Research & Scientific Safety Costs	0.5000 GSF
Total	<u>2.3100</u>
Too High - Used 1/3	0.7700 GSF
Landscape Greenscape	0.0003 CRV
Insurance Costs	0.0005 CRV
Total	<u>0.00080 CRV</u>

AGENCY: Boise State University

Agency No.: 512

FY 2011 Request

FUNCTION: CAES

Function No.: 01

Page ___ of ___ Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ___

Center for Advanced Energy Studies -					
A: Decision Unit No: 12.03	Title: Draft	Priority Ranking 3 of 5			
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	8.08				8.08
PERSONNEL COSTS:					
1. Salaries	587,431				587,431
2. Benefits	201,560				201,560
3. 5 Graduate Assistants stipends and fringe.	122,083				122,083
TOTAL PERSONNEL COSTS:	911,074				911,074
OPERATING EXPENDITURES by summary object:					
1. Graduate Assistants tuition waivers	43,312				43,312
2. Materials and Supplies	20,614				20,614
TOTAL OPERATING EXPENDITURES:	63,926				63,926
TRAVEL by summary object:					
1.	25,000				25,000
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,000,000				1,000,000

How connected to institution/agency and Board strategic plans:

This request directly supports the State Board of Education’s objective to support and enhance the state’s infrastructure and capacity for advanced energy studies through collaborative efforts among UI, ISU, BSU and the Idaho National Laboratory.

Boise State University’s involvement in CAES is directly linked to our research and public policy mission with the primary emphasis defined by the State Board of Education’s Institutional Role and Mission statement in public affairs and our developed strengths in sciences and engineering. The program supports Boise State University’s strategic plan in that it will contribute to the institution’s continued development of “academic excellence,” “public engagement” and “exceptional research.”

Boise State is home to the CAES Energy Policy Institute (EPI). The institute focuses on energy related policy research, analysis, and education. It brings together policy personnel from the three Idaho Universities and INL to analyze and examine proposed energy policy and seek

solutions for suitable energy. The value of the public policy piece is critical to understanding how society and its institutions address energy issues.

This FY2011 budget request is for funding to support and build the educational, research, and policy capabilities of Boise State University both in the areas of science/engineering and policy. Although one-time funding was provided for FY 2010 (AFFA Funds), permanent funding needs to be secured. This is the same request of on-going funds as was requested in the 2010 budget request.

Specifically, Boise State is requesting funding for:

- Materials Science and Engineering Support:
 - o Two (2) postdoctoral associates, one (1) associate professor, two months faculty summer support, 1.77 FTE for research scientists/faculty, four (4) graduate research assistantships, materials and supplies and travel expenses.
- Energy Policy Institute (EPI) Support:
 - o One (1) EPI director, one EPI assistant director, one (1) assistant professor, one half time professional staff member, two half time graduate research assistantships, and a modest amount for materials and supplies.

AGENCY: Idaho State University

Agency No.: 513

FY 2011 Request

FUNCTION: General Education

Function No.: 1000

Page 1 of 3 Pages

ACTIVITY: C. CAES

Activity No.:

Original Submission X or

Revision No. ____

Center for Advanced Energy Studies in Idaho Falls					
A: Decision Unit No: 12	Title:			Priority Ranking 1 of 1	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	8.3				8.3
PERSONNEL COSTS:					
1. Salaries	634,400				634,400
2. Benefits	195,000				195,000
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	829,400				829,400
OPERATING EXPENDITURES by summary object:					
1. Materials and Supplies	60,000				60,000
2. Travel	50,000				50,000
3. Communications	60,600				60,600
TOTAL OPERATING EXPENDITURES:	170,600				170,600
CAPITAL OUTLAY by summary object:					
1. Equipment					
2. Startup Packages					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,000,000				1,000,000

How connected to institution/agency and Board strategic plans:

The Center for Advanced Energy Studies (CAES) collaborative between the Idaho National Laboratory (INL), Idaho State University, University of Idaho, and Boise State University represents a vital effort to integrate cutting-edge energy studies in the ISU College of Engineering with national interests being developed at the INL. Research and teaching efforts centered on CAES further the following Goals, as articulated in ISU's current strategic plan:

Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: Access and Quality)

Goal 2 — Increase the University's research profile to strengthen our institutional curricula and ability to meet societal needs through the creation of new knowledge. (SBOE Main Goals: Quality and Access)

Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: Quality and Access)

Goal 5 — Focus institutional, instructional, and research expertise on community and societal needs throughout the state, region, nation, and world. (SBOE Main Goals: Quality and Access)

Description:

The Center for Advanced Energy Studies (CAES) is a collaborative initiative between Boise State University (BSU), Idaho State University (ISU), the University of Idaho (UI) and the Idaho National Laboratory (INL) that will address the critical energy issues facing our nation. Operating as a jointly managed research center, CAES will maximize the utilization of the energy-related capabilities of its member institutions and sponsors. Cross-organizational, peer-to-peer technical collaboration in areas of nuclear, renewable, fossil and alternative energy will be encouraged.

To ensure the success of CAES, as an enduring Idaho institution, approximately three million dollars in recurring funding is requested to build the research, policy, and educational capabilities of CAES. Specifically funding (PC) is requested to partially support 25 research active faculty members, 5 senior technicians, 3 full time CAES Associate Directors, and 3 administrative support persons (one per Associate Director), who will be recruited and hired over a period of four years. Operating costs (OE) are also requested.

These research faculty members will be hired by their respective universities on fiscal or academic year appointments as appropriate, with support for at least 6 months per year on this request. These hires will also be supported through CAES joint appointments and or joint research with the INL for the balance of their academic appointments and on grants and contracts for the summer. Researchers will be located in or spend time in the new CAES research building located in Idaho Falls, which is scheduled for occupancy August 1, 2009. The costs presented are based upon FY2008 estimates.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **This request is for ongoing appropriated funding to make permanent the one-time funding granted by the State Legislature in the spring of 2008, as well as to build on the original base funding for the second year (see attachment). We request ongoing appropriated funding for the personnel listed below, as well as for the operating expenses listed above.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **8.3 FTE, as described in attached document.**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **As listed in the attached documentation.**
 - c. List any additional operating funds and capital items needed. **None.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a

description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **The request is for ongoing funding.**

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **Funding will allow the CAES collaborative to develop and maintain facilities and personnel vital to the developing understanding of alternative energy studies at the global, national, regional, and local scales.**
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. **This request is a continuation of the FY10 budget request.**

<u>Year</u>	<u>FY11</u>	<u>Gross</u>	<u>% State</u>	<u>\$ State</u>	<u>Fringe</u>	<u>Insurance</u>	<u>Total</u>
Yr. 1	Nuclear Engineering Chair	\$148,345.60	50%	\$74,172.80	\$15,576.29		\$89,749.09
Yr. 1	Assistant Professor NE, Fuels & Modeling	\$70,000.00	75%	\$52,500.00	\$11,025.00	\$6,525.00	\$70,050.00
Yr. 1	Research Professor NE, Fuel Cycle	\$139,256.00	70%	\$97,479.20	\$20,470.63		\$117,949.83
Yr. 1	Assoc. Prof. NE, Nuclear Materials	\$85,000.00	60%	\$51,000.00	\$10,710.00	\$5,220.00	\$66,930.00
Yr. 1	Assoc. Prof. NE, Fuels	\$85,000.00	50%	\$42,500.00	\$8,925.00	\$4,350.00	\$55,775.00
Yr. 1	Research AoP Physics, Detectors	\$63,918.40	50%	\$31,959.20	\$6,711.43	\$4,350.00	\$43,020.63
Yr. 1	Research AP Physics, Materials	\$63,294.40	50%	\$31,647.20	\$6,645.91	\$4,350.00	\$42,643.11
Yr. 1	Professor NE, Reactors	\$48,859.20	25%	\$12,214.80	\$2,565.11	\$2,175.00	\$16,954.91
Yr. 1	Asst. Prof. Health Physics - Reactors	\$58,801.60	50%	\$29,400.80	\$6,174.17	\$4,350.00	\$39,924.97
Yr. 1	Technician/Assistant Lecturer Nuc. Eng.	\$60,008.00	100%	\$60,008.00	\$12,601.68	\$8,700.00	\$81,309.68
Yr. 1	AA II	\$31,512.00	100%	\$31,512.00	\$6,617.52	\$8,700.00	\$46,829.52
Yr. 2	Asst. Prof. Mechanical/Materials	\$70,000.00	50%	\$35,000.00	\$7,350.00	\$4,350.00	\$46,700.00
Yr. 2	Assoc. Prof. Applied Math/Modeling	\$85,000.00	50%	\$42,500.00	\$8,925.00	\$4,350.00	\$55,775.00
Yr. 2	Assoc. Prof. Hydrogen	<u>\$85,000.00</u>	50%	\$42,500.00	\$8,925.00	\$4,350.00	\$55,775.00
Totals:		\$1,093,995.20		\$634,394.00	\$133,222.74	\$61,770.00	\$829,386.74
			FTE:	8.3			
			People:	14			

AGENCY: University of Idaho
 FUNCTION: General Education
 ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

FY 2011 Request
 Page 1 of 4 Pages
 Original Submission X or
 Revision No. ____

A: Decision Unit No: 12.03		Title: Center for Advanced Energy Studies (CAES)			Priority Ranking 3 of 8
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	8.36				8.36
PERSONNEL COSTS:					
1. Salaries	687,200				687,200
2. Benefits	234,180				234,180
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	921,380				921,380
OPERATING EXPENDITURES by summary object:					
1. Supplies	30,000				30,000
2. Maintenance Costs					
3. Services					
4. Other	48,620				48,620
TOTAL OPERATING EXPENDITURES:	78,620				78,620
CAPITAL OUTLAY by summary object:					
1. Capital Equipment	0				0
TOTAL CAPITAL OUTLAY:	0				0
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,000,000				1,000,000

How connected to institution/agency and Board strategic plans:

This request supports the goals outlined in the University of Idaho - Idaho Falls (UIIF) strategic plan in the areas of "Clean Energy" and "Water and Energy" and is linked to the University's Strategic Goals 2 and 3. Specifically: Goal 2 – Scholarly and Creative Activity (UIIF – "Deliver strategically-focused integrated Energy, and Homeland Security research programs") and Goal 3 – Outreach and Engagement (UIIF – "Build stronger partnerships with INL and other state universities"). This also supports SBOE goal #1.7 – support and enhance the state's infrastructure and capacity for advanced energy studies through collaborative efforts between our three public universities and the Idaho National Laboratory at the Center for Advanced Energy Studies.

Description:

One million dollars in recurring funding is requested to build the research, policy, and educational capabilities of the Center for Advanced Energy Studies (CAES)¹. Specifically eight (8) research active faculty members, two (2) senior technician positions, a full time Associate Director with a faculty appointment, and an Administrative Support person will be recruited and hired with the balance of the requested recurring funding being used for the maintenance of research equipment and general purpose computers and renewals. The costs presented are based on FY2009 estimates and have not been escalated for future years. Specifically the faculty members will support the energy research mission of CAES and will include:

- a) Three (3) nuclear scientists/engineers (hired by the College of Engineering in FY2008 and supported by one-time funding in FY2009),
- b) Energy Geoscientist (College of Science; recruited and hired in FY 2011),
- c) Biofuels/Bioenergy Scientist or Engineer (College of Agriculture and Life Sciences; recruited and hired in FY2010),
- d) Natural Resource/Water-Energy Scientist or Policy Expert (College of Natural Resources; recruited and hired in FY2010),
- e) Energy Law Professor (College of Law; recruited and hired in FY 2011), and
- f) Carbon Management Scientist (College of Science, College of Natural Resources, or College of Agriculture and Life Sciences; recruited and hired in FY 2011).

The faculty members will be hired by their respective colleges on academic year appointments, supported for 6 months per year on this request, and spend at least part of the year in the new 55,000 square foot CAES research building located in Idaho Falls. These hires will also be supported through CAES joint appointments with the Idaho National Laboratory (INL) for the remainder (3 months) of their academic appointments and on grants and contracts for the summers. In addition to the above faculty members, two technicians (supported half time by this request and half time by grants and contracts), a full time administrative support person (hired in FY2010), and a full time CAES associate director (hired in FY 2010 to replace the part-time director currently funded by the Idaho National Laboratory) will also be hired. Funds are also requested support the general research operational needs of the CAES faculty members, specifically

- a) Research equipment maintenance agreements and repairs (ongoing)
- b) Desk top computers and renewals (for both faculty and graduate students; ongoing)

Budget requests by year and category are provided in the attached spreadsheet.

Questions:

1. What is being requested and why? **See description above.** What is the agency staffing level for this activity and how much funding by source is in the base? **See description above.**

¹ CAES is a public/private partnership between the State of Idaho through its academic research institutions, Boise State University (BSU), Idaho State University (ISU), the University of Idaho (UI), and the federal government through the Department of Energy and its Idaho National Laboratory (INL), which is managed by the private entity the Battelle Energy Alliance (BEA). Through its collaborative structure, CAES combines the efforts of these four research institutions to provide timely research support on both technical and policy issues.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **See attachment**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

University of Idaho
Request for Recurring State Funding for
Center for Advanced Energy Studies
May 14, 2009

One million dollars in recurring funding is requested to build the research, policy, and educational capabilities of the Center for Advanced Energy Studies (CAES) ¹. Specifically eight (8) research active faculty members, two (2) senior technician positions, a full time Associate Director with a faculty appointment, and an Administrative Support person will be recruited and hired with the balance of the requested recurring funding being used for the maintenance of research equipment and general purpose computers and renewals. The costs presented are based on FY2009 estimates and have not been escalated for future years. Specifically, the faculty members will support the energy research mission of CAES and will include

- a) Three (3) nuclear scientists/engineers (hired by the College of Engineering in FY2008 and supported by one-time funding in FY2009)
- b) Energy Geoscientist (College of Science; recruited and hired in FY 2011)
- c) Biofuels/Bioenergy Scientist or Engineer (College of Agriculture and Life Sciences; recruited and hired in FY2010)
- d) Natural Resource/Water-Energy Scientist or Policy Expert (College of Natural Resources; recruited and hired in FY2010)
- e) Energy Law Professor (College of Law; recruited and hired in FY 2011)
- f) Carbon Management Scientist (College of Science, College of Natural Resources, or College of Agriculture and Life Sciences; recruited and hired in FY 2011)

The faculty members will be hired by their respective colleges on academic year appointments, supported for 6 month per year on this request, and spend at least part of the year in the new 55,000 square foot CAES research building located in Idaho Falls. These hires will also be supported through CAES joint appointments with the Idaho National Laboratory (INL) for the remainder (3 months) of their academic appointments and on grants and contracts for the summers. In addition to above the faculty members, two technicians (supported half-time by this request and half-time by grants and contracts), a full time administrative support person (hired in FY2010), and a full time CAES associate director (hired in FY 2010 to replace the part-time director currently funded by the Idaho National Laboratory) will also be hired. Funds are also requested to support the general research operational needs of the new CAES faculty members, specifically

- a) Research equipment maintenance agreements and repairs (ongoing)
- b) Desktop computers and renewals (for both faculty and graduate students; ongoing)

Budget requests by year and category are provided in the attached spreadsheet.



¹ CAES is a public/private partnership between the State of Idaho through its academic research institutions, Boise State University (BSU), Idaho State University (ISU), the University of Idaho (UI), and the federal government through the Department of Energy and its Idaho National Laboratory (INL), which is managed by the private entity the Battelle Energy Alliance (BEA). Through its collaborative structure, CAES combines the efforts of these four research institutions to provide timely research support on both technical and policy issues.

University of Idaho									
Request for recurring State Funding for the Center for Advanced Energy Studies									
Base Salaries from 2007-08 Academic Year Market Salaries Survey for 100% Market Level, Associate Professor in appropriate disciplines or actual salary for existing hires*. (Oklahoma State University Faculty Salary Study). Fringe cacluated as 23.5% of Base Salary plus \$8.7K for Health Benefits. (updated 07/03/2008)							Request (\$K)		
	Position	Appointment (9mo/12mo)	Base Salary	Fringe	Salary plus Fringe	Fraction of Salary	FY2009 (actual, one-time funds)	FY2010	FY2011 and beyond
1	Nuclear (Material Science)*	9	\$ 76.59	\$26.70	\$103.28	0.67	\$ 76.20	\$ 69.20	\$ 69.20
2	Nuclear (Mechanical Engineering)*	9	\$ 86.88	\$29.12	\$116.00	0.67	\$ 75.98	\$ 77.72	\$ 77.72
3	Nuclear (Chemical Engineering)*	9	\$ 76.69	\$26.72	\$103.41	0.67	\$ 76.64	\$ 69.29	\$ 69.29
4	Energy Geoscientist	9	\$ 74.13	\$26.12	\$100.25	0.67		\$ 67.16	\$ 67.16
5	Energy - Natural Resources	9	\$ 73.70	\$26.02	\$ 99.72	0.67	\$ 57.44	\$ 66.81	\$ 66.81
6	BioEnergy	9	\$ 78.46	\$27.14	\$105.60	0.67	\$ 81.96	\$ 70.75	\$ 70.75
7	Energy Law	9	\$106.91	\$33.83	\$140.74	0.67		\$ 94.29	\$ 94.29
8	Carbon Management	9	\$ 78.46	\$27.14	\$105.60	0.67		\$ 70.75	\$ 70.75
9	CAES Assoc. Director	12	\$164.97	\$47.47	\$212.43	1		\$ 212.43	\$ 212.43
10	Senior Technician (1)	12	\$ 47.09	\$19.77	\$ 66.86	0.5	\$ 29.33	\$ 33.43	\$ 33.43
11	Seniot Technician (2)	12	\$ 47.09	\$19.77	\$ 66.86	0.5		\$ 33.43	\$ 33.43
12	Managment Assistant	12	\$ 38.40	\$17.72	\$ 56.12	1		\$ 56.12	\$ 56.12
Total Labor							\$ 397.55	\$ 921.38	\$ 921.38
Desk Top Computing Renewal (12 per year at \$2.5K each)								\$ 30.00	\$ 30.00
Maintenance/Repair of Equipment								\$ 48.62	\$ 48.62
Total Request							\$ 397.55	\$ 1,000.00	\$ 1,000.00

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FY 2011 BUDGET REQUEST

Institution / Agency: SBOE Scholarships and Grants

Decision Unit / Line Item: 12.01

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Opportunity Scholarship Programs

FTP:

Gen	\$1,000,000	Fed	\$	Ded/Other	\$	Total	\$1,000,000
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The Opportunity Scholarship is Idaho’s primary need-based scholarship. It is designed on a shared responsibility model with state dollars being the “last dollars”. This means that a student must apply for federal aid, have a self or family contribution element before they would be eligible for the Opportunity Scholarship. In FY07 and FY08, the initial years of this program, \$10 million dollars was put into an endowment fund and \$1.925 million was designated to fund scholarships for the 2007-2008 and 2008-2009 academic years. Approximately 700 students each year have received this renewable scholarship with the majority of students receiving the maximum award of \$3,000. Unfortunately, as result of the financial difficulties during this year, funds were not available to fund neither the endowment nor the ongoing scholarships. The Board was permitted to use the earnings from the endowment and \$1,000,000 from the corpus for FY10. This may permit us to fund qualifying renewals, but new awards will be very limited. This request is for \$1,000,000 from the State General Fund to assist in funding scholarships for fiscal year 2011. **\$1,000,000**

FY 2011 BUDGET REQUEST

Institution / Agency: SBOE Scholarships and Grants

Decision Unit / Line Item: 12.01

Category: New/Expanded Programs
(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Promise Category A Scholarship Programs

FTP:

Gen	\$250,000	Fed	\$	Ded/Other	\$	Total	\$250,000
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The Robert R. Lee Promise Category A Scholarship provides between 20-40 new scholarships each year to academic and professional-technical students. The award is \$3,000/year renewable up to four years for academic programs and for the term of the professional-technical program, up to three years. For the FY2010 year we were only able to award 22 new scholarships for the 2009-2010 academic year. The current state funding for the Promise Category A Scholarship is \$331,300, which allows for a maximum of 110 active participants at any one time. Idaho Code allows for a total of no greater than 400 and no more than 100 new awards a year. 189 new applicants met or exceeded the criteria to apply for the academic scholarship. The applicants were academically gifted with extremely high grade point averages, and very high national test scores. After awarding 17 scholarships, there were still 172 students with GPA's of 3.5 or higher and ACT scores of 28 or higher that were not offered scholarships. There were five offers made to qualifying professional-technical applicants for a total of 22 new Robert Lee Promise A scholarships. **\$250,000**

MEDICAL EDUCATION

No Line Items anticipated as of agenda preparation.

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BIO-MED RESEARCH

AGENCY: Boise State University
 FUNCTION: Biomedical Research
 Initiative with VA Medical Center

Agency No.: 512

FY 2011 Request

Function No.: 01

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ACTIVITY:

Activity No.:

A: Decision Unit No: 12.05		Title: Biomedical Research			Priority Ranking 5 of 5
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	3				
PERSONNEL COSTS:					
1. Salaries	228,000				
2. Benefits	72,000				
3					
TOTAL PERSONNEL COSTS:	300,000				
OPERATING EXPENDITURES by summary object:					
1.					
2.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	300,000				300,000

How connected to institution/agency and Board strategic plans:

This collaborative initiative will enhance the State's infrastructure and capacity for biomedical research. Final details are yet to be determined, although this is being worked through with the collaborating partners.

This is an estimate only at this time.

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BIO-MED RESEARCH

AGENCY: Idaho State University
 FUNCTION: General Education
 ACTIVITY: F. VA Biomedical Research

Agency No.: 513
 Function No.: 1000
 Activity No.:

FY 2011 Request
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Veterans Administration					
A: Decision Unit No: 12.01	Title: Biomedical Research Collaborative			Priority Ranking 1 of 1	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	3.5				3.5
PERSONNEL COSTS:					
1. Salaries	300,000				300,000
2. Benefits	120,000				120,000
3. Group Position Funding (GAs)	120,000				120,000
TOTAL PERSONNEL COSTS:	540,000				540,000
OPERATING EXPENDITURES by summary object:					
1. Travel	3,000				3,000
2. Materials and Supplies	25,000				25,000
TOTAL OPERATING EXPENDITURES:	28,000				28,000
CAPITAL OUTLAY by summary object:					
1. Start-up equipment (one-time)	275,000				275,000
TOTAL CAPITAL OUTLAY:	275,000				275,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	843,000				843,000

How connected to institution/agency and Board strategic plans:

Idaho State University has begun developing the framework for a largescale biomedical research enterprise by exploiting the synergistic interactions among the existing scholarly resources within the ISU campus as well as drawing upon the State’s biomedical and biotechnology industry and other segments of interdisciplinary biomedical research within the State of Idaho, most particularly infectious disease research at the Veterans Affairs Medical Center in Boise. Thus, in order to most effectively leverage biomedical expertise at institutions across Idaho, we seek to strengthen ISU’s position as the lead institution in Idaho for biomedical research, in collaboration with the VA, the University of Idaho and Boise State University. Research and teaching efforts centered on the VA Biomedical Collaborative further the following strategic goals, as articulated in the current ISU and SBOE strategic plans:

Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: Access and Quality)

BIO-MED RESEARCH

Goal 2 — Increase the University's research profile to strengthen our institutional curricula and ability to meet societal needs through the creation of new knowledge. (SBOE Main Goals: Quality and Access)

Goal 3 — Advance medical and health care education throughout the state and region through increasing the quality of healthcare, the number of practicing health care professionals, and promotion of translational research. (SBOE Main Goals: Quality and Access)

Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: Quality and Access)

Goal 5 — Focus institutional, instructional, and research expertise on community and societal needs throughout the state, region, nation, and world. (SBOE Main Goals: Quality and Access)

Goal 6 — Promote the efficient and effective use of resources. (SBOE Main Goals: Access and Efficiency)

Description:

This line item request will provide financial resources to fund two faculty positions, a post-doctoral fellowship position, and a portion of a grant writer, as well as graduate assistantships, to support the SBOE strategic plan to enhance biomedical research across the State of Idaho. As described in other institutional requests, the goal of this plan is to increase biomedical research and graduate education in biomedical fields in Idaho and to establish a critical mass of innovative, productive biomedical investigators at the Veterans Affairs Medical Center in Boise. This is a collaborative effort with Veterans Affairs, UI, and BSU.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **As noted above, funding for 3.5 FTE, as well as funding for graduate assistantships.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **See above.**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **None.**
 - c. List any additional operating funds and capital items needed. **NA.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **This request is for ongoing and one-time appropriated funding, as articulated above.**
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **See above.**
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. **This is a new request for ongoing and one-time appropriated funding.**

BIO-MED RESEARCH

AGENCY: University of Idaho
 FUNCTION: General Education
 ACTIVITY:

Agency No.: 514
 Function No.:
 Activity No.:

FY 2011 Request
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A: Decision Unit No: 12.09		Title: Biomedical Research			Priority Ranking 9 of 9
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	2.30				2.30
PERSONNEL COSTS:					
1. Salaries	205,000				205,000
2. Benefits	72,000				72,000
3. Group Position Funding	120,000				120,000
TOTAL PERSONNEL COSTS:	397,000				397,000
OPERATING EXPENDITURES by summary object:					
1. Travel	3,000				3,000
2. Supplies	20,000				20,000
TOTAL OPERATING EXPENDITURES:	23,000				23,000
CAPITAL OUTLAY by summary object:					
1. Startup/lab equipment (one-time)	250,000				250,000
TOTAL CAPITAL OUTLAY:	250,000				250,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	670,000				670,000

How connected to institution/agency and Board strategic plans:

UI Goals – Scholarly and Creative Activity, and Outreach and Engagement

SBOE Goal – Goal 1, Quality; Objective 4 Enhance the State’s infrastructure and capacity for biomedical research through collaborative efforts between our three public universities and the Veterans Affairs Medical Center (VAMC) Biomedical Research Expansion Initiative.

Description:

This request is for two faculty positions, startup funds, graduate stipends, and a portion of a grant writer to support the SBOE strategic plan to enhance biomedical research in Idaho. The goal of this plan is to increase graduate education in biomedical fields in Idaho and to establish a critical mass of innovative, productive biomedical investigators at the Veterans Affairs Medical Center in Boise. This is a collaborative effort with Veteran’s Affairs, ISU, and BSU.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **As noted above.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **As noted above.**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **NA**
 - c. List any additional operating funds and capital items needed. **None.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **NA**
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **As noted above.**
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

ONE-TIME UNIQUE

AGENCY: Boise State University
 FUNCTION: Base Operating Funds
 ACTIVITY:

Agency No.: 512
 Function No.: 01
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A: Decision Unit No: 12.04		Title: Base Operating Funds			Priority Ranking 4 of 5
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3.					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Multiple summary objects	1,000,000				
2.					
TOTAL OPERATING EXPENDITURES:	1,000,000				1,000,000
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,000,000				1,000,000

How connected to institution/agency and Board strategic plans:

This request will assist with ensuring adequacy of funding in the university's operating expenditure budget to provide a high quality learning environment for students as well as good working conditions for faculty and staff. It helps provide the basic infrastructure support that will allow Boise State University to achieve the goals and strategies as outlined in its strategic plan.

Description:

The request represents approximately a 5% increase to the operating expenditures budget. FY2007 was the last year base funding was received (\$336,000) to partially offset inflation in the operating expenditure budget.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

No FTP is being requested.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.

This request is for operating funds only. Funding will ensure no further erosion of buying power for purchases such as postage, phone services, employee development, professional services, gasoline, and institutional supplies.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Students, faculty and staff as well as visitors to the campus will be impacted if this funding is approved. If funds are not approved, operating budgets, will continue to show a weakening condition and maintenance projects and other day-to-day operating needs may need to be delayed. It is also expected that academic operating budgets will tighten, resulting in a less robust plan for continuous improvement.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

This item was requested in the FY 2010 budget request.

ONE-TIME UNIQUE

AGENCY: Idaho State University
 FUNCTION: General Education
 ACTIVITY: G. One-Time Projects

Agency No.: 513
 Function No.: 1000
 Activity No.:

FY 2011 Request
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ISU Clinical Laboratory Sciences					
A: Decision Unit No: 12		Title: Boise Expansion		Priority Ranking 1 of 3	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Travel					
2. Communications					
3. Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Startup/lab equipment (one-time)	450,000				450,000
2. Communications equip. (one-time)	175,000				175,000
TOTAL CAPITAL OUTLAY:	625,000				625,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	625,000				625,000

How connected to institution/agency and Board strategic plans:

As the SBOE-designated lead institution of higher education for the health professions in Idaho, ISU's expansion of the Clinical Laboratory Sciences Program Boise is consistent with the institution's health-professions driven strategic planning. Research and teaching efforts centered on the program also further the following Goals, as articulated in ISU's current strategic plan:

Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: Access and Quality)

Goal 3 — Advance medical and health care education throughout the state and region through increasing the quality of healthcare, the number of practicing health care professionals, and promotion of translational research. (SBOE Main Goals: Quality and Access)

Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: Quality and Access)

ONE-TIME UNIQUE

Goal 5 — Focus institutional, instructional, and research expertise on community and societal needs throughout the state, region, nation, and world. (SBOE Main Goals: Quality and Access)

Description:

This request is for one-time capital outlay to equip the ISU Meridian facility for the Clinical Laboratory Sciences Program (CLS) to serve the program's communications and instructional needs in the Boise/Meridian area. The one-time funding entails faculty startup equipment, student instructional and lab equipment, and communications equipment. The funding requested is consistent with the current emphasis on increasing the availability of health education in the Boise area, and is necessary to meet increased enrollment in Clinical Laboratory Sciences in Meridian, Idaho and surrounding rural areas. Likewise, the one-time capital outlay will fund similar equipment to enable expansion of the CLS program from the Pocatello campus to the ISU Idaho Falls campus. This expansion will enable the institution to better partner with the Eastern Idaho Regional Medical Center to meet their needs, as well as the needs of rural hospitals and healthcare organizations, for qualified and well-trained CLS professionals.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **As noted above.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **As noted above.**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **NA**
 - c. List any additional operating funds and capital items needed. **None.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **NA**
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **As noted above.**
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. **This request is a continuation of the unfunded FY10 budget request.**

ONE-TIME UNIQUE

AGENCY: Idaho State University
 FUNCTION: General Education
 ACTIVITY: G. One-Time Projects

Agency No.: 513
 Function No.: 1000
 Activity No.:

FY 2011 Request
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A: Decision Unit No: 12		Title: Library Materials & Resources			Priority Ranking 2 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1.					
2.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. To address backlog in unprocured serials backfiles and monographs to support research mission	564,000				564,000
TOTAL CAPITAL OUTLAY:	564,000				564,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	564,000				564,000

How connected to institution/agency and Board strategic plans:

The library provides the information resources that support the instruction and research missions of Idaho State University and, by extension, the Board's strategic plan. This request is consistent with the current ISU and SBOE strategic plans, as noted below:

Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: Access and Quality)

Goal 2 — Increase the University's research profile to strengthen our institutional curricula and ability to meet societal needs through the creation of new knowledge. (SBOE Main Goals: Quality and Access)

ONE-TIME UNIQUE

Goal 3 — Advance medical and health care education throughout the state and region through increasing the quality of healthcare, the number of practicing health care professionals, and promotion of translational research. (SBOE Main Goals: Quality and Access)

Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: Quality and Access)

Goal 5 — Focus institutional, instructional, and research expertise on community and societal needs throughout the state, region, nation, and world. (SBOE Main Goals: Quality and Access)

Goal 6 — Promote the efficient and effective use of resources. (SBOE Main Goals: Access and Efficiency)

Description:

This line item budget request is to fund a backlog of serials backfiles and research monographs purchases that ISU's Oboler Library has built up over the past three years due to reallocations to cover unfunded serials inflationary increases. This requested amount represents four years of inflationary increases in the information resources budget (books, journals, databases). The inflation requests for the last three years were funded as follows:

Year	Base Budget	Inflation Received
2007	\$2,392,864	0.00
2008	\$2,392,864	\$159,800 (one-time)
2009	\$2,392,864	\$165,000 (one-time)
2010	\$2,392,864	Unfunded/0.00

In responding to both increasing serials costs due to inflation as well as state-mandated budget reductions, ISU's Oboler Library has had to temporarily suspend the purchase of serials backfiles and monographs which are vital to the support of the institution's research mission. This request for one-time funding will allow the library to address the purchasing backlog in these areas and bring our serials backfiles and monographs back up to date.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

The ISU Oboler Library is requesting \$564,000 to cover one-time purchases of serials backfiles and research monographs, as described above.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **NA**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **NA**
 - c. List any additional operating funds and capital items needed.

Capital funds for library materials are the only funds needed.

ONE-TIME UNIQUE

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

See above; request is for one-time capital outlay funds.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request serves the students, faculty, and staff of Idaho State University as well as the citizens of Idaho through interlibrary loan. If this request is not funded, the library will be unable to maintain the currency of its serials and monograph resources.

If this request is not funded, faculty and student research and instruction will be adversely affected in all areas.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

This request was part of the FY 2010 budget request but was not funded.

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ONE-TIME UNIQUE

AGENCY: Idaho State University
 FUNCTION: General Education
 ACTIVITY:G. One-time Projects

Agency No.: 513
 Function No.: 1000
 Activity No.:

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A: Decision Unit No: 12		Title: ERP Implementation Support			Priority Ranking 3 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Materials and Supplies	533,200				533,200
TOTAL OPERATING EXPENDITURES:	533,200				533,200
CAPITAL OUTLAY by summary object:					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	533,200				533,200

How connected to institution/agency and Board strategic plans:

The implementation of ISU's new Enterprise Resource Planning (ERP) system is proceeding on schedule, and is operating within budget. However, as the existing computer system is phased out, a number of related software services will also need to be replaced. The university has also identified a number of services that will ensure the functionality, reliability, and efficiency of the system as it is placed into operation. Those items are enumerated in the description below. This request is consistent with current ISU and SBOE strategic plans, as noted below:

Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: Access and Quality)

Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: Quality and Access)

ONE-TIME UNIQUE

Goal 6 — Promote the efficient and effective use of resources. (SBOE Main Goals: Access and Efficiency)

Description:

This request is for one-time appropriated funding to cover expenses related to ISU's implementation of our new Enterprise Resource Planning system. These items listed below will help to ensure the functionality, reliability, and efficiency of the ERP system as it has been planned to meet institutional needs well into the future. These expenses are detailed below:

Degree Audit	\$276,000
Software and consulting services to implement an on-line degree audit system to improve advising services and to improve the efficiency of degree certification efforts.	
Parking Software	\$62,000
Replaces the existing legacy application with a new software system that is fully integrated with the ERP system.	
Load Testing Services	\$50,000
Consulting services to test the capacity of the new ERP system to manage the expected load, and to tune the system for greater efficiency.	
Application Development Software	\$50,000
Software that will be used to migrate existing auxiliary applications from the legacy platform to the new hardware environment	
SAN upgrade	\$61,400
An increase in the storage capacity of the Storage Area Network (SAN) used to store institutional data	
Backup System upgrade	\$33,800
An increase in the storage capacity of the backup system used to protect institutional data	
TOTAL	\$533,200

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **This request is for one-time appropriated funds; core functions/needs of the larger ERP implementation are being met as planned and previously approved by the SBOE.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **None.**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **None.**
 - c. List any additional operating funds and capital items needed. **None.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a

ONE-TIME UNIQUE

description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **See above.**

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **An effective campus wide information system is the foundation upon which effective institutional planning and operations rest. The purpose of the ERP project is to bring all financial services, human resources/payroll, and student information together in an integrated, secure, and user friendly environment. Examples of new features will include, but are not limited to:**

Students: pay tuition and fees online, apply for financial aid

Faculty: submit grades, assist students on matters such as changing majors

Staff & Faculty: track expenses in one location, enter purchase orders

These services, as well as many other university services, will be integrated through a new university portal, which will provide a single point of access for university computer services. When the ERP system is in full operation, we expect to experience significantly improved services for faculty, staff, and students. One of the significant goals of the project is to provide greater access to information for faculty and staff and to improve the efficiency of operation of the university.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. **This is a new request for one-time appropriated funding.**

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ONE-TIME UNIQUE

AGENCY: University of Idaho
 FUNCTION: General Education
 ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

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Research Compliance & Safety					
A: Decision Unit No: 12.04	Title: Support			Priority Ranking 4 of 8	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	6.00				6.00
PERSONNEL COSTS:					
1. Salaries	304,092				304,092
2. Benefits	122,102				122,102
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	426,194				426,194
OPERATING EXPENDITURES by summary object:					
1. Support Materials & Maintenance	18,000				18,000
2. Office Operations	18,000				18,000
3. Travel	8,000				8,000
4. Software Modules (2)	30,000				30,000
5. Training Service & Materials	52,000				52,000
6. Hazardous & Radioactive Material Disposal	34,000				34,000
TOTAL OPERATING EXPENDITURES:	160,000				160,000
CAPITAL OUTLAY by summary object:					
1. Vehicle	25,000				25,000
2.					
3.					
TOTAL CAPITAL OUTLAY:	25,000				25,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	611,194				611,194

How connected to institution/agency and Board strategic plans:

Board Goal I, 7: Support and enhance the state's infrastructure and capacity for advanced energy studies through collaborative efforts between our three public universities and the INL at CAES.

Board Goal I, 8: Foster an academic environment that encourages and enables cooperative (public/private partnerships) efforts to engage in relevant research.

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UI Goal 2, A 6: Establish, renew, remodel, and reallocate facilities that encourage collaborative interdisciplinary inquiry and provide access to information resources and innovative technologies.

UI Goal 2, B 4: Allocate physical and financial resources for operation, maintenance, safety, and security of technical infrastructure facilities.

UI Goal 4, A 2: Ensure that the University is a safe work and educational environment for its employees and students through proper training and monitoring.

UI Goal 4, B 3: Employ best practices and distribute authority-responsibility-accountability to efficiently and effectively manage the people, programs, and places of the University.

This request will provide the needed increases to compliance and safety services in support of the research mission at UI. These programs are critical to UI's research mission.

Federal regulations govern our use of animals, human subjects and biohazard materials we use in the course of achieving our teaching and research goals. The regulations are stringent and the penalties for non-compliance significant. In 2007, there was an audit finding that required we hire a compliance officer to monitor these activities. Additionally a benchmark analysis of Research Compliance Office staff size in July of 2006 with comparable Universities indicates a significant gap between staff size at UI and other Universities (see attached analysis). A compliance officer has been hired using internal temporary funds with the understanding that a permanently funded, compliance unit was necessary. The compliance unit is responsible for developing policies to insure adherence to the plethora of compliance regulations we as an institution are bound by. The impact of not funding this activity could be unsafe practices resulting in injury or damage to employees, students or facilities; fines and penalties as well as loss of federal grant funding.

A strong compliance and safety function will serve UI research by establishing clear compliance and safety policies, procedures and processes, train faculty, staff, and students, and monitor efforts. To this end, UI is requesting permanent funding for the Research Compliance Unit, Sponsored Project Trainer, and Lab Safety programs.

Performance Measures: Reduction in deficiencies or violations noted by federal agency inspections involving animals, human subjects, and biohazard materials. Reduction in DEQ and DBS violations involving hazardous materials. Maintenance of Nuclear Regulatory Commission (NRC) license for radioactive materials use. Reduction and severity of injuries involving labs, hazardous or radioactive materials. Time to analyze and correct lead, asbestos, and mold issues associated with University facilities.

Description:

UI is a Research Extensive university and is part of Idaho's infrastructure and capacity for advanced energy studies. The ability to provide adequate compliance, safety support services, training, monitoring, and enforcement is critical to UI's research success. This request will add four positions to UI's Research Office and two positions to UI's Environmental Health and Safety office in support of academic, research, and facility maintenance needs. The needed training support program service and materials will improve availability and timeliness of training provided to UI's staff and faculty while minimizing risk and costs. The critical need to safely remove, store, and dispose of hazardous and radioactive wastes is also addressed in this request. Disposal costs continue to rise along with the amount and number of hazardous substances used on the various UI locations.

This request will specifically provide for:

Research Compliance Unit

- Chief Compliance Officer, NFE3, Full-time benefit eligible, salary \$87,000 benefits \$28,885. This position was filled November 2008, funded through temporary reallocations and is anticipated to continue for the foreseeable future.
- Compliance Auditor, NFE2, Full-time benefit eligible, salary \$50,000, benefits \$20,190. This is a new hire, and upon approval would start recruitment to target a hire date in line with availability of funding. This position would provide federally mandated post approval monitoring of compliance activity.
- Administrative Assistant 2, Pay grade G, Full-time, benefit eligible, salary \$32,072, benefits \$15,977. We have an immediate need to temporarily redirect funds for administrative support to the current compliance officer and oversight committees. To that end are prepared to temporarily reassign other centrally allocated URO administrative support funds to hire an AA2 effective July 2009. However, a permanent salary is being requested from the State to support the work of this unit. The borrowed funds would otherwise support an equally important support staff for the Office of Sponsored Programs.
- Administrative Supplements, in the amount of \$20,000 plus benefits at \$4,700 are requested to support faculty administrative supplements while serving as compliance committee chairs. Rate will vary by appointment, estimated at \$7,000 - 10,000 per chair per year.
- Operating Funds, in the amount of \$50,000 per year are requested to fund basic unit operations, necessary travel, and purchase access to two database modules for tracking and recording the protocols associated with animal care and use and human subjects protection.

Sponsored Project Trainer

- Trainer, NFE2, Full-time benefit eligible, salary \$50,000, benefits \$20,190. This is a new hire, and upon approval would start recruitment to target a hire date in line with availability of funding. This position will develop on-line and face-to-face training modules as well as deliver training and provide information delivery training to content experts.
- Operating Funds, in the amount of \$13,000 per year are requested to fund basic operations, material development costs and limited statewide travel for delivery of

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specialized courses when most appropriate and for required monitoring and facility reviews.

Laboratory Safety Program

- Lab Safety Technician, Full-time, benefit eligible, salary \$32,510, benefits \$16,080, training & support \$3,000 annually.
- Hazardous Waste Technician, Full-time, benefit eligible, salary \$32,510, benefits \$16,080, training & support \$3,000 annually.
- On-line safety training service \$42,000 annually.
- Emergency spill response equipment maintenance and certifications \$5,000 annually.
- Mold, lead, & asbestos abatement training & certifications \$10,000 annually.
- Hazardous & radioactive waste disposal \$34,000 annually.
- Vehicle to pick-up wastes for storage and disposal \$25,000 one time.

Compliance Office Staff Benchmark FTE Data for July, 2006			
University	R&D Expenditures FY 2006	Ranking by R&D Expenditures FY 2006	Compliance Office Staff FTE's (2006)
University of Idaho	86,863,000	96	1.5
Kansas State University	123,746,000	80	3.0
Mississippi State University	189,917,000	59	12.0
Oklahoma State University	100,323,000	90	6.0
Auburn University	127,522,000	78	4.0

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AGENCY: University of Idaho
FUNCTION: General Education
ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

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A: Decision Unit No: 12.05		Title: Maintenance/Infrastructure			Priority Ranking 5 of 8
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	17.00				17.00
PERSONNEL COSTS:					
1. Salaries	583,400				583,400
2. Benefits	280,600				280,600
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	864,000				864,000
OPERATING EXPENDITURES by summary object:					
1. Supplies	170,000				170,000
2. Maintenance Costs					
3. Services					
4. Other	830,000				830,000
TOTAL OPERATING EXPENDITURES:	1,000,000				1,000,000
CAPITAL OUTLAY by summary object:					
1. Capital Equipment	2,136,000				2,136,000
TOTAL CAPITAL OUTLAY:	2,136,000				2,136,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	4,000,000				4,000,000

How connected to institution/agency and Board strategic plans:

Maintaining the physical infrastructure is one key to achieving all facets of the University of Idaho's strategic plan by allowing for a welcoming physical environment from which the work done to advance the goals may be completed. The four goals of the 2006 – 2010 strategic plan are:

- Teaching and Learning
- Scholarly and Creative Activity
- Outreach and Engagement
- Organization, Culture, and Climate

Ongoing maintenance and repair of the physical infrastructure will protect the state's previous investment as well as will benefit the students, employees, and public who utilize these assets.

Description:

The University of Idaho is requesting additional funding in FY 2011 for facilities maintenance and repairs to assist in addressing the degradation of the physical infrastructure. The adequate maintenance and repair of the physical infrastructure is a critical component in providing support for the instructional, research and outreach missions of the University. Deferred maintenance needs for general education buildings at the University of Idaho exceed \$130,000,000. The University administration has a plan to fund some of the deferred maintenance through the issuance of bonds. However, deferred maintenance needs will continue to grow if funds are not forthcoming to address the ongoing maintenance and repair of our physical infrastructure.

Key to the mission of any higher education institution is the adequate maintenance and repair of its physical infrastructure - the buildings and utility systems that support the day-to-day research and instructional activities. The Association of Higher Education Facilities Officers, APPA, is recognized as the industry leader through which facility officers share best practices and train and develop leaders. APPA recognizes several key financial benchmarks which speak to the adequacy of maintenance funding. These key benchmarks are summarized below:

- **Routine maintenance:** Funding is targeted to support preventive and routine maintenance needs. Best practice funding rate is 1.5% of the current replacement value (CRV) of the physical plant. Routine maintenance funding at the University of Idaho has fallen from 0.9% of CRV in FY95 to 0.57% of CRV in FY08.
- **Capital repairs and renewal:** Funding is targeted to support the major repairs of system components, and the eventual replacement of aging facility components. Best practice funding rate ranges from 1.5% to 3.0% of the CRV. Total support through the University of Idaho Internal Capital program and the DPW Alteration and Repair program fell from 0.9% of CRV in FY95 to only 0.36% of CRV in FY06. FY07 and FY08 funding was significantly higher, bringing the total funding up to 1.7% of CRV in FY08. FY09 funding is somewhat lower and funding is anticipated to drop to historical levels in FY10.
- **Facility Condition Index:** This index compares backlogged maintenance & repair needs to CRV. Best practice suggests a ratio of under 1.0%. The University of Idaho deferred maintenance needs, valued at approximately \$130m, yield an FCI of nearly 18%, a 'critical' backlog of accumulated repair and replacement needs resulting from consistent underfunding of building maintenance at the University of Idaho.

Questions:

1. What is being requested and why? **See description above.** What is the agency staffing level for this activity and how much funding by source is in the base? **See description above.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **See attachment**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

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AGENCY: University of Idaho
FUNCTION: General Education
ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

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A: Decision Unit No: 12.06		Title: Third-Year Law Program in Boise			Priority Ranking 6 of 7
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	4.0				4.0
PERSONNEL COSTS:					
1. Salaries	285,000				285,000
2. Benefits	100,735				100,735
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	385,735				385,735
OPERATING EXPENDITURES by summary object:					
1. Supplies	100,000				100,000
2. Maintenance costs					
3. Services					
4. Other					
TOTAL OPERATING EXPENDITURES:	100,000				100,000
CAPITAL OUTLAY by summary object:					
1. Law library books and technology	315,000				315,000
2. Office equipment	100,000				100,000
TOTAL CAPITAL OUTLAY:	415,000				415,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	900,735				900,735

How connected to institution/agency and Board strategic plans:

Board Plan 2010-2014 (Note: In August, 2008, the Board approved the establishment of a third-year law program in Boise by the University of Idaho.)

Goal I – Quality A third-year law program in Boise will enable the College of Law to attract a more competitive student body and to deepen the curriculum, especially in the areas of business and commercial law. The program will complement and strengthen the College in Moscow.

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Goal II – Access The third-year program in Boise will enable law students from southern Idaho to receive at least part of their legal education at lower cost, with less borrowing, due to enhanced opportunities to earn income while studying and with more income opportunities for spouses/partners.

Goal III—Efficiency The third-year program will be part of an integrated statewide curriculum taking advantage of specialized teaching and externship resources in Boise that could not be replicated, except at much higher cost, in Moscow.

Performance Measures: Requests by existing law students to participate in Boise program, and yield rate on offers of admission to future first-year students after third-year program is operational.

Agency Plan (University of Idaho Strategic Plan 2005-2010)

Goal I – Teaching and Learning The third-year law program in Boise will significantly improve the College's curriculum in business and commercial law, while also providing enhanced clinical (practical skills) opportunities for students.

Goal II – Scholarship The third-year program will attract faculty whose research can be enriched by interaction with the bar, judiciary, and other branches of state government, as well as the federal government, in the Boise area.

Goal III – Outreach, Engagement Faculty in the third-year program at Boise can provide consultative and continuing legal education assistance to state, federal, and local agencies, and to the judiciary, as well as to the legal profession in the state capital and across southern Idaho. Students will be able to serve the community through the College's clinical and pro bono service programs.

Goal IV – Org. Culture & Climate The third-year program in a metropolitan area will enhance multicultural opportunities for students, will aid in recruiting for diversity, and will enhance student morale by connecting the College more firmly to Idaho's principal center of government, commerce, and population.

Description:

This decision unit will allow the University of Idaho to fulfill its Board-assigned statewide mission more fully by providing a full third-year curriculum in Boise. It also will advanced Board-approved collaboration by the College of Law with the Idaho Supreme Court in developing an Idaho Law Learning Center that makes more efficient use of the Idaho State Law Library, provides legal education, provides cooperation with other branches and government, and provides law-related education to the general public.

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Idaho's legal education needs currently are under-served, as evidenced by: (1) Idaho population has doubled since the College's current facility was constructed in 1972-73, and both civil and criminal caseloads in the courts have increased substantially (criminal cases quadrupling); yet the law instructional program is approximately the same size in student enrollment as it was then. (2) Idaho has become a net importer of lawyers, most of whom arrive with higher education debts that must be paid, directly or indirectly, by Idaho private and public legal services employers; indeed, approximately 70% of new lawyers enter Idaho practice from out-of-state. (3) Idaho's population will increase in the future, and Idaho businesses will require increasing sophistication and specialization of legal services, creating more demand for cost-effectively trained lawyers for Idaho. (4) The law degree (Juris Doctor) is increasingly a degree of choice for fields other than the traditional practice of law, such as business administration, human resources management, social services, teaching and administration at college and university levels in law and law-related fields, the military, and other fields where careers are enhanced by the J.D. degree. Indeed, this is why national demand for legal education is rising even as the economy has slowed since mid-2008. (5) Employer's demand for University of Idaho law graduates is strong; approximately 98% of those seeking employment are employed within six months of graduation (allowing time to take the bar examination). (6) Cost-effective public legal education is essential to keeping legal services accessible for Idahoans of moderate means, and to provide legal expertise to start-up businesses, small communities, nonprofit entities, and the public sector in Idaho.

Questions:

1. What is being requested and why? *See description above. This program has been approved by the State Board and was the subject of an appropriation request by the State Board in FY 09. What is the agency staffing level for this activity and how much funding by source is in the base? Staff support for the third-year law program in Boise, other than the positions listed below, will be provided by existing personnel at the College of Law in Moscow.*

2. What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

<u>Position Title</u>	<u>FTE</u>	<u>Benefits</u>	<u>Date(s) of Hire</u>
<i>Faculty tenure-track</i>	<i>2.0</i>	<i>Y</i>	<i>15 Aug 10 or later in FY 11</i>
<i>Faculty non-tenure-track</i>	<i>.5</i>	<i>Y</i>	<i>15 Aug 10</i>
<i>Admin staff/faculty support</i>	<i>1.0</i>	<i>Y</i>	<i>1 Jul 10</i>
<i>Law library staff</i>	<i>.5</i>	<i>Y</i>	<i>1 Jul 10</i>

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. *N/A*

c. List any additional operating funds and capital items needed. *The Idaho Supreme Court is submitting a request relating to the Idaho Permanent Building Fund for a shared facility (Idaho Law Learning Center). The third-year law program could start in phases, if necessary, elsewhere in Boise while awaiting availability of this facility.*

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes,

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ongoing anticipated grants, etc. *In years beyond FY 11, gradual growth of College of Law enrollment due to availability of the third-year program in Boise will enhance fee revenues to support further development of the program.*

4. Who is being served by this request and what are the expected impacts of the funding requested? *Please see above description. If this request is not funded who and what are impacted? If this request is not funded, a time-limited opportunity to collaborate with the Idaho Supreme Court may be lost, and the legal education vacuum in the state capital may be filled by another institution at higher cost to students and to the students' eventual employers.*
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested in FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: University of Idaho
 FUNCTION: General Education
 ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

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A: Decision Unit No: 12.07		Title: CEC increase for faculty and staff			Priority Ranking 7 of 8
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	2,333,800				2,333,800
2. Benefits	548,500				548,500
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	2,882,300				2,882,300
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	2,882,300				2,882,300

How connected to institution/agency and Board strategic plans: This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement.*

Description:

The University of Idaho is requesting a CEC increase for FY 2011 in the amount of 3% of the FY 2010 General Education salary budget of \$77,791,897. According to the National Center for Institutional Data Statistics, faculty salary averages for FY 2008, the most recent year published, the University of Idaho in comparison with its seventeen peer institutions is:

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Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$57,569	\$63,675	\$73,082
Associate Professor	\$67,437	\$71,865	\$82,776
Professor	\$86,525	\$100,514	\$117,302

In terms of ranking, the University of Idaho ranked 16th, 15th, and 15th for associate professors, professors, and assistant professors respectively. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested for FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: University of Idaho
 FUNCTION: General Education
 ACTIVITY:

Agency No.: 514
 Function No.: 01
 Activity No.:

FY 2011 Request
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 Revision No. ____

A: Decision Unit No: 12.08		Title: Northern Idaho Faculty Positions			Priority Ranking 8 of 8
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	3.0				3.0
PERSONNEL COSTS:					
1. Salaries	210,000				210,000
2. Benefits	74,670				74,670
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	284,670				284,670
OPERATING EXPENDITURES by summary object:					
1. Supplies	25,000				25,000
2. Maintenance Costs					
3. Services					
4. Other	0				0
TOTAL OPERATING EXPENDITURES:	0				0
CAPITAL OUTLAY by summary object:					
1. Capital Equipment	0				0
TOTAL CAPITAL OUTLAY:	0				0
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	309,670				309,670

How connected to institution/agency and Board strategic plans:

This request supports Goal 1.3, as stated in the State Board of Education's Strategic Plan for 2009-2013, "to increase the availability of highly qualified teachers, especially in high need areas" and Goal #1.8, "to foster an academic environment that encourages and enables cooperative (public/private partnerships) efforts to engage in relevant research."

This request also addresses the goals in the University of Idaho's Strategic Action Plan and the University of Idaho Northern Idaho plan as follows:

Teaching and Learning – These three positions will provide students with engaged learning experiences that promote excellence in professional preparation. The programs supported include teacher education with an emphasis in expansion of science and mathematics teacher preparation as well as educational leadership. These

programs in northern Idaho are community-based and represent the melding of teaching, learning, and outreach in an evidence-based environment.

Scholarly and Creative Activity – This request will help the University promote an environment that increases faculty engagement in interdisciplinary scholarship and emphasizes scholarly and creative activities that support the University's strategic themes.

Outreach and Engagement – These positions will allow the university to increase its efforts in outreach with the northern Idaho communities and schools, particularly in areas identified by school administrators such as science and mathematics education.

Performance Measure: Number of Idaho teachers who are certified each year by specialty. Publications, grants and outreach materials provided in education and water quality.

Description:

This decision unit will allow the UI to support hiring faculty to support a set of initiatives aimed at increasing our ability to serve Northern Idaho in critical areas and to provide the state of Idaho with increased numbers of professionals in high need areas. The impact of this will be immediate and substantive, bringing improved higher education opportunities to the Northern Idaho Panhandle. Consistent with the vision and strategic action plan of the University of Idaho and the SBOE, the decision unit allows development of programs in the following key areas:

Teacher Preparation: This hire will allow the UI to increase its services in critical areas of science education and mathematics education in northern Idaho. The development of the position is responsive to the demands of the profession as articulated by the school administrators in the region. These positions will be able to address both the credentialing of new teachers as well as the professional development of current teachers in these critical areas.

Educational Leadership: The educational leadership faculty position requested herein allows the UI to provide focused programs for the certification of school administrators in the northern Idaho region. Our graduate education program in educational leadership has, through innovations in delivery, substantially increased enrollments in the region and this position is important in meeting that demand.

Water Quality. The University of Idaho has been a leader in the area of water quality and the easy access to the abundant lakes and rivers in Northern Idaho provide an excellent laboratory for these endeavors. In addition, the UI-CDA center is located on the Spokane River adjacent to the CDA Waste Treatment Center and provides an excellent opportunity to develop these programs in cooperation with local and public groups. The proposed position in water quality/environmental science will allow the UI to continue to build partnerships to provide education, research and outreach in water quality. The position will also be a strong contributor to the teacher education program described above.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **See description above.**
2. What resources are necessary to implement this request?

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- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **See description above.**
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **No Impact at this time.**
 - c. List any additional operating funds and capital items needed. **Operating funds are needed to provide start-up and ongoing operational support for the programs.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **See description above.**
 4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **This will serve students seeking advanced degrees in northern Idaho and provide access to programs close to home. Graduates of these programs will serve a growing need for professionals in education. The program also offers some unique scholarship and outreach in water quality which will play a major role in advancing the economic development of the region. Failure to fund these programs will decrease the opportunity for access to programs in northern Idaho.**
 5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. **These same requests were made in FY09 and 10 and were not funded.**

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AGENCY: Lewis-Clark State College

Agency No.: 511

FY 2011 Request

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ACTIVITY: Program Enhancements

Activity No.:

Original Submission X or

Revision No. ___

A: Decision Unit No: 12.02		Title: Program Enhancements			Priority Ranking 2 of 2
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	6.00				6.00
PERSONNEL COSTS:					
1. Salaries	347,000				347,000
2. Benefits	121,500				121,500
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	468,500				468,500
OPERATING EXPENDITURES by summary object:					
1. Instructional Materials	12,000				12,000
2. Supplies	20,500				20,500
3. Program Expense	11,000				11,000
TOTAL OPERATING EXPENDITURES:	43,500				43,500
CAPITAL OUTLAY by summary object:					
1. Computers/Office Setup	30,000				30,000
2. Instructional Computers/Technology	35,000				35,000
TOTAL CAPITAL OUTLAY:	65,000				65,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	577,000				577,000

How connected to institution/agency and Board strategic plans:

Idaho Sate Board of Education Strategic Plan 2010-2014

Idaho State Board of Education Mission and Goal Statement for Lewis-Clark State College

Description:

Strategic Plan 2010-2014

- Goal: Quality – Set policy and advocate for continuous improvement of the quality of Idaho’s educational system.
 - Objective 2. Increase the availability of highly qualified teachers, especially in high need areas.

- Goal: Access - Set policy and advocate for improving access for individuals of all ages, abilities, and economic means to Idaho's educational system.

Mission and Goal Statement for Lewis-Clark State College

- In accordance with its role and mission statement approved by the State Board of Education, LCSC's primary emphasis areas are business, criminal justice, nursing, social work, teacher preparation, and professional-technical education.
- The State Board directs LCSC to maintain basic strengths in the liberal arts and sciences, which provide the core (general education) portion of the curriculum.
- Other assigned emphasis areas are the provision of select programs offered on and off campus, at non-traditional times, using non-traditional means of delivery, to serve a diverse student body.

The Pathways to Alternate Certification and Endorsement (PACE) Programs address all three goals by allowing individuals that are place-bound in rural and remote areas throughout Idaho to earn teacher certification through distance learning technologies.

The Natural Sciences Division provides required courses for the Bachelor of Science in Nursing, the Associate of Science in Radiologic Technology, and the Bachelor of Science in Medical Diagnostic Imaging degrees.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

Funding is requested to support personnel, OE and CO needs for expanding the Elementary and Secondary PACE programs and required course offering by the Division of Natural Sciences and Mathematics. PACE is a nationally recognized, unique, alternative certification program that meets the needs of individuals and school districts throughout the state, particularly as districts struggle to meet the requirements for highly qualified teachers as specified in the No Child Left Behind legislation.

This proposal serves the pre-Nursing, pre-Radiographic Technician and pre-Dental Hygiene programs at Lewis-Clark State College. These programs are currently experiencing rapid growth with the infusion of new resources and the new Nursing & Health Science facility. These positions will allow us to accommodate the increased enrollments in these programs by offering needed capacity in critical allied health courses including: Anatomy (BIOL 252), Physiology (BIOL 253), Microbiology (BIOL 250), General/Organic/Biochemistry for Health Sciences (CHEM 105), Nursing Genetics (ID 307) and Pathophysiology (BIOL 312).

The Assistant Professor of Biology position represents much needed new capacity for programs both in the Health Sciences and in Natural Science. The Associate Professor of Biology has been funded on the NIH-INBRE grant for the past four years and the incumbent faculty member currently delivers key pre-nursing courses as well as online General Education Core laboratory science which serves rural students located at distant sites. This grant funding expires in April 30, 2009 and retention of this position is necessary.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

ONE-TIME UNIQUE

Assistant Professors (4): \$45,000 + fringe & health insurance; full-time 9 month; anticipated hire August 2010; teach 24 credit hours per year of critical courses, advising, scholarship & service, other duties as assigned by Division Chair.

Association Professors (1): \$48,000 + fringe & health insurance; full-time 9 month; anticipated hire August 2010; teach 24 credit hours per year of critical courses, advising, scholarship & service, other duties as assigned by Division Chair.

Instructional Technician (1): \$32,000 + fringe & health insurance; support students in a distance learning technology environment

Adjunct Faculty: \$89,000, no benefits; to teach summer credits as needed for the PACE Teacher Education Programs

- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. None
- c. List any additional operating funds and capital items needed.

Operating funds: instructional materials, supplies, direct program expenses

Capital: computers and office setup; instructional computers

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

On-going general funds

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

The PACE Programs currently serve 177 candidates, 85 in elementary education, 89 in secondary education, and 3 in Special Education in rural and remote districts throughout the state. If this request is not funded, we will not be able to expand the programs which will limit access.

The Biology positions will allow us to increase by 75 the number of pre-Nursing and other allied health students served. If this request is not funded, we will not be able to expand the course offerings in support of Nursing and other allied health programs.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

NA -This request was included in FY2010 budget request

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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REQUEST BY DECISION UNIT
 AGENCY: North Idaho College
 FUNCTION: Community College
 ACTIVITY: Physical Therapist Asst. Program

Agency No.: 120601
 Function No.:
 Activity No.:

FY 2011 Request
 Page ___ of ___ Pages
 Original Submission X or Revision No. ___

A: Decision Unit No: 12.02		Descriptive Title: Physical Therapist Asst. F Agency Priority Ranking 2 of 2			
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	1.50				
PERSONNEL COSTS:					
1. Salaries	85,000				85,000
2. Benefits	25,500				25,500
3. Group Position Funding					0
TOTAL PERSONNEL COSTS:	110,500	0	0	0	110,500
OPERATING EXPENDITURES by summary object:					
1. Travel	500				500
2. Staff Development	2,000				2,000
3. Supplies	5,000				5,000
4. Maintenance/Repair	14,000				14,000
5. Other	5,200				5,200
TOTAL OPERATING EXPENDITURES:	26,700	0	0	0	26,700
CAPITAL OUTLAY by summary object:					
1. Renovation of Space	77,800				77,800
2. Therapy Stations	25,000				25,000
3. Various Equipment	10,000				10,000
TOTAL CAPITAL OUTLAY:	112,800	0	0	0	112,800
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	250,000	0	0	0	250,000

Research indicates there is a strong demand for assistants and employment opportunities appear far more abundant than that expected for hygienists and dental assistants. The Rural Health Consortium has expressed interest in supporting NIC's efforts to start a Physical Therapist Assistant (PTA) program and may be willing to assist the college in several ways (personnel, equipment, etc.).

Initial start up costs for a Physical Therapist Assistant program would be approximately \$250,000 to cover personnel and equipment.

Under the plan to begin a Physical Therapist Assistant program, our goal is that North Idaho College (NIC) would act as the lead agency/program for a three college consortium with the College of Southern Idaho (CSI) and the College of Western Idaho (CWI). NIC would employ the lead instructor/director of the program. This lead instructor would instruct from Coeur d'Alene, but deliver via Interactive Video Class (IVC) or the internet to CSI and CWI. In the second year of the program, our goal is that NIC, CSI and CWI would each hire clinical coordinators to work with program students within their home areas and in local clinic sites.

Under this approach, there would essentially be one program (and therefore one accreditation process) delivered in three sites. The colleges would share the costs of running the program and the burden of completing the rigorous accreditation process. The state would also benefit from the increase employment pool of well trained candidates.

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ONE-TIME UNIQUE

AGENCY: College of Western Idaho

Agency No.: 501

FY 2011 Request

FUNCTION:

Function No.: 02

Page ___ of ___ Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ___

A: Decision Unit No: 12.03		Title: Critical Need - Enrollment Growth			Priority Ranking 3 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses	\$ 1,086,000				\$ 1,086,000
2.					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Replacement Capital					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	\$ 1,086,000				\$ 1,086,000

How connected to institution/agency and Board strategic plans:

This request is connected to the College of Western Idaho (CWI) strategic plan's goals as follows:

Goal 2: CWI attracts and retains students through quality teaching, accessible and affordable programs and responsive approach.

Goal 4: CWI provides quality services to all learners to enhance community vitality, employability and personal achievement.

Goal 7: CWI keeps pace with future learning through state of the art environment and facilities.

ONE-TIME UNIQUE

Having sufficient funding per academic FTE will allow CWI to achieve these several goals.

Description:

This request is being submitted to allow CWI to be funded at the same amount per academic full time equivalent (FTE) student as North Idaho College (NIC) and the College of Southern Idaho (CSI). This amount is approx. \$3,611, based upon the FY 2009 General Fund appropriation to those institutions.

Using this per-academic FTE amount, the FY 2010 state General Fund appropriation to CWI would support 1,270 FTE. The projected CWI FTE for 2010 is 1,428, a gap of 158. For FY 2011, assuming a 10% increase in credit hours, the CWI academic FTE would be 1,571, which is 301 over the 'base' of 1,270. Multiplying 301 by \$3,611 equals \$1,085,959, which is requested (rounded).

This request is for FY 2011, which will be the second full academic year of operation for CWI. As such, enrollment projections have been made absent substantial history. This request assumes that FY 2010 academic FTE will increase by 10% for FY 2011. One FTE is equal to 30 credit hours being generated for Fall and Spring semesters combined (15 per semester).

At the time of this request (late May, 2009), CWI only has one semester of enrollment experience; fall 2009 (FY 2010) enrollment will not be known until after September 2009. Although CWI did not request enrollment growth funds for FY 2010, if fall enrollment growth is substantial, the College may consider making a Supplemental Appropriation request in late September 2009. That amount would be approximately \$570,000, if Fall enrollment occurs as projected.

This request is not part of the FY 2011 Enrollment Workload Adjustment (EWA) decision unit (within the Maintenance of Current Operations (MCO) area), because CWI does not have the enrollment history needed for the 3-year rolling average required for the EWA calculation.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

CWI requests additional support for enrollment growth in FY 2011.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.

ONE-TIME UNIQUE

If this request is appropriated, the College Trustees will determine where the additional resources are to be focused in Operating expenditures, as determined by enrollment circumstances.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Ongoing general funds are being requested.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Additional students will be served with this request. Not funding this request may result in larger classes due to unavailability of additional classroom space, or increased tuition rates.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2009 budget request are not prioritized first.

This item was not requested in the FY 2010 budget request because at that time CWI only had one semester's worth of enrollment experience (Spring 2009).

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ONE-TIME UNIQUE

AGENCY: Ag Research & Extension Service

Agency No.: 504

FY 2011 Request

FUNCTION: Ag Research & Extension Service

Function No.: 02

Page 1 of 1 Pages

ACTIVITY:

Activity No.:

Original Submission X or
Revision No. ____

A: Decision Unit No: 12.01		Title: Facility Maintenance			Priority Ranking 1 of 2
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.	300,000				300,000
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	300,000				300,000

How connected to institution/agency and Board strategic plans:

Goal 2: **SCHOLARLY AND CREATIVE ACTIVITY GOAL:** Achieve excellence in scholarship and creative activity through an institutional culture that values and promotes strong academic areas and interdisciplinary collaboration among them.

Strategy 6: Establish, renew, remodel, and reallocate facilities that encourage collaborative interdisciplinary inquiry and provide access to information resources and innovative technologies.

Description:

The College of Agricultural and Life Sciences has a number of buildings and facilities located at its Research and Extension Centers, many of which are 30-40 years old and facing critical maintenance problems. These problems are negatively impacting research and extension programs, and also threaten the structural and operational integrity of many of the facilities. This request would allow the college to address, over time, several major facilities maintenance problems and to institute a long-term preventative maintenance program. The College of Agricultural and Life Sciences estimates deferred maintenance needs for this program at \$33M. Although the standard for calculating deferred maintenance funding is 1.5% of current replacement value, agricultural research and extension requests approximately one-half of this amount due to the current fiscal atmosphere. The amount requested would provide minimal funding to begin to address the various maintenance issues throughout the state.

ONE-TIME UNIQUE

AGENCY: Ag Research and Extension

Agency No.: 504

FY 2011 Request

FUNCTION: Ag Research & Extension

Function No.: 02

Page 1 of 2 Pages

ACTIVITY:

Activity No.:

Original Submission X or
Revision No. ____

A: Decision Unit No: 12.02		Title: CEC Increase for Faculty and Staff			Priority Ranking 2 of 2
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	626,200				626,200
2. Benefits	147,200				147,200
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	773,400				773,400
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	773,400				773,400

How connected to institution/agency and Board strategic plans:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement.*

Description:

The University of Idaho is requesting a CEC increase for FY 2011 in the amount of 3% based on FY 2010 salaries of \$20,874,724. According to the National Center for Institutional Data Statistics, faculty salary averages for FY 2008, the most recent year published, comparing the University of Idaho with its seventeen peer institutions are:

ONE-TIME UNIQUE

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$57,569	\$63,675	\$73,082
Associate Professor	\$67,437	\$71,865	\$82,776
Professor	\$86,525	\$100,514	\$117,302

In terms of ranking, the University of Idaho ranked 16th, 15th, and 15th for associate professors, professors, and assistant professors respectively. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested in FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Health Education Programs

Agency No.: 515

FY 2011 Request

FUNCTION: Wa-Id Veterinary Education

Function No.: 01

Page 1 of 2 Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No. ____

A: Decision Unit No: 12.01		Title: CEC Increase for Faculty and Staff			Priority Ranking 1 of 1
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	11,500				11,500
2. Benefits	2,700				2,700
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	14,200				14,200
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	14,200				14,200

How connected to institution/agency and Board strategic plans:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement.*

Description:

The University of Idaho is requesting a CEC increase for FY 2011 in the amount of 3% based on FY2010 salaries of \$383,611. According to the National Center for Institutional Data Statistics, faculty salary averages for FY 2008, the most recent year published, comparing the University of Idaho with its seventeen peer institutions are:

ONE-TIME UNIQUE

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$57,569	\$63,675	\$73,082
Associate Professor	\$67,437	\$71,865	\$82,776
Professor	\$86,525	\$100,514	\$117,302

In terms of ranking, the University of Idaho ranked 16th, 15th, and 15th for associate professors, professors, and assistant professors respectively. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested for FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Health Education Programs

Agency No.: 515

FY 2011 Request

FUNCTION: WWAMI Medical Education

Function No.: 02

Page 1 of 2 Pages

ACTIVITY:

Activity No.:

Original Submission X or
Revision No. ____

A: Decision Unit No: 12.01		Title: CEC increase for faculty and staff			Priority Ranking 1 of 1
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	15,300				15,300
2. Benefits	3,600				3,600
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	18,900				18,900
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	18,900				18,900

How connected to institution/agency and Board strategic plans:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement.*

Description:

The University of Idaho is requesting a CEC increase for FY 2011 in the amount of 3% based on FY 2010 salaries of \$510,104. According to the National Center for Institutional Data Statistics, faculty salary averages for FY 2008, the most recent year published, comparing the University of Idaho with its seventeen peer institutions are:

ONE-TIME UNIQUE

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$57,569	\$63,675	\$73,082
Associate Professor	\$67,437	\$71,865	\$82,776
Professor	\$86,525	\$100,514	\$117,302

In terms of ranking, the University of Idaho ranked 16th, 15th, and 15th for associate professors, professors, and assistant professors respectively. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested for FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Health Programs
 FUNCTION: WWAMI
 ACTIVITY: Graduate Medical

Agency No.: 515
 Function No.: 02
 Activity No.:

FY 2011 Request
 Page 1 of 2 Pages
 Original Submission X or
 Revision No. ____

A: Decision Unit No: 12.01		Title: Family Medicine Residency - CDA			Priority Ranking 1 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	.25				.25
PERSONNEL COSTS:					
1. Salaries	50,000				50,000
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	50,000				50,000
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses	5,000				5,000
2.					
TOTAL OPERATING EXPENDITURES:	5,000				5,000
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	55,000				55,000

How is this request connected to institution/agency and Board strategic plans:

Goal II.6. Access: **Increase student access to relevant medical education programs (e.g., medical residents and physicians)**

This is a request for an addition to an existing agency contract, the Idaho WWAMI Medical Program, to develop a Family Medicine Residency program in Coeur d'Alene. Currently, Idaho has two family medicine residency programs in Boise and Pocatello which are both affiliated with WWAMI. This will be a new family medicine residency program in Coeur d'Alene which will also be affiliated with WWAMI.

Several study groups have concluded that increasing the number of resident physicians in training in Idaho is perhaps the fastest way to increase the physician workforce in our state, particularly for primary care physicians. Medical residents who complete their training as physicians in Idaho are more likely to identify opportunities for continuing medical practice in Idaho, once their training is complete.

ONE-TIME UNIQUE

Performance Measure: Number of family medicine residents in Idaho per 100K of Idaho's population.

Benchmark: Number of family medicine residents in Idaho will increase each year until a full program of 6 residents per year for a three year program is established.

Description:

Expanding medical residency training (GME) in Idaho has been identified as an educational and funding priority by the State Board of Education (1/26/09), the Legislative Medical Education Interim Committee (11/12/08), Idaho Hospital Association (10/4/08), the Idaho Medical Association (8/10/08), and the state-funded MGT Medical Education Study (11/1/07). The State Board of Education ranked ten recommendations towards expansion of medical education (1/26/09). The first of these recommendations is: "Expand the development of graduate medical education (residency programs) opportunities in the State of Idaho focusing on primary care and rural practice. In partnership with Idaho hospitals, the VA, Idaho doctors, private enterprise and Idaho's colleges and universities, the State of Idaho should promote and assist the funding of these programs."

Coeur d'Alene and Kootenai Medical Center have the clinical resources to support a family medicine residency program. It is anticipated that having a family medicine residency program in North Idaho will help with the recruitment of family physicians to this area. This newly formed program would plan to interview applicants during the fall of 2010 and accept its first entering class to begin training in July 2011.

A part-time program director (0.5 FTE) will be required to help with the planning and interviews over the academic year of 2010 – 2011. This request is for half of the part-time program director's time (0.25 FTE) and no benefits. The remainder of the program director's time and benefits will be paid by the community. Operating costs will cover the interviewing process during this academic year. Administrative support costs will be covered by the community. There are no anticipated capital costs. This is a one-time request for funding.

Future requests for funding will include funding to support residents' salaries as the program grows into a full three year program with 6 residents in each of the three training years. The best estimated cost of training a resident for one year is approximately \$125,000. The below table is an estimate of the funding that may be requested as the family medicine residency program develops and expands in CDA. This is approximately the amount per resident that the Family Medicine Residency of Idaho and the ISU Family Medicine Residency programs receive. The new family medicine residency program in CDA would expect to receive the same amount of funding per resident per year as the other two programs.

Fiscal Year	#of Residents	Amount/resident	Base	Request
FY 2012	6	\$34,000	-	\$204,000
FY 2013	12	\$34,000	\$204,000	\$204,000
FY 2014	18	\$34,000	\$408,000	\$204,000

ONE-TIME UNIQUE

AGENCY: Health Programs

Agency No.: 515

FY 2011 Request

FUNCTION: WWAMI

Function No.: 02

Page 1 of 2 Pages

ACTIVITY: Graduate Medical

Activity No.:

Original Submission X
or Revision No. ____

A: Decision Unit No: 12.02		Title: Internal Medicine Residency			Priority Ranking 2 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	.25				.25
PERSONNEL COSTS:					
1. Salaries	50,000				50,000
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	50,000				50,000
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses	5,000				5,000
2.					
TOTAL OPERATING EXPENDITURES:	5,000				5,000
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	55,000				55,000

How is this request connected to institution/agency and Board strategic plans:

Goal II.6. Access: Increase student access to relevant medical education programs (e.g., medical residents and physicians)

This is a request for an addition to an existing agency contract, the Idaho WWAMI Medical Program, to develop an Internal Medicine Residency program in Idaho. Currently, Idaho has a training track of the Seattle-based Internal Medicine Residency (UWSOM) with residents spending one of three years in Idaho. The proposed Idaho Internal Medicine Residency program will become an independent, Idaho-based program, accredited under the Department of Medicine at the UWSOM.

Several study groups have concluded that increasing the number of resident physicians in training in Idaho is perhaps the fastest way to increase the physician workforce in our state, particularly for primary care physicians. Medical residents who complete their training as

ONE-TIME UNIQUE

physicians in Idaho are more likely to identify opportunities for continuing medical practice in Idaho, once their training is complete.

Performance Measure: Number of internal medicine residents in Idaho per 100K of Idaho's population.

Benchmark: Number of internal medicine residents in Idaho will increase each year until a full program of 10 residents per year for a three year program is established.

Description:

Expanding medical residency training Graduate Medical Education (GME) in Idaho has been identified as an educational and funding priority by the State Board of Education (1/26/09), the Legislative Medical Education Interim Committee (11/12/08), Idaho Hospital Association (10/4/08), the Idaho Medical Association (8/10/08), and the state-funded MGT Medical Education Study (11/1/07). The State Board of Education rank-ordered ten recommendations towards expansion of medical education (1/26/09). The first of these recommendations is: "Expand the development of graduate medical education (residency programs) opportunities in the State of Idaho focusing on primary care and rural practice. In partnership with Idaho hospitals, the VA, Idaho doctors, private enterprise and Idaho's colleges and universities, the State of Idaho should promote and assist the funding of these programs."

The current Internal Medicine Track located at the Boise VA is ready to expand to a full three year residency program in the Treasure Valley, while remaining under the Department of Medicine at UWSOM. This will require a program director and faculty here in Idaho. It is anticipated the newly formed program will interview for its first entering class the fall of 2010 and accept its first entering class July 2011.

A part-time program director (0.5 FTE) will be required to help with the planning and interviews over the academic year of 2010 – 2011. This request is for half of the part-time program director's time (0.25 FTE) and no benefits. The remainder of the program director's time and benefits will be paid by the Boise VA. Operating costs will cover the interviewing process during this academic year. Administrative support costs will be covered by the Boise VA. There are no anticipated capital costs. This is a one-time request for funding.

Future requests for funding will include funding for residents as the program grows into a full three year program with 10 residents in each year of training. The best estimated cost of training a resident for one year is approximately \$125,000. The below table is an estimate of the funding that may be requested as the internal medicine residency program develops and expands. This is approximately the amount per resident that the Family Medicine Residency of Idaho and the ISU Family Medicine Residency programs receive. The new internal medicine residency would expect to receive the same amount of funding per resident per year as the other GME programs in Idaho.

Fiscal Year	# of Residents	Amount/resident	Base	Request
FY 2012	8	\$34,000	-	\$272,000
FY 2013	16	\$34,000	\$272,000	\$272,000
FY 2014	24	\$34,000	\$544,000	\$272,000
FY 2015	26	\$34,000	\$816,000	\$272,000
FY 2016	28	\$34,000	\$884,000	\$68,000
FY 2017	30	\$34,000	\$952,000	\$68,000

ONE-TIME UNIQUE

AGENCY: Health Programs

Agency No.: 515

FY 2011 Request

FUNCTION: WWAMI

Function No.: 02

Page 1 of 3 Pages

ACTIVITY: Graduate Medical

Activity No.:

Original Submission X or
Revision No. ____

A: Decision Unit No: 12.03		Title: GME Office			Priority Ranking 3 of 3
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	.50				.50
PERSONNEL COSTS:					
1. Salaries	65,000				50,000
2. Benefits	18,000				18,000
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	83,000				83,000
OPERATING EXPENDITURES by summary object:					
1. Operating Expenses	7,000				7,000
2. Travel	6,000				6,000
3. IT	4,000				4,000
TOTAL OPERATING EXPENDITURES:	17,000				17,000
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	100,000				100,000

How is this request connected to institution/agency and Board strategic plans:

Goal II.6. Access: Increase student access to relevant medical education programs (e.g., medical residents and physicians)

This is a request for an addition to an existing agency contract, the Idaho WWAMI Medical Program, to develop an Office of Graduate Medical Education (GME), to be located at the UI Boise Center. This office would be a collaborative expansion of the Idaho State Board of Education's contract with the University of Washington School of Medicine's WWAMI Program and its state partner, the University of Idaho. The Idaho WWAMI GME Office would bring a single-point, in-state focus to supporting and expanding GME in Idaho, through work with existing GME (medical residency) programs and through facilitation and support of the development of new GME programs across Idaho.

The Idaho WWAMI GME Office would work to increase access to medical education in Idaho at the graduate or residency level, both in existing residency programs (family medicine, internal

ONE-TIME UNIQUE

medicine, psychiatry) and through the development of new residency programs at regional medical centers in Idaho. Several study groups have concluded that increasing the number of resident physicians in training in Idaho is perhaps the fastest way to increase the physician workforce in our state, particularly for primary care physicians. Medical residents who complete their training as physicians in Idaho are more likely to identify opportunities for continuing medical practice in Idaho, once their training is complete.

In addition, this GME office and staff could provide coordination and reporting for all non-university or community-based residency (GME) programs that receive Board of Education funding in Idaho. Currently, three of the four Idaho residency programs are non-university or community-based programs, and that number is expected to increase throughout the state.

Performance Measure: Number of medical resident physicians in Idaho GME programs per 100K of Idaho's population.

Benchmark: Number of medical resident physicians in Idaho GME programs (per 100K of Idaho's general population) will increase each year until favorable with other states in the Northwest.

Description:

Expanding medical residency training (GME) in Idaho has been identified as an educational and funding priority by the State Board of Education (1/26/09), the Legislative Medical Education Interim Committee (11/12/08), Idaho Hospital Association (10/4/08), the Idaho Medical Association (8/10/08), and the state-funded MGT Medical Education Study (11/1/07). But nowhere in Idaho is there a central office charged with coordinating this support, funding, expansion, and development. The current four residency programs in Idaho (2 Family Medicine, 1 Internal Medicine, 1 Psychiatry) are all affiliated with or part of the UW School of Medicine WWAMI network of residency programs, but function independently from one another. While maintaining each program's independence, the Idaho WWAMI GME Office would identify ways to support increased educational activities, funding, recruitment, collaboration, and expansion among existing GME programs, as well as work to identify, support, and assist in the development of new GME sites and programs in Idaho. The office would be located centrally at the UI Boise Center, in proximity to three of the existing GME programs in Idaho, and near the offices of the Idaho Medical Association, the Idaho Hospital Association, and the State Board of Education.

The Idaho WWAMI GME Office would be staffed by a part-time physician-director (.25 FTE) and a part-time administrative assistant (.25 FTE). The physician director would also be a licensed physician in Idaho with prior GME faculty experience. The assistant staff member would be a shared position with the WWAMI Clinical Medical Education Office at the UI Boise Center. Both positions would be benefit-eligible either through UI or their other shared employer. Operating expenses include the costs of maintaining and operating an office, travel to support, assess, and coordinate GME program activities across Idaho and with affiliated accredited programs, and IT (information technology) costs for computer technology and video conferencing. There are no anticipated capital costs. This is an ongoing request for annual funding, as part of an expanded WWAMI contract. The time required for the physician-director and administrative assistant are anticipated to increase to at least 0.5 FTE as the number of GME programs in Idaho expand in the future.

ONE-TIME UNIQUE

The Idaho WWAMI GME Office is an addition to an existing agency and state contract (WWAMI). It will not be a degree or certificate granting unit. The academic programs that this office will work with will maintain their own accreditations, as either a LCME-accredited medical school or ACGME-accredited residency program. This office will also participate in supporting the process of accreditation for any newly developed GME programs in Idaho.

There is no similar office to coordinate development, expansion, and funding of GME throughout Idaho. As Idaho's responsibility center for regional, contracted medical education over the past 37 years, the Idaho WWAMI Medical Education Program is strategically positioned to take on coordination of Graduate Medical Education support, development, and expansion throughout the State. As Idaho's needs expand, so should the WWAMI Program partnership in Idaho. Developing an Idaho WWAMI GME Office at UI Boise is a logical next step toward the established recommendations of the State Board of Education and multiple groups that have spent many hours studying and planning for Idaho's medical needs and future.

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ONE-TIME UNIQUE

AGENCY: Special Programs
 FUNCTION: Forest Utilization Research
 ACTIVITY:

Agency No.: 516
 Function No.: 01
 Activity No.:

FY 2011 Request
 Page 1 of 2 Pages
 Original Submission X or
 Revision No.

A: Decision Unit No: 12.01		Title: CEC Increase for Faculty and Staff			Priority Ranking 1 of 1
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	10,500				10,500
2. Benefits	2,500				2,500
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	13,000				13,000
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	13,000				13,000

How connected to institution/agency and Board strategic plans:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement.*

Description:

The University of Idaho is requesting a CEC increase for FY 2011 in the amount of 3% based on FY 2010 salaries of \$350,885. According to the National Center for Institutional Data Statistics, faculty salary averages for FY 2008, the most recent year published, comparing the University of Idaho with its seventeen peer institutions are:

ONE-TIME UNIQUE

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$57,569	\$63,675	\$73,082
Associate Professor	\$67,437	\$71,865	\$82,776
Professor	\$86,525	\$100,514	\$117,302

In terms of ranking, the University of Idaho ranked 16th, 15th, and 15th for associate professors, professors, and assistant professors respectively. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested for FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Special Programs
 FUNCTION: Idaho Geological Survey
 ACTIVITY:

Agency No.: 516
 Function No.: 02
 Activity No.:

FY 2011 Request
 Page 1 of 2 Pages
 Original Submission X or
 Revision No. ____

A: Decision Unit No: 12.01		Title: Critical Mission Capability			Priority Ranking 1 of 2
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES					
1. Travel for research and outreach	25,000				25,000
2. Maintenance of Web site for delivery of geologic information	5,000				5,000
3. Office operations	25,000				25,000
TOTAL OPERATING EXPENDITURES:	55,000				55,000
CAPITAL OUTLAY by summary object:					
TOTAL CAPITAL OUTLAY:	0.00				0.00
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	55,000				55,000

How connected to institution/agency and Board strategic plans:

Goals: Access and Quality.

Meet mission to study and communicate geologic hazards (earthquakes, landslides, etc.) for safety and to mitigate loss of lives and property in Idaho.

Conduct and enhance the state's benefits and outcomes from field research from the Idaho Geological Survey's main office in Moscow and branch offices in Boise and Pocatello.

Invest in research and outreach as a means of contributing to learning and the land-grant responsibilities of the University.

Provide high quality current geologic information for application, and integration to address issues of importance to the citizens, government, economy, and the environment in the state of Idaho.

ONE-TIME UNIQUE

Sustain operation of mission critical programs for growing demand of digital and GIS compatible geologic information (energy resources, geologic mapping, hydrogeology, mines and minerals, and geologic hazards) that encompass cultural, economic, legal, scientific, policy, environmental decisions for government, decision makers, industry, and citizens.

Description:

Fund the mission capability of IGS to respond to Idaho's growing demand for geologic information. Operation expenses to support the continued state benefits and outcomes from the Idaho Geological Survey's main office in Moscow and branch offices in Boise and Pocatello are a top priority. Office and travel expenses for agency state-mission applied research and delivery of geologic information (geology for growth corridors, energy resources, highway routes, mining geology and mines, geologic hazards, groundwater protection, and aquifer modeling) is a necessity. The Survey's Web site has become the primary delivery system for all geologic information produced and provided by the Survey. Client demand for Internet products and information is outpacing the current configuration of the Survey's Web site and part of the requested funds includes required web site maintenance.

Performance Measures:

- Number of Published Reports on Geology/Hydrology/Hazards/Mineral Resources
- Cumulative percent of Idaho's area covered by modern geologic mapping
- Number of Website Products used
- Number of Published Reports on Geology/Hydrology/Hazards/Mineral Resources

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AGENCY: Special Programs
 FUNCTION: Idaho Geological Survey
 ACTIVITY:

Agency No.: 516
 Function No.: 02
 Activity No.:

FY 2011 Request
 Page 1 of 2 Pages
 Original Submission X or
 Revision No.

A: Decision Unit No: 12.02		Title: CEC increase for faculty and staff			Priority Ranking 2 of 2
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	16,600				16,400
2. Benefits	3,900				3,900
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	20,500				20,500
OPERATING EXPENDITURES by summary object:					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	20,500				20,500

How connected to institution/agency and Board strategic plans:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement.*

Description:

The University of Idaho is requesting a CEC increase for FY 2011 in the amount of 3% based on FY 2010 salaries of \$551,656. According to the National Center for Institutional Data Statistics, faculty salary averages for FY 2008, the most recent year published, comparing the University of Idaho with its seventeen peer institutions are:

ONE-TIME UNIQUE

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$57,569	\$63,675	\$73,082
Associate Professor	\$67,437	\$71,865	\$82,776
Professor	\$86,525	\$100,514	\$117,302

In terms of ranking, the University of Idaho ranked 16th, 15th, and 15th for associate professors, professors, and assistant professors respectively. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
 - b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
 - c. List any additional operating funds and capital items needed.
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. This was requested in FY 2010.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Idaho State University
FUNCTION: Idaho Museum of Natural History

Agency No.: 513

FY 2011 Request

Function No.: 3000

Page 1 of 3 Pages
 Original Submission X or
 Revision No.

ACTIVITY: G. One-time Projects

Activity No.:

Maintenance and Expansion of the					
A: Decision Unit No: 12	Title: Idaho Museum of Natural History			Priority Ranking 1 of 1	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries					
2. Benefits					
3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES by summary object:					
1. Travel					
2. Materials & Supplies					
TOTAL OPERATING EXPENDITURES					
CAPITAL OUTLAY by summary object:					
1. Collections management equipment and exhibit planning and preparation, related to IMNH accreditation	518,500				518,500
TOTAL CAPITAL OUTLAY:	518,500				518,500
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	518,500				518,500

How connected to institution/agency and Board strategic plans:

The Idaho Museum of Natural History (IMNH) actively nurtures an understanding of and delight in Idaho's natural and cultural heritage. As the official state museum of natural history, it acquires, preserves, studies, researches, interprets and displays natural and cultural objects for Idaho residents, visitors and the world's community of students and scholars. The IMNH is the state's official museum of natural history and a significant investment in its future is needed to support the mission of continuing to serving the state and caring for its extensive collections. IMNH efforts further the following goals, as articulated in both the ISU and SBOE current strategic plans:

Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: Access and Quality)

Goal 2 — Increase the University's research profile to strengthen our institutional curricula and ability to meet societal needs through the creation of new knowledge. (SBOE Main Goals: Quality and Access)

Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: Quality and Access)

ONE-TIME UNIQUE

Goal 5 — Focus institutional, instructional, and research expertise on community and societal needs throughout the state, region, nation, and world. (SBOE Main Goals: Quality and Access)

Description:

The Idaho Museum of Natural History serves citizens of the State of Idaho through both the provision of educational resources and programming and research focused on understanding the role of humans and their natural surroundings. IMNH holds collections in three different areas – Anthropology, Earth Sciences, and Life Sciences – that cover the local natural and cultural heritage of Idaho and the Northern Intermountain West. Ensuring that the museum achieves reaccreditation in 2009 and its stated mission and goals will require that several collections management and curatorial positions be expanded or created. In addition, to think and act strategically, to conduct research, to acquire, to develop and to care for its collections the museum requires resources in a number of other key areas, including materials and supplies, travel, communications, and additional square footage.

The Idaho Museum of Natural History's recent accreditation review suggested several areas that must be addressed to maintain the health and vitality of the Museum's collections management and display capabilities. This line item budget request includes one-time capital outlay funding in the amount of \$518,500 to support IMNH in its efforts to continue collecting and preserving natural history specimens and related research documentation. The equipment and supplies listed are critical for appropriate storage and processing. Security is minimal, limited to simple key access. Remodeling the warehouse is important for the preservation and care of specimens. Irreplaceable specimens worth millions of dollars and the mission statement of the IMNH obligate us to take proper care of the collections. The capital outlay funding is detailed below.

IMNH Capital Outlay/Capital Maintenance Requests

— Surveillance Cameras, motion detectors, control panels, Key pads for motion detectors for museum galleries and collections areas. Key coded door locks for offices and galleries	\$25,000
— Earth Science Collection – 1700 specimen drawers — Anthropology, Earth Science and Registrar Melink Locking letter sized 4-drawyer fire files 10 cabinets	\$102,000
— Steel Fixture – specimen cabinets for Earth Science 10 cases with hinges mixed	\$36,000
— Mayline steel map cabinet	\$60,200
— Computer and software for cataloguing specimens In the herbarium and computer system updates in the IMNH	\$15,000
— Make structural changes to exhibit galleries	\$40,300
— Articulate and display several ice age animal specimens for gallery expansion including a dire wolf, bison, saber-tooth cat, ground sloth, mammoth, and an American Lion	\$65,000
— Upgraded equipment for environmental monitoring for all museum spaces	\$150,000
	\$25,000

Total: \$518,500.00

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **See above. The request is for one-time appropriations.**
2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **See above.**

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- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **NA**
- c. List any additional operating funds and capital items needed. **None.**
3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **See above. Request is for \$518,500 in one-time funding.**
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **See above.**
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first. **This is a new request for one-time appropriated funding.**

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ONE-TIME UNIQUE

AGENCY: Special Programs

Agency No.: 516

FY 2011 Request

FUNCTION: Tech Help

Function No.: 08

Page 1 of 4 Pages

ACTIVITY:

Activity No.:

Original Submission X or

Revision No.

Title: Product
Innovation
Outreach

A: Decision Unit No: 12.01		Title: Product Innovation Outreach			Priority Ranking 1 of 1
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries			213,000		213,000
2. Benefits			37,300		37,300
3. Group Position Funding					
TOTAL PERSONNEL COSTS:			250,300		250,300
OPERATING EXPENDITURES by summary object:					
1. Supplies & Materials				50,000	50,000
2. Professional Services				15,000	15,000
3. Travel				10,000	10,000
TOTAL OPERATING EXPENDITURES:				75,000	75,000
CAPITAL OUTLAY by summary object:					
1. Stereolithography Rapid Prototyping Equipment	200,000				200,000
TOTAL CAPITAL OUTLAY:	200,000				200,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	200,000		250,300	75,000	525,300

How connected to institution/agency and Board strategic plans:

The Product Innovation Outreach Initiative will bridge the state’s higher education resources with the needs of the state’s manufacturing community to accelerate the development and launch of innovative products into the marketplace while, at the same time, creating real-world learning experiences for select students. The initiative will help to achieve the Idaho State Board of Education’s vision and mission of “a well-educated Idaho” that will “improve the quality of life and enhance global competitiveness.” In particular, the initiative will help to achieve the following goals of the Board’s strategic plan.

ONE-TIME UNIQUE

- Support and enhance the state's infrastructure and capacity for collaborative research efforts within and among Idaho public universities and colleges and between those institutions and various state, federal, NGO, and private entities.
- Increase student access to programs that produce graduates qualified to enter high-demand careers, as defined by the Department of Labor.

Description:

TechHelp requests a one-time budget enhancement of \$200,000 to purchase a stereolithography (SLA) rapid prototyping instrument. An SLA machine uses computer designs to convert liquid plastic material into solid three-dimensional objects in a matter of hours with an ultraviolet laser. By turning ideas into parts, Idaho companies and inventors are able to produce and test a first part before having to invest in expensive tooling. In addition, the innovation process is accelerated by cutting the time for that first part from months to hours.

The SLA machine purchased with this one-time funding will replace similar, aging equipment that will exceed its usable lifetime in FY 2010. The current SLA machine was purchased six years ago with a federal grant and has already undergone considerable, expensive maintenance.

The SLA machine also provides valuable learning experience for BSU engineering students. TechHelp employs four BSU engineering students at the BSU New Product Development (NPD) Laboratory. Under the mentoring of TechHelp engineers and a College of Engineering faculty member, the students create digital designs to bring an inventor's concept to life. The digital design is then fed into the SLA machine to create the first part that the inventor or company can then use to test the real-world functionality of its concept.

The result is a win-win-win situation for the BSU engineering students, the state's economy, and BSU's role as a leader of the community. The students receive valuable learning experiences that are unavailable in the classroom. Students from the NPD Lab routinely have job offers upon graduation, often from companies with which they have worked. Idaho companies and inventors are able to speed the rate of innovation while at the same time lowering the cost of innovation significantly. The contributions of BSU to the community through the NPD Lab are widely recognized and valued by the community. Demand for services is keeping the BSU NPD Lab operating at full capacity and the BSU NPD Lab is often featured during legislative tours and in business publications.

As an example, the owner of Rekluse Motor Sports in Boise had an idea for an automatic motorcycle clutch that would overcome the design flaws of existing products. Working with TechHelp and the BSU NPD Lab, Rekluse was able to go from concept through development, testing and product launch in less than six months. Annual sales immediately exceeded \$1 million and continue to grow, and Rekluse hired one of the engineering students as its product development manager. Rekluse President Al Youngwerth said that "the successful development of the z-Start clutch is a testament to the value and quality of TechHelp's services. I can honestly say that without TechHelp, Rekluse Motor Sports and the z-Start clutch would not exist today."

In the last two years, the NPD Lab has conducted 138 projects for 72 companies. Those companies have reported \$2.18 million in sales, \$1.46 million in cost savings, and 27 jobs as direct results of their projects with the NPD Lab.

None of these results would have occurred without the SLA machine. Without replacement of the SLA machine, the design and prototyping services of the NPD Lab will likely be discontinued with the eventual failure of the current SLA machine.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

TechHelp requests a one-time budget enhancement of \$200,000 to purchase a stereolithography (SLA) rapid prototyping instrument. The SLA machine greatly reduces the time and cost of designing new products thereby benefiting the Boise and state economies. Moreover, the SLA machine creates the opportunity for BSU engineering students to be immersed in challenging product design projects that provide real-world learning experiences beyond the classroom.

TechHelp would continue to allocate two full-time engineers, one half-time technician, and four part-time engineering student employees to the NPD Lab. These positions are funded solely with grants and program income.

2. What resources are necessary to implement this request?
 - a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

No new positions are necessary to implement this request.

- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

No existing human resources would be redirected to this effort. However, current human resources – two full-time engineers, one half-time technician, and four part-time engineering student employees – would be maintained.

- c. List any additional operating funds and capital items needed.

None.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

Based on current funding levels, non-general funds would include \$250,300 from federal grants and \$75,000 from program income. These amounts assume federal grant funding and client demand continue at current levels. One federal grant was just renewed for the fourteenth consecutive year and the other will soon be renewed for another three-year period.

ONE-TIME UNIQUE

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

In the last two years, the NPD Lab has conducted 138 projects for 72 Idaho companies. Those companies have reported \$2.18 million in sales, \$1.46 million in cost savings, and 27 jobs as direct results of their projects with the NPD Lab. With replacement of the SLA machine, these results will continue.

Without replacement of the SLA machine, the design and prototyping services of the NPD Lab will be discontinued with the eventual failure of the current SLA machine. At that time, the NPD would cease operation, all but one professional staff would be terminated and none of the client economic impacts would occur.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

The request is a high priority item now as the current SLA machine nears the end of its usable lifetime. The one high-priority, non-appropriated line item from the FY 2010 budget request is not requested again in FY 2011 because of the immediacy of the SLA machine.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Idaho Public Television
FUNCTION: Idaho Public Television
ACTIVITY:

Agency No.: 520
 Function No.: 01
 Activity No.:

FY 2011 Request
 Page 1__ of 4_ Pages
 Original Submission X or
 Revision No. ____

A: Decision Unit No: 1		Title: Idaho Experience			Priority Ranking 1 of 1
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	3.00				3.00
PERSONNEL COSTS:					
1. Salaries	127,749				127,749
2. Benefits	55,397				55,397
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	183,146				183,146
OPERATING EXPENDITURES by summary object:					
1. Professional Services	55,000				55,000
2. Administrative Services	10,000				10,000
3. Travel Costs/Specific Use Supplies	34,500				34,500
TOTAL OPERATING EXPENDITURES:	100,400				100,400
CAPITAL OUTLAY by summary object:					
1. Computers (3) laptops	3,600				3,600
2. Vehicle	27,500				27,500
TOTAL CAPITAL OUTLAY:	31,100				31,100
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	314,646				314,646

How connected to institution/agency and Board strategic plans:

Goal 1.1. The SBoE Goal 1 of Quality is to set policy and advocate for continuous improvement of the quality of Idaho’s educational system. IdahoPTV’s goal is to provide high quality television programming and new media content.

Description:

For the 2009 legislative session, both the State Board of Education and Governor Otter recommended funding for the Idaho Experience Line Item request. For the 2010 legislative session, this request was approved by the State Board of Education.

IdahoPTV is once again requesting funds and personnel to create a television multi-media series that would examine our state’s rich legacy of historical events. This on-going effort would have an extensive Web site component and be aligned with Idaho school curriculum. Similar to

ONE-TIME UNIQUE

the PBS program, THE AMERICAN EXPERIENCE, the series would be produced in a collaborative effort with the Idaho Historical Society and other educational institutions.

Questions:

1. What is being requested and why?

Idaho Public Television is committed to presenting Idaho historical stories in a way that preserves and enhances our heritage. Toward that end, we propose to produce two documentaries and related Web sites annually, in the tradition of PBS' AMERICAN EXPERIENCE or AMERICAN MASTERS, and to make them available to students, teachers and the Idaho public.

To date, there are no other known efforts to produce comprehensive multi-media documentaries about influential Idahoans and the forces that shaped our state, similar to what was accomplished with our program ASSASSINATION: IDAHO'S TRIAL OF THE CENTURY.

That award-winning documentary was made possible through the persevering efforts of private individuals and corporations, who helped raise \$100,000 specifically for that project. The hour-long program has aired numerous times throughout the state. Enhanced DVDs have been sent to Idaho's public schools and the award-winning Web site is available to students and researchers alike. It is becoming the repository of information for that important period in Idaho's history.

Using ASSASSINATION as a template, each new documentary will be broadcast several times throughout the state, with unlimited off-air record rights for educational institutions. Enhanced DVDs and web-based media of the programs will be available to the Idaho Commission for Libraries for circulation to libraries throughout Idaho via interlibrary loan. The documentaries will be closed-captioned for the hearing impaired and a companion Web site will be developed to take the program beyond the television screen and enhance educational opportunities for Idaho's teachers and students.

Working together with the Idaho State Historical Society and Idaho's universities and colleges, we will help to conserve Idaho's heritage by preserving valuable, unique documents and artifacts that are presently stored in the partners' collections but are unusable because of their fragile condition.

Idaho Public Television believes this project will generate excitement to produce other Idaho Experience documentaries. In addition to State of Idaho contributions to this effort, Idaho Public Television will seek additional resources to enhance and expand this effort to beyond the two annual program topics.

What is the agency staffing level for this activity and how much funding by source is in the base?

N/A

2. What resources are necessary to implement this request?

ONE-TIME UNIQUE

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

Web Developer, pay grade L, full-time, classified, anticipated hire date July 1, 2010, salary cost estimated at \$46,725; benefited with benefit costs estimated at \$19,367, position on-going.

PTV Writer/Reporter/Producer, pay grade L, full-time, classified, anticipated hire date July 1, 2010, salary cost estimated at \$46,725; benefited with benefit costs estimated at \$19,367, position on-going.

PTV Director/Videographer, pay grade J, full-time, classified, anticipated hire date July 1, 2010, salary cost estimated at \$34,299; benefited with benefit costs estimated at \$16,663, position on-going.

- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

The primary human resources that will be redirected are portions of time from the Executive Producer and Production Manager for oversight of the series. In addition, existing technical/engineering, promotional and administrative (primarily fiscal) personnel support. The series will utilize existing field camera equipment, studios, production control, and editing suites. A vehicle would be needed to ensure travel was possible.

- c. List any additional operating funds and capital items needed.

IdahoPTV will need new computers for use by the new positions along with workspace modifications. A vehicle is listed to accommodate the travel that will be needed. This series will be filmed throughout Idaho and some limited out-of-state locations.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

N/A

Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

N/A

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

The population of Idaho would be impacted most. There are historical issues unique to Idaho that should be documented for a viewing audience. Idaho schools would be benefitted by the extensive Web site planned for this series and DVDs, web streaming, and

ONE-TIME UNIQUE

on-air programming would be distributed by IdahoPTV. Certain programs from this series may have regional and national broadcast potential.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

N/A

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

ONE-TIME UNIQUE

AGENCY: Idaho Public Television
 FUNCTION: Idaho Public Television
 ACTIVITY:

Agency No.: 520
 Function No.: 01
 Activity No.:

FY 2011 Request
 Page 1 of 3 Pages
 Original Submission X or
 Revision No.

Idaho Legislature Live/Multimedia					
A: Decision Unit No: 2	Title: Personnel			Priority Ranking 1 of 1	
DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	2.00				2.00
PERSONNEL COSTS:					
1. Salaries	75,845				75,845
2. Benefits	34,924				34,924
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	110,769				110,769
OPERATING EXPENDITURES by summary object:					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY by summary object:					
1. Computers (2) laptops	2,400				2,400
2. Office equipment	3,500				3,500
TOTAL CAPITAL OUTLAY:	5,900				5,900
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	116,689				116,689

How connected to institution/agency and Board strategic plans:

Goal 1.3. The SBoE Goal 1 of Quality is to set policy and advocate for continuous improvement of the quality of Idaho's educational system. IdahoPTV's goal is to provide an increasing amount of channel hours of Idaho-specific educational and informational programming each year.

Goal 2.5. The SBoE Goal 2 of Access is to set policy and advocate for improving access for individuals of all ages, abilities, and economic means to Idaho's educational system. IdahoPTV's goal is to increase each year access to governmental and civics related educational services that will contribute to a well-informed population and increase the amount of available channel hours of Idaho civics-related programming.

Description:

As a result of S1491 (2006), IdahoPTV was directed to oversee (in partnership with Legislative Services and the Department of Administration), Idaho Legislature Live coverage on the Web and broadcast.

Idaho Legislature Live currently includes gavel-to-gavel coverage of the Idaho House, Senate and Joint Finance – Appropriations Committee (JFAC). Beginning with the 2010 Legislative Session, the coverage will move from the current Annex Building location back to the remodeled Idaho State Capitol.

Since its inception, IdahoPTV has self-funded entirely the operational costs required to provide Idaho Legislature Live coverage. This has included personnel costs and regular operating expenses.

IdahoPTV requests two positions to assist with this coverage and to be available to enhance our new media activities at times when Idaho Legislature Live is not active. We believe that it is only reasonable that the state assist with a portion of the operational costs for this service that benefits citizens statewide. IdahoPTV will continue to provide additional in-kind personnel and basic operating cost to enable Idaho Legislature Live coverage including production management, engineering maintenance, Web site management and information technology support. We cannot maintain the current level of service indefinitely.

When Idaho Legislature Live functions are not active, the requested positions will work on IdahoPTV new media initiatives including content creation and archiving of content.

Questions:

1. What is being requested and why?

For the first two years of coverage, no state funds were made available to cover the personnel costs associated with the Idaho Legislature Live coverage. These activities were funded with non-state resources. We request these funds to ensure sustainability of the Idaho Legislature Live initiative and to allow for the expansion of committee coverage.

What is the agency staffing level for this activity and how much funding by source is in the base?

N/A

2. What resources are necessary to implement this request?

- a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

Web Developer, pay grade L, full-time, classified, anticipated hire date July 1, 2010, salary cost estimated at \$46,725; benefited with benefit costs estimated at \$19,367, position on-going.

ONE-TIME UNIQUE

PTV Digital Broadcast Systems Operator, pay grade I, full-time, classified, anticipated hire date July 1, 2010, salary cost estimated at \$29,120; benefited with benefit costs estimated at \$15,557, position on-going.

- b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

If funded, IdahoPTV will continue to redirect the efforts of the following personnel to this effort:

-Broadcast System Operator:	To supervise the requested 2 positions.
-IT Systems Supervisor:	To maintain current IT systems.
-Broadcast Maintenance Engineer:	To maintain current camera systems.
-Production Manager:	To supervise the project.

- c. List any additional operating funds and capital items needed.

IdahoPTV will need new computers for use by the new positions along with workspace modifications.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

N/A

Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

N/A

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

The entire population of Idaho will benefit. Idaho Legislature Live is available via digital television and on the Web.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2010 budget request are not prioritized first.

N/A

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

BOISE STATE UNIVERSITY

SUBJECT

Student Health Insurance Plan (SHIP) Renewal 2009-2010

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections III.P.16 and V.R.3.b.

BACKGROUND/DISCUSSION

Boise State University has negotiated with its current insurer, Maksin Group, a student health insurance rate of \$785.00 per semester for the 2009-2010 academic year. This rate is an \$88.00 (12.6 percent) increase over the current rate. This increase is due to both medical inflationary trending of 7 percent and the high utilization of community health resources by students. Total health care claims costs are projected to total 97 percent of premium revenue collected for the current policy year, meaning for every \$100 of premium revenue collected, students are incurring \$97 of health service claims expense. The underwriter's targeted loss ratio is 78 percent.

	<u>2008/2009 Premiums</u>	<u>2009/2010 Premiums</u>
Student Annual	\$785	\$785
Spouse Annual	\$1,111	\$1,555
One Child Annual	\$948	\$1,327
Children Annual	\$1,237	\$1,732
Athletic Supplement	\$214	\$299

IMPACT

The benefit package offered by this plan provides for the relevant student needs for specialty, hospital in-patient and emergency health care services. The high utilization of services reflects the success of the SHIP program, i.e., that there is tremendous demand for a comprehensive student health insurance plan to provide students a safety net of pooled risk coverage for their existing health care needs and expenses. SHIP benefits will cover and pay over \$5.8 million in Boise State University student health care claims for the policy year 2008-09.

Boise State University, in conjunction with Idaho State University and Lewis-Clark State College, is developing a statewide SHIP consortium to increase purchasing power, provide higher quality care, maximize operational efficiencies, and increase predictability of costs. We expect that a SHIP purchasing consortium will result in greater student health care cost controls and cost effectiveness. Students will receive more value from their health insurance premium dollars, reducing long-term premium levels and out-of-pocket costs and/or allowing for expanded health benefits coverage.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

STAFF COMMENTS AND RECOMMENDATIONS

Institutional representatives will be available to discuss proposed student health insurance rates.

Policy allows the Board to delegate the approval of these rates to the chief executive officer without a reporting requirement. Historically, the institutions have approved the rates and submitted them as an information item even though a review of past agendas and minutes has not confirmed a prior delegation by the Board. The Board is asked to formally delegate the approval of the student health insurance premiums to the chief executive officer.

BOARD ACTION

A motion by Boise State University to approve the 2009/2010 student health insurance premiums, and to permanently delegate to the executive officer the approval of these rates.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

IDAHO STATE UNIVERSITY

SUBJECT

Student Health Insurance Plan (SHIP) Renewal 2009-2010

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections III.P.16 and V.R.3.b.

BACKGROUND/ DISCUSSION

Idaho State University offers Student Health Insurance as a requirement for full fee paying students without adequate health insurance coverage. This is in compliance with Board policy. Students are automatically enrolled in the coverage unless they provide evidence of alternative coverage. The current contract with Academic Health Plans requires annual negotiation.

Idaho State University (ISU) is dedicated to providing an affordable student health insurance that will protect students against financial impact of illness or injuries while they are pursuing their educational goals. ISU currently contracts with Academic Health Plans (AHP) with the plan underwritten by ACE American Insurance. ACE is rated a+ (superior) by A.M. Best. Academic Health Plans specializes in student health insurance. ISU continues to search for ways to control rising premiums while at the same time providing adequate health insurance.

Plan changes for the academic year 2009-2010 include:

1. Change eligibility from all full-time domestic students taking eight (8) or more credits to all full-time fee paying domestic undergraduate students taking 12 or more credit hours and domestic graduate students taking nine (9) or more credits who, by current fee structure or by contractual agreement, are required to pay full-time fees are automatically enrolled in the student health insurance plan.
2. Domestic undergraduate students taking 10 or 11 credits will be eligible to enroll in the plan on a voluntary basis for an additional premium by completing an enrollment form before the deadline.
3. AHP plus discount dental, vision, and prescription drugs has been added to the Plan for the 2009-2010 program.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

	<u>2008/2009 Premiums</u>	<u>2009/2010 Premiums</u>
Student Annual	\$1,156	\$1,294
Student Voluntary (10 or 11 Cr)		\$1,552
Spouse Annual	\$3,330	\$3,330
Children Annual	\$1,424	\$1,424
Session Rate	\$238/Session	\$293/Session

The student health insurance plan offers optional catastrophic coverage up to \$100,000 maximum with premium based on the age of student.

IMPACT

The student health insurance contract does not obligate the University for payment to the contractor. ISU has negotiated with Academic Health Plans at a student rate of \$647/semester for the 2009-2010 academic year, which is an increase of 11.94%. The proposed premium cost includes a \$32,000 administrative fee to be paid to ISU Student Health Insurance Office.

STAFF COMMENTS AND RECOMMENDATIONS

Institutional representatives will be available to discuss proposed student health insurance rates.

Policy allows the Board to delegate the approval of these rates to the chief executive officer without a reporting requirement. Historically, the institutions have approved the rates and submitted them as an information item even though a review of past agendas and minutes has not confirmed a prior delegation by the Board. The Board is asked to formally delegate the approval of the student health insurance premiums to the chief executive officer.

BOARD ACTION

A motion by Idaho State University to approve the 2009/2010 student health insurance premiums, and to permanently delegate to the executive officer the approval of these rates.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

LEWIS-CLARK STATE COLLEGE

SUBJECT

Student Health Insurance Plan (SHIP) renewal 2009-2010

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections III.P.16 and V.R.3.b.

BACKGROUND/ DISCUSSION

Lewis-Clark State College entered into a contract for student health insurance with Renaissance Agencies, Inc., underwritten by Guarantee Trust Life Insurance Company, for FY2004. The Contract Period was for one (1) year with option to renew upon mutual agreement of the contracting parties for one (1) year intervals for a total of five (5) consecutive renewals. LCSC has elected to renew coverage. For FY2005, the premium for full-time students was \$365.00 per year. For FY2006, the guarantor was changed to Nationwide Life Insurance Company and the premium was \$730.00 per year. For FY2007 the premium for full-time students was \$1,114.00 per year. The premium for full-time students was \$1,240.00 per year for FY2008 and FY2009.

Effective for the Fall semester 2009, the premium for full-time students will increase to \$1,290.00 per year, with a maximum benefit of \$50,000 per injury or sickness.

As required by Board policy, all Full Fee-Paying students enrolled in twelve (12) or more credit hours will automatically be covered under the College's SHIP. The premium will automatically be charged to all international students, regardless of credit hours, and all full-fee paying domestic students each semester. Domestic students with existing health insurance coverage will be exempted from participation in the SHIP offered by the College by completing and filing a waiver each academic semester and providing proof of comparable insurance as requested.

PREMIUM - \$250 Deductible, \$50,000 Maximum for Basic Benefits For all Eligible Students (SHIP includes Intercollegiate Athletic Injury Coverage – \$2,500 max as a listed benefit)		
	Fall	Spring
Student Only	542.00	748.00
Student & Spouse	1,288.00	1,778.00
Student & Child(ren)	1,318.00	1,819.00
Student, Spouse & Child(ren)	2,063.00	2,848.00

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Institute for Intensive English (8 week term)	
Institute for Intensive English Students (per 8-week term)	151.00

IMPACT

There is no impact to the College budget. Student health insurance premiums are paid by the students.

STAFF COMMENTS AND RECOMMENDATIONS

Institutional representatives will be available to discuss proposed student health insurance rates.

Policy allows the Board to delegate the approval of these rates to the chief executive officer without a reporting requirement. Historically, the institutions have approved the rates and submitted them as an information item even though a review of past agendas and minutes has not confirmed a prior delegation by the Board. The Board is asked to formally delegate the approval of the student health insurance premiums to the chief executive officer.

BOARD ACTION

A motion by Lewis-Clark State College to approve the 2009/2010 student health insurance premiums, and to permanently delegate to the executive officer the approval of these rates.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

**BOISE STATE UNIVERSITY, IDAHO STATE UNIVERSITY &
UNIVERSITY OF IDAHO**

SUBJECT

University NCAA Academic Progress Rate (APR) Scores

BACKGROUND/DISCUSSION

The APR is determined by using the eligibility and retention for each student-athlete on scholarship during a particular academic year. Student-athletes are awarded points for each semester they are enrolled and for each semester they are eligible for intercollegiate competition. The APR is calculated by taking the number of possible points and dividing that number by the total number of points earned from retention and eligibility over the same period of time.

The NCAA instituted the APR requirements beginning in the 2003-04 academic year. Beginning in the fall of 2007, the APR is based on four years of data and every year thereafter, the most current year's data will be added and the oldest year will be removed to create a four-year rolling rate. The benchmark minimum score is 925.

IMPACT

Contemporaneous financial aid penalties can be applied if an athletic team's APR score is below 925. Teams that fall under the contemporaneous penalties risk the loss of future scholarships.

This is the third year institutions will be subject to historically based penalties. In the first stage of that structure, teams with APRs below 900 will receive a public warning. If those same teams continue to fall below the 900 cut line, they will be subject to a variety of playing and practice season restrictions, based on a formula that includes a measurement of the team's improvement over the last several years.

After the second year, penalties will become progressively more severe, eventually banning teams from postseason play.

ATTACHMENTS

Attachment 1 – Institution narrative and NCAA 2007 – 2008 Academic Progress Rates

Boise State University	Page 3
Idaho State University	Page 9
University of Idaho	Page 15

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

STAFF COMMENTS AND RECOMMENDATIONS

As noted in the above section, each institution was asked by the Athletic Committee to provide a statement regarding APR and how the NCAA requirement affects that institution. Following the statement from each institution are the NCAA APR sheets for all sports at that institution.

Staff recommends the institutions and Board consider using the APR in head coach's contracts to a greater extent than is currently occurring. At present, bonuses tied to APR scores are relatively minor compared to incentives for such items as team record or rankings. Increasing the incentive for academic achievement along with athletic achievement will be a benefit to the student athlete in the long run.

BOARD ACTION

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Boise State University
Spring 2009 APR Report Summary

Boise State University Athletic Department continues to improve its Academic Progress Rate in the 2009 Report. The Department APR average per team (18 teams on the report) is now up to 961.4 and a total department APR has risen to 950. 17 of the 18 teams on this year's report improved their scores from last year. Boise State teams led the Western Athletic Conference (WAC) in 5 sports: Football (966), Men's Basketball (962), Men's Tennis (1000), Outdoor Men's Track & Field (950), and Men's Cross-Country (984). A total of nine (9) Boise State University athletic teams were ranked in the top 3 in the WAC for their sport. Men's Tennis was ranked in the Top 10% nationally for their sport and the Football team's APR is in the top 20 nationally for all Division IA (Bowl Championship Subdivision).

The Men's Golf team was not able to improve its 4-year APR enough to avoid a penalty in the 2009 report. The continued implementation of an academic recovery plan has shown positive results and the team is on track to avoid any future penalties and come back in line with the academic success of all the other intercollegiate athletic teams at Boise State University.

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: Boise State University

Date of Report: 05/01/2009

This report is based on NCAA Division I Academic Progress Rate (APR) data submitted by the institution for the 2004-05, 2005-06, 2006-07, and 2007-08 academic years.

*[Note: All information contained in this report is for four academic years. Some squads may still have small sample sizes within certain sport groups. In accordance with the Family Educational Rights and Privacy Act's (FERPA's) interpretation of federal privacy regulations, data cells containing three or fewer student-athletes have been suppressed and are indicated by an * symbol.]*

The following chart represents by-sport APR averages for noted subgroups.

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
By Sport - Men's										
Baseball (296)	NA	NA	NA	946	937	965	952		944	939
Basketball (341)	962	70th-80th	30th-40th	933	924	951	934		934	934
Cross Country (307)	984	70th-80th	70th-80th	964	959	976	969		964	964
Football (241)	966	80th-90th	40th-50th	939	931	961	941		935	NA
Fencing (19)	NA	NA	NA	974	963	981	975		981	956
Golf (293)	886	1st-10th	1st-10th	963	956	976	968		958	967
Gymnastics (16)	NA	NA	NA	978	978	983	978		1000	957
Ice Hockey (58)	NA	NA	NA	973	964	981	976		984	980

* Denotes data representing three or fewer student-athletes. In accordance with FERPA's interpretation of federal privacy regulations, institutions should not disclose statistical data contained in this report in cells made up of three or fewer students without student consent.

N/A = No APR or not applicable.

N = Number of teams represented.

¹ Denotes APR that does not subject the team to a contemporaneous penalty because the team is performing better than the institution's general student body, or based on institutional, athletics and student resources.

² Denotes APR that does not subject the team to contemporaneous penalties due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 925 for that team to be subject to contemporaneous penalties. Squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

³ Denotes APR that does not subject the team to historical penalties due to the team's demonstrated academic improvement and favorable comparison based on other academic or institutional factors.

⁴ Denotes APR that does not subject the team to historical penalties due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 900 for that team to be subject to historical penalties. The squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

⁵ Denotes APR based on a one year cohort, not subject to a contemporaneous and/or historical penalty.

⁶ Denotes APR based on a two year cohort, not subject to a historical penalty.

NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: Boise State University

Date of Report: 05/01/2009

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	P u b l i c Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
Lacrosse (57)	NA	NA	NA	972	969	973	982		975	963
Skiing (13)	NA	NA	NA	969	960	990	956		986	964
Soccer (200)	NA	NA	NA	958	949	966	956		966	956
Swimming (137)	NA	NA	NA	967	959	979	966		969	968
Tennis (260)	1000	90th-100th	90th-100th	964	957	975	966		966	962
Track, Indoor (251)	946	30th-40th	20th-30th	953	946	970	954		954	955
Track, Outdoor (275)	950	40th-50th	20th-30th	954	946	972	954		955	956
Volleyball (23)	NA	NA	NA	971	966	976	969		981	974
Water Polo (21)	NA	NA	NA	971	966	974	972		978	964
Wrestling (84)	934	30th-40th	10th-20th	948	942	961	952		947	937
By Sport - Women's										
Basketball (339)	965	40th-50th	40th-50th	962	956	976	963		961	966
Bowling (30)	NA	NA	NA	945	940	958	961		936	962
Cross Country (335)	973	40th-50th	50th-60th	971	967	980	974		975	969
Fencing (23)	NA	NA	NA	979	971	983	977		994	967
Field Hockey (77)	NA	NA	NA	985	982	988	984		987	984

* Denotes data representing three or fewer student-athletes. In accordance with FERPA's interpretation of federal privacy regulations, institutions should not disclose statistical data contained in this report in cells made up of three or fewer students without student consent.

N/A = No APR or not applicable.

N = Number of teams represented.

¹ Denotes APR that does not subject the team to a contemporaneous penalty because the team is performing better than the institution's general student body, or based on institutional, athletics and student resources.

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⁵ Denotes APR based on a one year cohort, not subject to a contemporaneous and/or historical penalty.

⁶ Denotes APR based on a two year cohort, not subject to a historical penalty.

NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: Boise State University

Date of Report: 05/01/2009

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	P u b l i c Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
Golf (244)	975	30th-40th	50th-60th	976	973	984	982		972	975
Gymnastics (63)	980	30th-40th	60th-70th	983	982	990	984		991	977
Ice Hockey (34)	NA	NA	NA	980	972	984	985		989	975
Lacrosse (85)	NA	NA	NA	985	985	985	992		986	979
Rowing (84)	NA	NA	NA	984	977	990	980		990	984
Skiing (14)	NA	NA	NA	975	965	992	967		991	955
Soccer (314)	964	20th-30th	40th-50th	973	967	985	974		973	975
Softball (282)	NA	NA	NA	968	962	981	971		966	968
Swimming (195)	972 ⁶	20th-30th	50th-60th	979	975	986	980		980	979
Tennis (317)	969	30th-40th	40th-50th	974	970	982	976		972	977
Track, Indoor (301)	954	20th-30th	30th-40th	965	959	979	965		969	962
Track, Outdoor (313)	954	20th-30th	30th-40th	966	960	980	966		969	964
Volleyball (325)	972	40th-50th	50th-60th	972	968	981	975		971	973
Water Polo (33)	NA	NA	NA	970	959	980	974		988	965
By Sport - Co-Ed										
Rifle (23)	NA	NA	NA	967	966	978	967		966	981

* Denotes data representing three or fewer student-athletes. In accordance with FERPA's interpretation of federal privacy regulations, institutions should not disclose statistical data contained in this report in cells made up of three or fewer students without student consent.

N/A = No APR or not applicable.

N = Number of teams represented.

¹ Denotes APR that does not subject the team to a contemporaneous penalty because the team is performing better than the institution's general student body, or based on institutional, athletics and student resources.

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³ Denotes APR that does not subject the team to historical penalties due to the team's demonstrated academic improvement and favorable comparison based on other academic or institutional factors.

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⁵ Denotes APR based on a one year cohort, not subject to a contemporaneous and/or historical penalty.

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NCAA Division I 2007 - 2008 Academic Progress Rate Penalty Summary

Institution: Boise State University

Date of Report: 05/01/2009

This report is based on data submitted by the institution for the 2004-05, 2005-06, 2006-07, and 2007-08 academic years.

This report provides a summary of the teams identified at your institution that are subject to a contemporaneous penalty and/or historical penalty and their multiyear APR. The historical-penalty structure has a cumulative effect that continues to apply each year as a team progresses through the structure. Each year a team fails the historical-penalty review another stage of penalties will be added.

Sport	Multiyear APR	Contemporaneous Penalty	Historical Penalty - Occasion One	Historical Penalty - Occasion Two	Historical Penalty - Occasion Three	Historical Penalty - Occasion Four
Men's Golf	886	N/A	Public notice.	Limited to awarding 3.46 total athletic scholarships. Limited to 16.0 hours of countable activity per week.		

¹ Any contemporaneous penalty for the sports of cross country, indoor and/or outdoor track must count against the NCAA maximum team limit for cross country/track and field (i.e., 18 women's, 12.6 men's). If the institution sponsors cross country and does not sponsor track and field, the penalty counts against the NCAA maximum team limit for cross country (i.e., five men's, six women's).

² The penalty amount listed includes a penalty that was previously conditionally waived; however, the team failed to meet the condition and the penalty must now be imposed.

⁵ The institution's penalty waiver request is pending.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Idaho State University
Spring 2009 APR Summary Report

Idaho State University dropped slightly from its 2006-07 single year mark of 928. The single year mark for 2007-08 was 922. The retention rate for a single year was at its highest in the 2007-08 year with a score of 932.

For the one year mark, there were some highlights from many of the different sports. Men's Basketball had by far their greatest single year, scoring a 956 in the 2007-08 year. Men's Cross Country, Women's Cross Country, Women's Golf and Women's Volleyball all had perfect 1000 scores for the year of 2007-08. For Volleyball, this was their first year of a perfect 1000 and by far the best score for that sport.

For the first time in the five year history of the APR, a year was dropped from the four year average. The 2003-04 school year was dropped and this years four year score included the 2004-05, 2005-06, 2006-07 and 2007-08 years. Nine (9) of ISU's sports scored a 925 or higher highlighted by Women's Cross Country which scored an institution best of 987 and Women's Soccer at 967. Other sports scoring above a 925 included Men's Cross Country (959), Women's Volleyball (955), Women's Golf (954), Women's Track-Indoor (953), Women's Track-Outdoor (951), Women's Tennis (950) and Women's Basketball (945).

Six of ISU's 15 sports did not meet the 925 benchmark, but none of the teams were subject to penalties. Of those 6 teams, 4 showed significant improvement from the one year mark of 2006-07 to the one year mark of the 2007-08 school years. Men's basketball went from a 900 in 2006-07 to a 956 in 2007-08. Men's tennis improved from a 792 in 2006-07 to an 889 in 2007-08. Men's Track-indoor improved from an 868 in the 2006-07 year to a 947 in the 2007-08 year. Men's track-outdoor also showed a similar jump going from an 868 in the 2006-07 year to a 945 in the 2007-08 school year. An audit of the APR data collection for the first four years helped to stop these teams from getting to the 925 mark for a four year average.

All six of the teams below 925 avoided penalties because of the large one year improvements or because they were performing better than the overall student body at Idaho State University. Men's Basketball, Football, Men's Tennis and Men's Track Indoor and Outdoor all were above the regular student body while Softball is still eligible for the squad size adjustment due to only having 2 years of data.

Teams being monitored and subject to the Idaho State University APR improvement plan are Men's Basketball, Football, Men's Tennis, Men's Track Indoor and Outdoor and Softball. Improved education with coaching staffs and administrators is helping all teams to move in the upward direction.

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: Idaho State University

Date of Report: 05/01/2009

This report is based on NCAA Division I Academic Progress Rate (APR) data submitted by the institution for the 2004-05, 2005-06, 2006-07, and 2007-08 academic years.

*[Note: All information contained in this report is for four academic years. Some squads may still have small sample sizes within certain sport groups. In accordance with the Family Educational Rights and Privacy Act's (FERPA's) interpretation of federal privacy regulations, data cells containing three or fewer student-athletes have been suppressed and are indicated by an * symbol.]*

The following chart represents by-sport APR averages for noted subgroups.

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	P u b l i c Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
By Sport - Men's										
Baseball (296)	NA	NA	NA	946	937	965	952		944	939
Basketball (341)	897 ^{1 3}	10th-20th	1st-10th	933	924	951	934		934	934
Cross Country (307)	959	30th-40th	30th-40th	964	959	976	969		964	964
Football (241)	876 ^{1 3}	1st-10th	1st-10th	939	931	961	941		935	NA
Fencing (19)	NA	NA	NA	974	963	981	975		981	956
Golf (293)	913 ²	1st-10th	1st-10th	963	956	976	968		958	967
Gymnastics (16)	NA	NA	NA	978	978	983	978		1000	957

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N/A = No APR or not applicable.

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: Idaho State University

Date of Report: 05/01/2009

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
Ice Hockey (58)	NA	NA	NA	973	964	981	976		984	980
Lacrosse (57)	NA	NA	NA	972	969	973	982		975	963
Skiing (13)	NA	NA	NA	969	960	990	956		986	964
Soccer (200)	NA	NA	NA	958	949	966	956		966	956
Swimming (137)	NA	NA	NA	967	959	979	966		969	968
Tennis (260)	870 ^{1 4}	1st-10th	1st-10th	964	957	975	966		966	962
Track, Indoor (251)	913 ¹	10th-20th	1st-10th	953	946	970	954		954	955
Track, Outdoor (275)	913 ¹	1st-10th	1st-10th	954	946	972	954		955	956
Volleyball (23)	NA	NA	NA	971	966	976	969		981	974
Water Polo (21)	NA	NA	NA	971	966	974	972		978	964
Wrestling (84)	NA	NA	NA	948	942	961	952		947	937
By Sport - Women's										
Basketball (339)	945	20th-30th	20th-30th	962	956	976	963		961	966
Bowling (30)	NA	NA	NA	945	940	958	961		936	962
Cross Country (335)	987	70th-80th	70th-80th	971	967	980	974		975	969
Fencing (23)	NA	NA	NA	979	971	983	977		994	967

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: Idaho State University

Date of Report: 05/01/2009

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	P u b l i c Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
Field Hockey (77)	NA	NA	NA	985	982	988	984		987	984
Golf (244)	954	10th-20th	30th-40th	976	973	984	982		972	975
Gymnastics (63)	NA	NA	NA	983	982	990	984		991	977
Ice Hockey (34)	NA	NA	NA	980	972	984	985		989	975
Lacrosse (85)	NA	NA	NA	985	985	985	992		986	979
Rowing (84)	NA	NA	NA	984	977	990	980		990	984
Skiing (14)	NA	NA	NA	975	965	992	967		991	955
Soccer (314)	967	30th-40th	40th-50th	973	967	985	974		973	975
Softball (282)	898 ^{2 6}	1st-10th	1st-10th	968	962	981	971		966	968
Swimming (195)	NA	NA	NA	979	975	986	980		980	979
Tennis (317)	950	10th-20th	20th-30th	974	970	982	976		972	977
Track, Indoor (301)	953	20th-30th	30th-40th	965	959	979	965		969	962
Track, Outdoor (313)	951	20th-30th	20th-30th	966	960	980	966		969	964
Volleyball (325)	955	10th-20th	30th-40th	972	968	981	975		971	973
Water Polo (33)	NA	NA	NA	970	959	980	974		988	965
By Sport - Co-Ed										
Rifle (23)	NA	NA	NA	967	966	978	967		966	981

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

University of Idaho
Spring 2009 APR Report Summary

The University of Idaho has a four-year average Academic Progress Rate (APR) over 16 sports of 953.5. This is the fourth highest per-sport average in the WAC. The University of Idaho is one of three programs in the WAC to not have any historical penalties for 2009.

The University sponsors 16 NCAA sports and of those, 13 currently maintain a 4-year average of at least 944, only two sports fall below the 925 contemporaneous-penalty cutline. Of the 2 sports below the 925 cutline, men's basketball and football are not subject to scholarship reductions.

Men's Basketball showed significant progress and had a single-year APR of 980 in 2007-08 and has a current multi-year rate of 899. The men's basketball program is not subject to any historical penalties this year due to our marked single-year improvement. We expect men's basketball to again have a high single year APR rate in 2008-2009 as we anticipate every men's basketball student-athlete will return and be eligible in fall 2009. The men's basketball 4-year APR should then be at 911.

Football had a single year APR of 938 in 2007-08 and has a current multi-year rate of 905. This single year APR is an increase of 77 points over the previous year. This increase is the result of concerted efforts to run a football program where academics are considered the top priority.

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: University of Idaho

Date of Report: 05/01/2009

This report is based on NCAA Division I Academic Progress Rate (APR) data submitted by the institution for the 2004-05, 2005-06, 2006-07, and 2007-08 academic years.

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The following chart represents by-sport APR averages for noted subgroups.

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
By Sport - Men's										
Baseball (296)	NA	NA	NA	946	937	965	952		944	939
Basketball (341)	899 ³	10th-20th	1st-10th	933	924	951	934		934	934
Cross Country (307)	928	10th-20th	10th-20th	964	959	976	969		964	964
Football (241)	905	10th-20th	1st-10th	939	931	961	941		935	NA
Fencing (19)	NA	NA	NA	974	963	981	975		981	956
Golf (293)	955	30th-40th	30th-40th	963	956	976	968		958	967
Gymnastics (16)	NA	NA	NA	978	978	983	978		1000	957
Ice Hockey (58)	NA	NA	NA	973	964	981	976		984	980

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: University of Idaho

Date of Report: 05/01/2009

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
Lacrosse (57)	NA	NA	NA	972	969	973	982		975	963
Skiing (13)	NA	NA	NA	969	960	990	956		986	964
Soccer (200)	NA	NA	NA	958	949	966	956		966	956
Swimming (137)	NA	NA	NA	967	959	979	966		969	968
Tennis (260)	955	30th-40th	30th-40th	964	957	975	966		966	962
Track, Indoor (251)	948	40th-50th	20th-30th	953	946	970	954		954	955
Track, Outdoor (275)	948	30th-40th	20th-30th	954	946	972	954		955	956
Volleyball (23)	NA	NA	NA	971	966	976	969		981	974
Water Polo (21)	NA	NA	NA	971	966	974	972		978	964
Wrestling (84)	NA	NA	NA	948	942	961	952		947	937
By Sport - Women's										
Basketball (339)	944	20th-30th	20th-30th	962	956	976	963		961	966
Bowling (30)	NA	NA	NA	945	940	958	961		936	962
Cross Country (335)	979	50th-60th	60th-70th	971	967	980	974		975	969
Fencing (23)	NA	NA	NA	979	971	983	977		994	967
Field Hockey (77)	NA	NA	NA	985	982	988	984		987	984

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NCAA Division I 2007 - 2008 Academic Progress Rate

Public Report

Institution: University of Idaho

Date of Report: 05/01/2009

Sport (N)	Multiyear APR	Percentile Rank within Sport	Percentile Rank within All Sports	All Division I	P u b l i c Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I
Golf (244)	983	50th-60th	70th-80th	976	973	984	982		972	975
Gymnastics (63)	NA	NA	NA	983	982	990	984		991	977
Ice Hockey (34)	NA	NA	NA	980	972	984	985		989	975
Lacrosse (85)	NA	NA	NA	985	985	985	992		986	979
Rowing (84)	NA	NA	NA	984	977	990	980		990	984
Skiing (14)	NA	NA	NA	975	965	992	967		991	955
Soccer (314)	968	30th-40th	40th-50th	973	967	985	974		973	975
Softball (282)	NA	NA	NA	968	962	981	971		966	968
Swimming (195)	966	10th-20th	40th-50th	979	975	986	980		980	979
Tennis (317)	968	30th-40th	40th-50th	974	970	982	976		972	977
Track, Indoor (301)	971	50th-60th	50th-60th	965	959	979	965		969	962
Track, Outdoor (313)	965	40th-50th	40th-50th	966	960	980	966		969	964
Volleyball (325)	974	40th-50th	50th-60th	972	968	981	975		971	973
Water Polo (33)	NA	NA	NA	970	959	980	974		988	965
By Sport - Co-Ed										
Rifle (23)	NA	NA	NA	967	966	978	967		966	981

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² Denotes APR that does not subject the team to contemporaneous penalties due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 925 for that team to be subject to contemporaneous penalties. Squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

³ Denotes APR that does not subject the team to historical penalties due to the team's demonstrated academic improvement and favorable comparison based on other academic or institutional factors.

⁴ Denotes APR that does not subject the team to historical penalties due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 900 for that team to be subject to historical penalties. The squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

⁵ Denotes APR based on a one year cohort, not subject to a contemporaneous and/or historical penalty.

⁶ Denotes APR based on a two year cohort, not subject to a historical penalty.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

SUBJECT

Approval of Red Flag Rules (Identity Theft Prevention) Program plans

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.8.
Section 33-3717, Idaho Code
Idaho Administrative code, IDAPA 08.02.04 – Section 112, Accountability

BACKGROUND/DISCUSSION

The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (the Red Flags Rules) requiring financial institutions and creditors to develop and implement written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The institutions, in providing certain loans to students, fall under the scope of this rule.

IMPACT

No expected financial impact is anticipated.

ATTACHMENTS

Boise State University Identity Theft Prevention plan	Tab A
Idaho State University Identify Theft Prevention plan	Tab B
University of Idaho Identify Theft Prevention plan	Tab C
Lewis-Clark State College Identify Theft Prevention plan	Tab D

STAFF COMMENTS AND RECOMMENDATIONS

The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (the Red Flag Rules) requiring financial institutions and creditors to develop and implement written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The programs must provide for the identification, detection, and response to patterns, practices, or specific activities – known as “red flags” – that could indicate identify theft.

The FTC regulation requires the governing board of an organization to approve the initial written program. Board approval may be necessary only for the first written program if the board delegates to appropriate senior management further responsibility. The board must approve the initial written program by August 1, 2009.

Institution representatives will be available to review their specific program.

The plan for Eastern Idaho Technical College was not finalized as of agenda preparation time but will be submitted for Board approval before the deadline.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

BOARD ACTION

A motion to approve the request by Boise State University to adopt the institution's written Identity Theft Prevention Program, and to delegate to the institution Vice President for Financial Administration further responsibility.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

A motion to approve the request by Idaho State University to adopt the institution's written Identity Theft Prevention Program, and to delegate to the institution Vice President for Financial Administration further responsibility.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

A motion to approve the request by the University of Idaho to adopt the institution's written Identity Theft Prevention Program, and to delegate to the institution Vice President for Financial Administration further responsibility.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

A motion to approve the request by Lewis-Clark State College to adopt the institution's written Identity Theft Prevention Program, and to delegate to the institution Vice President for Financial Administration further responsibility.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

IDENTITY THEFT PREVENTION PROGRAM

Purpose:

To implement a prevention program to detect, prevent and mitigate identity theft in connection with new or existing covered accounts.

Additional Reference:

Fair and Accurate Credit Transactions Act (FACTA) of 2003

Scope:

This policy applies to all University employees, students, contractors, and affiliates who have access to personally identifying information and/or covered accounts.

Responsible Party:

Information Security Officer (ISO), 426-1159

Definitions:

Covered account – includes all student accounts or loans administered by the University.

Identity theft – fraud committed or attempted using the identifying information of another person without authority.

Personally identifying information – any name or number that may be used alone or in conjunction with other information to identify a specific person including an individual's name, address, date of birth, social security number, driver's license number, passport number, tax identification number, student identification number, or banking account information.

Red flag – a pattern, practice or specific activity that indicates the possible existence of identity theft.

POLICY

I. Policy Statement

In accordance with the Fair and Accurate Credit Transactions Act (FACTA) of 2003, the University has established an Identify Theft Prevention Program to identify relevant red flags for new and existing covered accounts, detect new red flags, and respond appropriately to any red flags that are detected.

II. Identification of Red Flags

A. In order to identify relevant red flags, the University must consider the types of accounts it maintains, methods it provides to open and access these accounts and its previous experiences with identity theft. Accordingly, the following red flags have been identified for each of the categories listed:

1. Notifications and Warnings from Credit Reporting Agencies

- a. Report of fraud accompanying a credit report;
- b. Notice or report from a credit agency of a credit freeze on an applicant;
- c. Notice or report from a credit agency of an active duty alert for an applicant;
- d. Receipt of a notice of address discrepancy in response to a credit report request; and
- e. Indication from a credit report of activity that is inconsistent with an applicant's usual behavior or activity.

2. Suspicious Documents

- a. Identification document or card that appears to be forged, altered, or unauthentic;
- b. Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- c. Other document with information that is not consistent with existing student information; and
- d. Application for services that appears to have been forged or altered.

3. Suspicious Personal Identifying Information

- a. Identifying information that is inconsistent with other information the student provides, for example two documents with different birth dates;

- b. Identifying information that is inconsistent with other sources of information, for example supplemental documentation for a student loan with a different address than that on file with the University;
 - c. Identifying information that is the same as information shown on other applications that were found to be fraudulent;
 - d. Identifying information presented that is consistent with fraudulent activity, for example an invalid phone number or fictitious address;
 - e. Social Security Number that is the same as another student or employee;
 - f. Address or phone number that is the same as another student or employee; and
 - g. An individual who fails to provide complete personal identifying information on an application when prompted to do so.
4. Suspicious Covered Activity Account or Unusual Use of Account
- a. Change of address for an account followed by a request to change the student's name;
 - b. Payments stop on an otherwise consistently up-to-date account;
 - c. Account is used in a way that is not consistent with prior use;
 - d. Mail sent to a student is consistently returned as "undeliverable;"
 - e. A student notifies the University that s/he is not receiving mail sent by the University;
 - f. A student notifies the University that an account has unauthorized activity;
 - g. Breach in the University's computer system security; and

- h. Other unauthorized access to or use of student account information.

5. Alerts from Other Sources

Notice to the University from a student, identity theft victim, law enforcement or other individual that the University has opened or is maintaining a fraudulent account for a person engaged in identity theft.

III. Detecting Red Flags

A. Student Enrollment: In order to detect any of the red flags identified above that are associated with the enrollment of a student, University personnel must take both of the following steps to obtain and verify the identity of the individual opening the account:

1. Require certain identifying information such as name, date of birth, academic records, home address or other identifying information; and
2. Verify the student's identity at the time of issuance of student Bronco Card by checking student's driver's license or other government issued identification.

B. Existing Accounts: In order to detect any of the red flags identified above for an existing covered account, university personnel must take all of the following steps to monitor transactions on an account:

1. Verify the identification of students requesting information in person, by mail, email or facsimile;
2. Verify the identity of individuals requesting to change billing addresses by mail or email;
3. Provide the student a reasonable means of promptly reporting incorrect billing address changes; and
4. Verify changes in banking information given for billing and payment purposes.

C. Consumer Credit Reports: In order to detect any red flags identified above for any covered account for which a credit report is required, university personnel will take both of the following steps to assist in identifying address discrepancies:

1. Require written verification from any applicant that the address provided by the applicant is accurate at the time the request for the credit report is made to the consumer reporting agency; and
2. In the event that notice of an address discrepancy is received, verify that the credit report pertains to the applicant for whom the report was requested and report to the consumer reporting agency an address for the applicant that the University has taken reasonable steps to confirm is accurate.

IV. Preventing and Mitigating Identity Theft

- A. Reporting Requirement: In the event that university personnel detect any red flags, the Information Security Officer (ISO) must be contacted within one (1) business day. Thereafter, the ISO will determine whether one or more of the following steps should be taken, depending on the degree of risk posed by the red flag:
1. Monitor the effected covered account for evidence of identity theft;
 2. Contact the student or applicant for which a credit report was run;
 3. Change any passwords or other security devices that permit access to covered accounts;
 4. Provide the student with a new student identification number;
 5. Notify law enforcement;
 6. File a [Suspicious Activity Report](#) (SAR); or
 7. Other action as recommended by the Information Security Officer.
- B. Protecting Student Identifying Information: In order to prevent the likelihood of indentify theft occurring, the University will take all of the following steps with respect to its internal operating procedures to protect student identifying information:

1. Ensure that institutional web pages are secure or provide clear notice where web pages are not or cannot be secured;
2. Ensure complete and secure destruction of paper documents and computer files containing student account information when a decision had been made to discard that information;
3. Avoid using social security numbers except when required for tax or other governmental reporting purposes;
4. Ensure computer virus protections are up to date; and
5. Require and maintain the minimum amount of student information that is necessary for institutional purposes.

V. Program Administration

- A. Oversight: Responsibility for implementing and updating the identity theft prevention program lies with the ISO. The ISO will be responsible for training University staff about the program and for reviewing SARs on the detection of and response to red flags. The ISO is also responsible for determining which steps of prevention and mitigation are most appropriate in light of particular circumstances.
1. Staff Training and SARs: The ISO is responsible for training university employees to detect red flags and respond appropriately. The ISO will work with the appropriate personnel to effectively implement the program and to regularly monitor compliance with the program requirements. The ISO will develop a reporting procedure for employees to report red flag incidents and will summarize his/her findings for the Vice President for Finance and Administration on a biannual basis.
 2. Service Provider Arrangements: In the event the University engages a service provider to perform an activity in connection with one or more covered accounts, both of the following steps will be taken to ensure the service provider performs its duties in accordance with all institutional policies and procedures designed to detect, prevent and mitigate the risk of identity theft:

- a. Require, by contract, that service providers understand and agree to abide by university policies and procedures regarding identity theft: and
 - b. Require, by contract, that service providers report any red flags to the ISO or the university employee with primary oversight of the service provider.
3. Non-Disclosure of Specific Practices: In order to optimize the effectiveness of the Identity Theft Prevention Program, information regarding specific red flag identification, detection, mitigation and prevention practices may need to be limited to the ISO, his/her supervisor(s), and employees charged with identifying and reporting those red flags.
4. Program Updates: The ISO will periodically review and update the Identity Theft Prevention Program to reflect changes in risks. In so doing, the ISO will consider the institution's experiences with identity theft, changes in the means by which identity theft occurs, changes in identity theft prevention and detection methods, and changes in the way business relationships are structured with other entities. After considering these changes, the ISO will determine whether changes to the program, including the type of red flags, are warranted.

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Red Flag Regulation Implementation at ISU

Finance and Administration

In November 2007, final rules implementing section 114 of the Fair and Accurate Credit Transactions Act of 2003 were issued by the Federal Trade Commission (“FTC”), the federal bank regulatory agencies, and the National Credit Union Administration (“NCUA”). A joint notice of final rulemaking was published in the Federal Register (72 FR 63718) finalizing *the Identity Theft Red Flags Rule* (“the Rule”). The Rule was issued with the underlying goal of detecting, preventing, and mitigating identity theft “in connection with the opening of certain accounts or existing accounts,” referred to as “*covered accounts*.”

Red Flags are defined by the Rule as those events which should alert an organization that there is a risk of identity theft. The Rule supplements existing legislation aimed at preventing identify theft through tightened data security (e.g., Gramm-Leach-Bliley) by addressing situations where¹ individuals are trying to use another person’s identity in order to fraudulently obtain resources or services. Institutions are to identify Red Flags to alert to and intervene against the possibility of such attempts.

ISU as a Covered Entity

The Rule applies to financial institutions and creditors that offer or maintain accounts that provide for multiple transactions primarily for personal, family, or household purposes. The Rule defined ‘account’ as ‘a continuing relationship established to provide a financial product or service that a financial holding company could offer by engaging in an activity that is financial in nature or incidental to such a financial activity under section 4(k) of the Bank Holding Company Act, 12 U.S.C. 1843(k).’

ISU is considered a covered entity because we act as a “creditor” by:

- regularly extending, renewing, or continuing credit; or
- regularly arranging for the extension, renewal, or continuation of credit; or

- acting as an assignee of an original creditor who participates in the decision to extend, renew, or continue credit.

The Rule is actually three different but related rules, two of which will definitely apply to ISU. The third rule should not apply as noted below:

- *(681.1) Users of consumer reports must develop reasonable policies and procedures to apply when they receive notice of an address discrepancy from a consumer reporting agency. This provision would apply to any areas of ISU that utilize consumer reporting agencies for any reason, i.e. credit or background checks for loan issuance or collection purposes, or for new hire applicants, etc.*
- *(68.2) Financial institutions and creditors holding 'covered accounts' must develop and implement a written identity theft prevention program for both new and existing accounts. This provision applies to any areas of ISU that issue any type of credit, i.e. Perkins Loans, Short Term Loans for Students, Housing Payment Plans, Student Tuition/Fee Deferred Payment Plans, etc.*
- *(681.3) Debit and credit card issuers must develop policies and procedures to assess the validity of a request for a change of address that is followed closely by a request for an additional or replacement card. This provision does not apply as ISU does not issue debit and/or credit cards. While the Bengal Card has debit functionality, it is a closed loop system and cannot be processed through the regular debit/credit card network. Our customers are all known entities associated with the University and address updates are received only through uploads from or Student systems. Additionally, addresses are not used in the Bengal Card system. All refunds are generated through the Office of Finance and Administration.*

Summary of the Rule Requirements and Implementation Deadline

Covered entities under the Rule must adopt and implement a written Identity Theft Prevention Program to *detect, prevent, and mitigate* identity theft in connection with the opening of a covered account, or any existing covered account. The Identity Theft Prevention Program may be integrated into the structure of an existing Compliance

Program. However, the efforts and resources committed must be appropriate to the size and complexity of the organization and the nature and scope of its activities. Elements required by the Rule include:

- Identification of Red Flags – Policies and procedures to identify which Red Flags, singly or in combination, are relevant to detecting the possible risk of identity theft to customers using a risk evaluation method appropriate to the organization.
- Detection of Red Flags – Policies and procedures designed to prevent and mitigate identity theft in connection with opening an account or any existing account.
- Responding to Red Flags – Policies and procedures to assess whether the Red Flags detected evidence a risk of identity theft. There must also be a reasonable basis for concluding that a Red Flag does not evidence a risk of identity theft.
- Updating the Program – Policies and procedures in place to ensure the program is updated periodically to reflect changes in risks to the customer and institution.
- Administration of the Program – Involvement of senior management in development, implementation and oversight. Ongoing staff training is required. Also included is oversight of service provider arrangements to ensure they are in compliance.

The implementation date by which covered entities were to comply with the Rule was set at November 1, 2008. In October 2008, the FTC announced that they were delaying enforcement of the Rule as to the entities under its jurisdiction by six months, until May 1, 2009.

Twenty-Six Red Flags Identified in the Rule

As an Appendix to the Rule, the FTC has identified twenty-six Red Flags that the University may consider incorporating into their program. These are subdivided into five sections, see below:

Alerts, Notifications or Warnings from a Consumer Reporting Agency

1. A fraud or credit alert is included with a consumer report.

2. A notice of credit freeze on a consumer report is provided from a consumer reporting agency.
3. A consumer reporting agency provides a notice of address discrepancy.
4. A consumer report indicates a pattern of activity inconsistent with the history and usual pattern of activity of a customer.

Suspicious Documents

5. Documents provided for identification appear to have been altered or forged.
6. The photograph or physical description on the identification is not consistent with the appearance of the customer presenting the identification.
7. Other information on the identification is not consistent with information provided by the person opening an account or presenting the identification.
8. Other information on the identification is not consistent with readily accessible information that is on file with the University.
9. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Suspicious Personal Identifying Information

10. Personal identifying information provided is inconsistent when compared against external information sources used by the University.
11. Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer.
12. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the University.
13. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by the internal or third-party sources used by the University.
14. The social security number provided is the same as that submitted by other persons opening an account or other customers.
15. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers.

16. The person opening the account fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
17. Personal identifying information provided is not consistent with personal identifying information that is on file with the University.
18. If the University uses a challenge question, the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

Unusual Use of, or Suspicious Activity Related to, the Covered Account

19. Shortly following the notice of a change of address, the University receives a request for a new or replacement card or cell phone, or the addition of authorized users on the account.
20. A new revolving credit account is used in a manner commonly associated with known patterns of fraud patterns.
21. An account is used in a manner that is not consistent with established patterns of activity on the account.
22. An account that has been inactive for a reasonably lengthy period of time is used.
23. Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the account.
24. The University is notified that the customer is not receiving paper account statements.
25. The University is notified of unauthorized charges or transactions in connection with a customer's account.

Notice from Customers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection with Covered Accounts

26. The University is notified by a customer, a victim of identity theft, a law enforcement authority, or any person that it has opened a fraudulent account for a person engaged in identity theft.

Finance and Administration Policy and Procedures for the Rule

It will be the policy of Finance and Administration to:

- Verify identification for any student, faculty, or staff requesting services. The identification should be scrutinized to verify that it has not been altered or forged.
- Verify that the picture on the identification provided matches the appearance of the customer presenting the identification.
- Verify that the information on the identification is consistent with other information on file at the University, particularly on the customer's account.
- Verify that requests for information updates have not been altered or forged, or that the paperwork gives the appearance of having been destroyed and reassembled.
- Not share any more information with a customer than is documented in the student system if there is a full FERPA restriction on the account. If additional information is requested, the student should be forwarded to the Registrars office for assistance.
- Report to upper management without assisting the customer if the Bengal ID provided is the same as that submitted by another customer.
- Report to upper management if an account is used in a manner not consistent with regular patterns of activity, i.e. if a student receives more than one Short Term loan at a time, or over the period of one term.
- Call or email the customer if mail addressed to the customer is returned twice as undeliverable although transactions continue to be conducted with their account.
- Notify upper management if an account has three different address changes in the past ninety (90) days.
 - Investigate and verify the correctness of unauthorized charges or transactions assessed by Finance and Administration in connection with a customer's account. If there are questions regarding the correctness of departmental charges, refer them on to the appropriate department for resolution.

- Notify the Director immediately if the University is notified by a customer, a victim of identity theft, a law enforcement authority, or any other person that it has opened, discovered, or manipulated a fraudulent account for a person engaged in identity theft.
- Not provide any information to an individual claiming to be the victim of identity theft without them providing evidence of a Police Case Number or an FTC affidavit of identity theft. If a customer needs assistance of this type, the request must be in writing with detailed information requested as well as proof of positive identification and proof of claim of identity theft (police report or FTC affidavit).
- Ensure that customers who call are not given information on an account if they cannot provide the Bengal ID and customer name. Be cautious about callers who attempt to get financial information without providing any substantive knowledge about the account.
- Finance and Administration staff should not respond to any questions from customers related to any medical type services. All calls of this type should be immediately referred to the phone number of the department in question.

Oversight, Training, Third Party Compliance and Update

Due to the sensitive nature of this topic, the Manager of each area within Finance and Administration will maintain responsibility for the implementation and ongoing support of this regulation. On a quarterly basis they will audit the procedures and report compliance to the Controller.

Training for Red Flag will be conducted annually along with other compliance training affecting Finance and Administration. This training will be conducted at Staff Meeting and is mandatory for all staff. If students or staff is not able to attend in Staff Meeting, the Managers will update their staff when they are available.

It is the responsibility of ISU to ensure that the activities of all service providers are conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft. A service provider that maintains its own identity theft prevention program consistent with the guidance of the red flag rules and validated by appropriate due diligence, may be considered to be meeting these requirements. Any specific requirements should be specifically addressed in the appropriate contract agreements. Currently, there are Third Party contracts in Finance and Administration and Housing that need to report compliance. ECSI handles the collection and servicing of our Perkins Loan Program, TMS handles the payment plans for our housing office, and we have several collections companies that handle collection on our accounts receivable. Attached you will find their Red Flag Policies for each of these entities. These policies will be reviewed annually.

This policy will be updated at least annually based on new processes and procedures.

Approved this _____ day of _____, 2009

Financial Vice President

University of Idaho
Identity Theft Prevention Program
(a.k.a. Red Flag Rules)
Effective May 1, 2009

I. PROGRAM ADOPTION

The University of Idaho (“University”) developed this Identity Theft Prevention Program (“Program”) pursuant to the Federal Trade Commission’s (“FTC”) Red Flags Rule, which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. This Program was developed with approval of the Idaho Board of Education. After consideration of the size and complexity of the University’s operations and account systems, and the nature and scope of the University’s activities, the Board determined that this Program was appropriate for the University, and therefore approved this Program on June 18, 2009.

II. DEFINITIONS AND PROGRAM

A. Red Flags Rule Definitions Used in this Program

“Identity Theft” is a “fraud committed or attempted using the identifying information of another person without authority.”

A “Red Flag” is a “pattern, practice, or specific activity that indicates the possible existence of Identity Theft.”

A “Covered Account” is an account that the University maintains, primarily for personal, family or household purposes that involves, or is designed to permit multiple payments or transactions.

The “Program Administrator” is the individual designated with primary responsibility for oversight of the program. See Section VIII below.

“Identifying information” is “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, student identification number, computer’s Internet Protocol address, or routing code.

B. Fulfilling Requirements of the Red Flags Rule

Under the Red Flags Rule, the University is required to establish an “Identity Theft Prevention Program” tailored to its size, complexity and the nature of its operation. The program must contain reasonable policies and procedures to:

1. Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
2. Detect Red Flags that have been incorporated into the Program;
3. Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
4. Ensure the Program is updated periodically to reflect changes in risks to students or to the safety and soundness of the student from Identity Theft.

III. PURPOSE

The purpose of this policy is to establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program. The Program shall include reasonable policies and procedures to:

1. Identify relevant red flags for covered accounts it offers or maintains and incorporate those red flags into the program;
2. Detect red flags that have been incorporated into the Program;
3. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
4. Ensure the Program is updated periodically to reflect changes in risks to Students and to the safety and soundness of the creditor from identity theft.

The program shall, as appropriate, incorporate existing policies and procedures that control reasonably foreseeable risks.

IV. COVERED ACCOUNTS

The University has identified 3 types of accounts, 3 of which are covered accounts administered by the University and one type of account that is administered by a service provider.

University covered accounts:

1. Refund of credit balances involving Federal, private and Institutional loans
2. Refund of credit balances, without Federal, private and Institutional loans
3. Student Health Center charges
4. Service provider account identified in section VIII (C)

V. IDENTIFICATION OF RELEVANT RED FLAGS

The Program considers the following risk factors in identifying relevant red flags for covered accounts:

1. The types of covered accounts as noted above;
2. The methods provided to open covered accounts-- acceptance to University campuses and enrollment in classes requires the all of the following information:
 - a. Common application with personally identifying information
 - b. high school transcript
 - c. official ACT or SAT scores
 - d. two letters of recommendation
 - e. Entrance Medical Record
 - f. medical history
 - g. immunization history
 - h. insurance card

3. The methods provided to access covered accounts:
 - a. Disbursement obtained in person require picture identification
 - b. Disbursements obtained by mail can only be mailed to an address on file
4. The University's previous history of identity theft.

The University identifies the following Red Flags in each of the listed categories:

A. Notifications and Warnings from Credit Reporting Agencies

Red Flags

1. Report of fraud accompanying a credit report;
2. Notice or report from a credit agency of a credit freeze on an applicant;
3. Notice or report from a credit agency of an active duty alert for an applicant;
4. Receipt of a notice of address discrepancy in response to a credit report request; and
5. Indication from a credit report of activity that is inconsistent with an applicant's usual pattern or activity.

B. Suspicious Documents

Red Flags

1. Identification document or card that appears to be forged, altered or inauthentic;
2. Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
3. Other document with information that is not consistent with existing student information; and
4. Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information

Red Flags

1. Identifying information presented that is inconsistent with other information the student provides (example: inconsistent birth dates);
2. Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a loan application);
3. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
4. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
5. Social security number presented that is the same as one given by another student;
6. An address or phone number presented that is the same as that of another person;
7. A person fails to provide complete personal identifying information on an application when reminded to do so; and
8. A person's identifying information is not consistent with the information that is on file for the student.

D. Suspicious Covered Account Activity or Unusual Use of Account

Red Flags

1. Change of address for an account followed by a request to change the student's name;
2. Payments stop on an otherwise consistently up-to-date account;
3. Account used in a way that is not consistent with prior use;
4. Mail sent to the student is repeatedly returned as undeliverable;
5. Notice to the University that a student is not receiving mail sent by the University;
6. Notice to the University that an account has unauthorized activity;
7. Breach in the University's computer University security; and
8. Unauthorized access to or use of student account information.

E. Alerts from Others

Red Flag

1. Notice to the University from a student, Identity Theft victim, law enforcement or other person that the University has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

VI. DETECTING RED FLAGS

A. Student Enrollment

In order to detect any of the Red Flags identified above associated with the enrollment of a student, University personnel will take the following steps to obtain and verify the identity of the person opening the account:

Detect

1. Require certain identifying information such as name, date of birth, academic records, home address or other identification; and
2. Verify the student's identity at time of issuance of student identification card (review of driver's license or other government-issued photo identification).

B. Existing Accounts

In order to detect any of the Red Flags identified above for an existing Covered Account, University personnel will take the following steps to monitor transactions on an account:

Detect

1. Verify the identification of students if they request information (in person, via telephone, via facsimile, via email);
2. Verify the validity of requests to change billing addresses by mail or email and provide the student a reasonable means of promptly reporting incorrect billing address changes; and
3. Verify changes in banking information given for billing and payment purposes.

C. Consumer (“Credit”) Report Requests

In order to detect any of the Red Flags identified above for an employment or volunteer position for which a credit or background report is sought, University personnel will take the following steps to assist in identifying address discrepancies:

1. Require written verification from any applicant that the address provided by the applicant is accurate at the time the request for the credit report is made to the consumer reporting agency; and
2. In the event that notice of an address discrepancy is received, verify that the credit report pertains to the applicant for whom the requested report was made and report to the consumer reporting agency an address for the applicant that the University has reasonably confirmed is accurate.

VII. PREVENTING AND MITIGATING IDENTITY THEFT

In the event University personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

Prevent and Mitigate

1. Continue to monitor a Covered Account for evidence of Identity Theft;
2. Contact the student or applicant (for which a credit report was run);
3. Change any passwords or other security devices that permit access to Covered Accounts;
4. Not open a new Covered Account;
5. Provide the student with a new student identification number;
6. Notify the Program Administrator for determination of the appropriate step(s) to take;
7. Notify law enforcement;
8. File or assist in filing a Suspicious Activities Report (“SAR”); or
9. Determine that no response is warranted under the particular circumstances.

Protect Student Identifying Information

In order to further prevent the likelihood of Identity Theft occurring with respect to Covered Accounts, the University will take the following steps with respect to its internal operating procedures to protect student identifying information:

1. Ensure that its website is secure or provide clear notice that the website is not secure;
2. Ensure complete and secure destruction of paper documents and computer files containing student account information when a decision has been made to no longer maintain such information;
3. Ensure that office computers with access to Covered Account information are password protected;
4. Avoid use of social security numbers (See Green Information Use Policy);
5. Ensure computer virus protection is up to date; and

6. Require and keep only the kinds of student information that are necessary for University purposes.

VIII. PROGRAM ADMINISTRATION

A. Oversight

Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee (“Committee”) for the University. The Committee is headed by the Director of Business Systems and Accounting Services. Two or more other individuals will be appointed to comprise the remainder of the committee membership. The Committee will be responsible for ensuring appropriate training of University staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff Training and Reports

The University will incorporate training regarding Identity Theft into Banner training for those users who have access to make changes to covered accounts. Departments who traditionally have access to change covered account information must identify one person to train the staff on the steps to prevent and mitigate Identity Theft. Every department who receives ‘returned mail’ will have a significant impact due to the time involved in identifying and monitoring the change of address information.

C. Service Provider Arrangements

In the event the University engages a service provider to perform an activity in connection with one or more Covered Accounts, the University will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of Identity Theft.

1. Require, by contract, that service providers have such policies and procedures in place; and
2. Require, by contract, that service providers review the University's Program and report any Red Flags to the Program Administrator or the University employee with primary oversight of the service provider relationship.

Current service providers include:

Tuition Management Systems,

Campus Partners,

Collection agencies:

Williams and Fudge,

Coast Professionals,

Windham Professionals,

Enterprise Recovery Services,

Inland Merchants,

D. Non-disclosure of Specific Practices

For the effectiveness of this Identity Theft Prevention Program, knowledge about specific Red Flag identification, detection, mitigation and prevention practices may need to be limited to the Committee who developed this Program and to those employees with a need to know them. Any documents that may have been produced or are produced in order to develop or implement this program that list or describe such specific practices and the information those documents contain are considered “confidential” and should not be shared with other University employees or the public. The Program Administrator shall inform the Committee and those employees with a need to know the information of those documents or specific practices which should be maintained in a confidential manner.

E. Program Updates

The Committee will periodically review and update this Program to reflect changes in risks to students and the soundness of the University from Identity Theft. In doing so, the Committee will consider the University's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, and changes in the University's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Committee will update the Program.

SECTION: Administrative

SUBJECT: Identity Theft Prevention Program

Background: The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (the Red Flags Rules) requiring financial institutions and creditors to develop and implement written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions Act (FACTA) of 2003. The program must provide for the identification, detection, and response to patterns, practices, or specific activities – known as “red flags” – that could indicate identity theft.

Point of Contact: Vice President for Finance and Administration

Other LCSC offices directly involved with implementation of this policy, or significantly affected by the policy: Controller’s Office, Information Technology, Student Services, Student Union Auxiliary

Date of approval by LCSC authority: 4/13/09

Date of State Board Approval: Pending

Date of Most Recent Review: New policy

Summary of Major Changes incorporated in this revision to the policy: New Policy

Policy:

In accordance with the Fair and Accurate Credit Transactions Act (FACTA) of 2003, the College has established an Identify Theft Prevention Program to identify relevant red flags for new and existing covered accounts, detect new red flags, and respond appropriately to any red flags that are detected.

1. Definitions:

- **Identity theft:** Fraud committed or attempted using the identifying information of another person without authority.
- **Covered Account:** An account that a creditor offers or maintains, primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions.
- **Red Flag:** A pattern, practice or specific activity that indicates the possible existence of identity theft.
- **Personally identifying information:** Any name or number that may be used alone or in conjunction with other information to identify a specific person including an individual’s name, address, date of birth, social security number, driver’s license number, passport number, tax identification number, student identification number, or banking account information.

2. Identification of Red Flags

- A. In order to identify relevant red flags, the College must analyze the types of accounts it maintains, methods it provides to open and access these accounts and its previous experiences with identity theft. Accordingly, the following red flags have been identified for each of the categories listed:

SECTION: Administrative

SUBJECT: Identity Theft Prevention Program

- (1) Suspicious Documents
 - (a) Identification document or card that appears to be forged, altered, or unauthentic.
 - (b) Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document.
 - (c) Other document with information that is not consistent with existing student information.
 - (d) Any application that appears to have been forged or altered.

- (2) Suspicious Personal Identifying Information
 - (a) Identifying information that is inconsistent with other information the student provides; for example, two documents with different birth dates.
 - (b) Identifying information that is inconsistent with other sources of information; for example, supplemental documentation for a student loan with a different address than that on file with the College.
 - (c) Identifying information that is the same as information shown on other applications that were found to be fraudulent.
 - (d) Identifying information presented that is consistent with fraudulent activity; for example, an invalid phone number or fictitious address.
 - (e) Social Security Number that is the same as another student or employee.
 - (f) Address or phone number that is the same as another student or employee.
 - (g) An individual who fails to provide complete personal identifying information on an application when prompted to do so.

- (3) Notifications and Warnings from Credit Reporting Agencies
 - (a) Report of fraud accompanying a credit report.
 - (b) Notice or report from a credit agency of a credit freeze on an applicant.
 - (c) Receipt of a notice of address discrepancy in response to a credit report request.
 - (d) Indication from a credit report of activity that is inconsistent with an applicant's usual behavior or activity.

- (4) Suspicious Covered Account Activity or Unusual Use of Account
 - (a) Change of address for an account followed by a request to change the student's name.
 - (b) Payments stop on an otherwise consistently up-to-date account.
 - (c) Account is used in a way that is not consistent with prior use.
 - (d) Mail sent to a student is consistently returned as "undeliverable".
 - (e) A student notifies the College that s/he is not receiving mail sent by the College.
 - (f) A student notifies the College that an account has unauthorized activity.
 - (g) Unauthorized access to or use of student account information.

- (5) Alerts from Other Sources

Notice to the College from a student, identity theft victim, law enforcement or other individual that the College has opened or is maintaining a fraudulent account for a person engaged in identity theft.

SECTION: Administrative

SUBJECT: Identity Theft Prevention Program

3. Detecting Red Flags

- A. New Covered Account Student Enrollment: In order to detect any of the red flags identified above that are associated with the enrollment of a student, College personnel must take the following steps to obtain and verify the identity of the individual opening the account:
- (1) Require certain identifying information such as name, date of birth, academic records, home address or other identifying information; and
 - (2) Verify the student's identity at the time of issuance of student Warrior ID card via identity confirmation against the student's driver's license or other government issued identification.
- B. Existing Student Account Activity: In order to detect any of the red flags identified above for an existing covered account, College personnel must take the following steps to monitor account transaction:
- (1) Verify the identity of students requesting information in person, by mail, email or facsimile;
 - (2) Verify the identity of individuals requesting to change billing addresses by mail or email;
 - (3) Provide student with a reasonable means of promptly reporting incorrect billing address changes; and
 - (4) Verify changes in banking information given for billing and payment purposes.
- C. Consumer Credit Reports: In order to detect red flags identified above for any covered account for which a credit report is required, the College will take the following steps to assist in identifying address discrepancies:
- (1) Require written verification from any applicant that the address provided by the applicant is accurate at the time the request for the credit report is made to the consumer reporting agency.
 - (2) In the event that notice of an address discrepancy is received, verify that the credit report pertains to the applicant for whom the report was requested and report to the consumer reporting agency an address for the applicant that the College has taken reasonable steps to confirm is accurate.

4. Preventing and Mitigating Identity Theft

- A. Reporting Requirement: In the event that College personnel detect any red flags, one or more of the following steps must be taken, depending on the degree of risk posed by the red flag:
- (1) Monitor the identified covered account for evidence of identity theft.
 - (2) Contact the student or applicant for which a credit report was run, where applicable.
 - (3) Change any passwords or other security devices that permit access to covered accounts.
 - (4) Provide the student with a new student identification number.
 - (5) Notify law enforcement.
 - (6) Other action as recommended by the Program Administrator.
- B. Protecting Student Identifying Information: In order to prevent the likelihood of identify theft occurring, College personnel will take the following steps with respect to internal operating procedures to protect student identifying information:
- (1) Ensure that institutional web pages are secure or provide clear notice where web pages are not or cannot be secured.

SECTION: Administrative

SUBJECT: Identity Theft Prevention Program

- (2) Ensure complete and secure destruction of paper documents and computer files containing student account information when a decision had been made to discard that information.
- (3) Avoid the use of social security numbers except when required for tax or other governmental reporting purposes.
- (4) Maintain up-to-date computer virus protection.
- (5) Require and maintain the minimum amount of student information necessary for institutional purposes.

5. Program Administration

- A. Oversight: Responsibility for implementing and updating the Identity Theft Prevention Program lies with the Vice President for Finance and Administration.
 - (1) Staff training will be conducted for those who may come into contact with accounts or personally identifiable information that may pose a risk to the College or its customers.
 - (2) Service Provider Arrangements: In the event the College engages a service provider to perform an activity in connection with one or more covered accounts, the College will take the following steps to ensure the service provider performs its duties in accordance with all institutional policies and procedures designed to detect, prevent and mitigate the risk of identity theft:
 - (a) Require, by contract, that service providers understand and agree to abide by College policies and procedures regarding identity theft.
 - (b) Require, by contract, that service providers report any red flags to the College employee with primary oversight of the service provider.
 - (3) Program Updates: The Vice President for Finance and Administration will periodically review and update the Identity Theft Prevention Program to reflect changes in risks. This review will consider the institution's experiences with identity theft, changes in the means by which identity theft occurs, changes in identity theft prevention and detection methods, and changes in the way business relationships are structured with other entities. After considering these changes, modifications to the program will be instituted as warranted.

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BOISE STATE UNIVERSITY

SUBJECT

Request to approve MOU and ground lease terms with American Campus Communities

REFERENCE

February 2008 Board approved extension of Expansion Zone & Capital Projects update

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.K.1. and V.I.5.b.(1)

BACKGROUND/DISCUSSION

As enrollment at Boise State University continues to grow, demand for on-campus housing continues to exceed capacity. Because of this shortfall, students are currently living at the University Inn and in off-campus hotel rooms. Over the past three years, applications for on-campus housing have increased by over 70 percent. Conservative estimates are that the University needs an additional 3,000-6,000 beds to meet this demand.

To meet the growing demand for on-campus housing, the University seeks to partner with American Campus Communities (ACC), one of the nation's largest developers, owners and managers of high-quality student housing communities, to develop and manage new on-campus housing. Since 1996, ACC has developed more than \$2 billion in properties and has acquired more than \$2 billion in student housing assets. ACC has become a national leader in third-party development and management of on-campus student housing, having been awarded the development of 50 on-campus projects. Working with ACC allows the University to develop new housing without issuing debt or using central cash reserves.

The terms of the proposed transaction are contained in a Memorandum of Understanding and a Summary of Ground Lease Terms. The University requests that the Board approve these documents as the structure of the transaction. If approved, ACC and the University will spend the next year finalizing the planning and construction approval processes to begin construction next spring. Once the project is ready to construct, the University will bring to the Board, for final approval (expected in April 2010), the long term ground lease. The primary terms of that lease are set forth in the Summary of Ground Lease Terms to be agreed to now so that the terms are set in advance of the actual lease execution. The proposed Memorandum of Understanding and Summary of Ground Lease Terms contemplate a student housing project consisting of two primary phases, Phase 1 and Phase 2. Phase 1 will be developed in two stages, Phase 1A and Phase 1B.

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Phase 1A will be constructed on land already owned by the University in its designated expansion zone. Phase 1B will be developed on land acquired by ACC and conveyed to the University. Phase 2 of the project is conditioned upon ACC's acquisition and conveyance of acceptable property to the University and Board approval of a ground lease and MOU substantially similar to the terms and conditions of Phase 1, to be brought forward at a later date. The primary terms of the proposed Memorandum of Understanding (MOU) and Summary of Ground Lease terms with ACC are as follows:

- The University will ground lease property in its designated expansion zone to ACC for a 65 year term with a lessee option to extend the term for two periods of 10 years.
- ACC will design, develop and manage student housing on the leased property. Phase 1A will include approximately 864 beds the majority of which will be substantially complete and ready for occupancy for the Fall 2011 semester.
- Phase 1B will contain between 140-220 beds depending upon the parcel(s) of land acquired. Phase 1B or a portion thereof will be substantially complete and ready for occupancy for the Fall 2012 semester, subject to land acquisition suitable for development by ACC.
- ACC will make semi-annual ground lease payments to the University. These rent payments may vary based upon three proposed project scenarios described in the Summary of Financial Impact table below (each scenario assumes property is tax-exempt¹.)
- ACC's construction cost savings, if any, will be shared with the University.
- The University will receive additional rent if the project revenues exceed expectations via a formula for sharing in this "upside participation."
- ACC must construct the project to the standards agreed to by the University and in the approved design.
- The University agrees not to build competing housing unless a study shows reasonable demand and the new housing will not adversely impact the ACC project.
- ACC will be responsible for all maintenance, operation and upkeep of the facility to a "Class A Standard."
- ACC will operate the project pursuant to University student residential life program standards.
- ACC and the University will agree to parking requirements commensurate with the needs of the University and the project.

IMPACT

The primary benefit of a public-private partnership for on-campus housing for Boise State University is the ability to reserve debt capacity for construction of academic and research facilities while meeting the immediate need for on-

¹ ACC and the University intend that the land, improvements and furniture, fixtures and equipment that comprise this project be treated as property of the State of Idaho for tax purposes. Should the Ada County Assessor or other tax authority determine otherwise, the University and ACC will negotiate in good faith a revision to the project financial terms.

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campus student housing. The University would also reap the benefit of ACC's experience constructing, owning and managing high-quality student housing communities. ACC is the industry leader in third-party development and management of on-campus housing. ACC has the financial strength and experience to make this project a success.

If the University enters into a partnership with ACC for on-campus housing, Moody's has verbally indicated the project costs would not be considered the University's direct debt. However, they will continue to monitor this project and any potential impact it could have on the University's overall credit quality. In the request for proposal process, the University required that project level debt could not be issued and assigned to this project. In the unlikely event that the project is unsuccessful or ACC were to default, the University's subsequent involvement in the project could cause Moody's to reassess their credit position. However, if that unlikely scenario were to occur, the University would still have the housing community, a viable institutional asset.

Potential drawbacks of a long term ground lease include the University's loss of control of leased land for an extended period of time and reputational costs associated with an unsuccessful project. Additionally, expected financial gains may not materialize if those gains are tied to the success of a project that doesn't meet expectations.

In addition, once the Board approves the MOU and Summary Ground Lease Terms, certain predevelopment services costs will be incurred to enable ACC and the University to determine if Phase 1 is feasible. These services, including architectural and engineering plans, market studies and related fees are detailed in Attachment 1, Exhibit F, Page 35. The MOU authorizes ACC to incur these predevelopment services costs as reimbursable expenses. In the event that a Phase 1 ground lease is executed, ACC will be reimbursed for these expenses out of project funding, not by the University. If, however, either party determines the project is not feasible and no ground lease is executed, the University must bear a pro-rata share of the total predevelopment costs of \$2.14 million, and reimburse ACC \$1.07 million or half of actual costs incurred. Though the University does not anticipate this will occur, it is a risk the University must accept in order to execute the MOU and proceed with project development. The maximum exposure to the University in the worst case scenario of either the University terminating the project or the Board denying the approval of the ground lease in April 2010, is that the University could bear the full predevelopment cost.

A summary of the financial impact of the three possible project scenarios is presented below.

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		Summary of Financial Impact		
		Scenario 1	Scenario 2	Scenario 3
		Phase 1A	Phase 1A and 1B Minimum Density	Phase 1A and 1B Maximum Density
Delivery Date		2011	2011/2012	2011/2012
# Beds		864	1,004	1,084
ACC return:				
Investment		\$43,534,574	\$51,038,980	\$55,816,195
Management Fee	5% of Total Revenue			
	Yr 1	\$271,599	\$271,599	\$271,599
	Yr 2	\$282,463	\$331,267	\$358,838
	10 yr Avg	\$326,085	\$377,734	\$406,911
Project NOI	Yr 1	7.22%	7.22%	7.22%
	Yr 2	7.51%	7.51%	7.51%
	10 yr Avg	8.67%	8.67%	8.67%
IRR		11.20%	11.13%	11.09%
Boise State return:				
Investment (approx.)		4.14 acres	4.30 acres	4.30 acres
Ground Lease	Yr 1	\$300,932	\$311,000	\$318,000
	Yr 2	\$312,969	\$323,317	\$375,345
	10 yr Avg	\$361,302	\$373,260	\$429,020
NPV				
Ground Lease - 85 Years, 6%		\$10,738,885	\$11,094,041	\$12,843,136
Rec Field Investment by ACC		\$250,000	\$250,000	\$250,000
Land contributed by ACC		\$0	\$600,000	\$1,500,000

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ATTACHMENTS

Attachment 1 – Proposed Memorandum of Understanding	Page 7
Exhibit A – Location of Phase 1A	Page 23
Exhibit B – Outline Specifications	Page 24
Exhibit C – Conceptual Design and Drawings (Powerpoint provided at meeting)	
Exhibit D – Preliminary Schedule	Page 33
Exhibit E – Preliminary Budget	Page 34
Exhibit F – Predevelopment Risk Budget	Page 35
Exhibit G – Summary of Phase 1 Ground Lease Terms	Page 37
Exhibit H – Reserve (not attached)	
Exhibit I – Board approval (not attached)	
Exhibit J – Expansion Area	Page 55
Attachment 2 – Ten Year Debt Projections	Page 58

STAFF COMMENTS AND RECOMMENDATIONS

As Boise State University (BSU) continues to expand, it must continue to look for alternative methods of funding capital projects in order to keep its debt service to operating budget ratio and credit rating at a favorable level. The University wants to preserve debt capacity for academic and research facilities due to limited availability of state, federal and private capital funds.

This agreement allows the University to ground lease property to American Campus Communities (ACC) for 65 years with two ten year extensions in exchange for semi-annual lease payments. ACC will build student housing facilities on the leased property which would primarily be targeted to upper level and graduate students.

BSU has determined that this facility will provide the residential profile needed to attract students, increase graduation rates, and compete nationally with other campuses with similar housing facilities. BSU and ACC cite studies that have shown students who reside on-campus tend to achieve academic success and are more likely to donate more after they graduate. BSU believes Idaho's low non-resident fees compared to Washington and Oregon will attract out-of-state students, further increasing the need for housing.

BSU has indicated the rental rates for the housing units are competitive with market rates in the surrounding community.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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BOARD ACTION

A motion to approve the request by Boise State University to enter into a Memorandum of Understanding for a multi-phase student housing project with American Campus Communities and to approve the Summary of Ground Lease Terms in substantially the same form as the attached lease, and to authorize the Financial Vice President to execute all necessary related documents. The final ground lease will be brought to the Board for final approval prior to execution.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is dated as of June 18, 2009 (“**MOU Effective Date**”), and entered into by and between the IDAHO STATE BOARD OF EDUCATION (“**Board**”), acting as the Board of Trustees on behalf of Boise State University (“**BSU**”) and ACC OP DEVELOPMENT LLC (“**ACC**”).

RECITALS:

A. BSU selected ACC pursuant to BSU’s “Request for Information and Qualifications to Work with Boise State University in the Planning and Development of Multiple Stages of Student Housing” in connection with the master planning for a multi-phase student housing project (“**Student Housing Project**”) at the BSU campus in Boise, Idaho (“**Campus**”) and the design, development and management of Phase 1 (hereinafter defined). The Student Housing Project will be developed and constructed in) phases, Phase 1 (herein so called) and, subject to receipt of approval of the Board as herein provided, Phase 2 (herein so called). Phase 1 will include a student housing facility (“**Phase 1A**”) to be constructed upon the land generally described or depicted on Exhibit A attached hereto as Phase 1A and, subject to the terms and provisions of this MOU, a student housing facility (“**Phase 1B**”) to be constructed in part on certain land owned by BSU and in part on certain other land to be acquired by ACC and conveyed to BSU pursuant to this MOU, with the exact location of such land to be agreed upon by ACC and BSU in writing (the “**Additional Phase 1B Properties**”). Upon approval by the Board as herein provided, Phase 2 will include a student housing facility to be constructed upon certain land to be acquired as provided in this MOU. Phase 1A will contain approximately 864 beds. Phase 1B will contain a minimum of 140 beds, and up to 220 beds, subject to determination of the area of the parcel or parcels of land for Phase 1B. Phase 2 could contain approximately 900 beds for freshmen and sophomore students on the Campus, subject to acquisition of suitable land for Phase 2.

B. The obligations of ACC shall be divided into two phases: (i) a predevelopment master planning phase for the Student Housing Project, (ii) a development phase for the design, leasing, development and management of Phase 1 (which shall include, with respect to Phase 1B, acquisition of additional land, as applicable). This MOU sets out the terms and conditions for the predevelopment planning phase and outlines the general framework for the development phase.

C. It is intended that, although Phase 1A and Phase 1B will be developed on different sites, the entirety of Phase 1 will be developed together under the Phase 1 Ground Lease (hereinafter defined); however, in the event that certain conditions are not satisfied as herein provided, then Phase 1 shall be comprised of only Phase 1A, and not Phase 1B.

D. The parties acknowledge and agree that the terms, conditions and obligations under this MOU are legally binding upon the parties and that this MOU is enforceable against the parties according to its terms.

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

AGREEMENTS:

1. PREDEVELOPMENT PHASE

1.1 Master Plan. ACC has heretofore prepared, and delivered to BSU a comprehensive master plan (“**Master Plan**”) for student housing at the BSU campus.

1.2 Goals and Objectives. The parties acknowledge the following goals and objectives of BSU and ACC in connection with the development of Phase 1:

1.2.1 BSU will establish, as part of Phase 1, a reasonable amount of parking sufficient to support Phase 1, as set forth in Paragraph 19 of Exhibit G attached hereto;

1.2.2 The need for the data and communications systems for Phase 1 to be integrated with BSU’s systems;

1.2.3 Designation by both parties of a single point of contact for decision making and approvals related to obligations under this and future agreements contemplated herein, as will be set forth in the Phase 1 Ground Lease (hereinafter defined);

1.2.4 Avoidance of real property taxation for Phase 1. Because Phase 1 has been determined by the State Board of Education to serve an educational purpose for BSU and is being used to benefit BSU, BSU and ACC shall cooperate in good faith in seeking a binding determination or ruling from the County of Ada or other applicable governmental authority which confirms that Phase 1 will be exempt from real property taxation;

1.2.5 Intentionally omitted;

1.2.6 Construction of improvements substantially in accordance with the outline specifications set forth on Exhibit B attached hereto (the “**Outline Specifications**”);

1.2.7 With regard to the management of the completed Phase 1, ACC shall implement (a) BSU’s code of conduct which is applicable to all registered students of BSU and (b) community policies mutually acceptable to both parties;

1.2.8 A construction allowance in the amount of \$250,000.00 is to be included in the project budget/proforma for the development of intramural athletic fields and streetscape improvements along Lincoln between University and Belmont as shown in the Master Plan;

1.2.9 To collaborate with necessary governmental bodies so that Phase 1 will be subject to permitting requirements and associated fees which are generally no greater than those that would be applicable if Phase 1 were being constructed by BSU; and

1.2.10 That Phase 1A (or a major portion thereof) be substantially complete and ready for occupancy for the Fall, 2011 semester of BSU and that Phase 1B (or some portion thereof) be substantially complete and ready for occupancy for the Fall, 2012 semester of BSU, subject to land acquisition by ACC.

1.3 Outline Specifications/Phase 1 Ground Lease Rental. BSU acknowledges that the Outline Specifications represent the outline specifications which ACC believes will be achievable relative to Phase 1 under the Preliminary Budget (defined below). Any enhancement or upgrading of the Outline Specifications could result in changes to the development pro forma and may result in a decrease in the amount of rental which can be payable under the Phase 1 Ground Lease. The Outline Specifications may be modified only by written agreement of ACC and BSU.

1.4 Approval of Phase 1/Predevelopment Services.

1.4.1 Based on its review of the Master Plan, BSU has requested ACC to prepare, and ACC has prepared the following: (collectively, the “**Preliminary Materials**”): (a) conceptual designs and drawings (“**Conceptual Designs**”) relative to Phase 1A, a copy of which are attached hereto as Exhibit C, (b) a preliminary schedule (“**Preliminary Schedule**”) for the design, development and construction of Phase 1A, a copy of which is attached hereto as Exhibit D, (c) a preliminary budget (“**Preliminary Budget**”) for the design, development and construction of Phase 1A, a copy of which is attached hereto as Exhibit E, and (d) a schedule (as same may be modified with the mutual agreement of ACC and BSU, the “**Reimbursable Schedule**”) setting forth the amounts of Reimbursables (hereinafter defined) that have been incurred and that ACC expects will be incurred on a monthly basis from and after April 21, 2008 until such time as construction of Phase 1 commences, a copy of which is attached hereto as Exhibit F. BSU has reviewed and hereby accepts and approves the Preliminary Materials.

1.4.2 ACC and BSU agree to use their reasonable efforts, in good faith, to agree upon the form of a ground lease for Phase 1 (“**Phase 1 Ground Lease**”) incorporating (in addition to other terms) the terms and conditions set forth on Exhibit G attached hereto. ACC is hereby authorized to incur Reimbursables in accordance with the Reimbursable Schedule and provide such services as may be required to cause the design of Phase 1 and the preparation of Plans and Specifications, a Budget and a Schedule (as those terms are defined herein) pursuant to Section 4.1 hereof (collectively, “**Predevelopment Services**”). ACC shall be reimbursed by BSU for such Reimbursables only as permitted by Section 2.1 of this MOU. In the event that a Phase 1 Ground Lease is signed, ACC will be reimbursed for the Reimbursables out of project funding for Phase 1 and not by BSU.

1.4.3 Attached hereto as Exhibit I is the document whereby the Board has approved (a) this MOU, (b) Phase 1A, (c) the Preliminary Materials, (d) Phase 1B, subject only to (i) agreement on the location of the Additional Phase 1B Properties by ACC and BSU and (ii) the applicable aggregate purchase price for the Additional Phase 1B Properties resulting in a combination of Fixed Annual Rental and Variable Rental (as such terms are defined in Exhibit G attached hereto) under the Phase 1 Ground Lease of no less than \$323,317.00, as reflected in the second fiscal year as set forth in the revisions to the Preliminary Budget prepared by ACC as part of the Phase 1B Materials (hereinafter defined) and (e) the material terms of the Phase 1 Ground Lease, in the form of Exhibit G attached hereto (which are currently in draft form and may be modified by written agreement of ACC and BSU). BSU agrees to seek the approval of the Board with respect to the final form of the Phase 1 Ground Lease in form and substance as agreed to by ACC and BSU in writing (the “**Board Lease Approval**”). Following agreement by ACC and BSU as to the form of the Phase 1 Ground Lease, BSU agrees to proceed promptly, in good faith and with reasonable diligence to obtain Board Lease Approval on or before April 30, 2010.

1.4.4 Intentionally Omitted.

1.4.5 The Predevelopment Services will be undertaken to enable ACC and BSU to determine if Phase 1 is feasible. ACC shall pay the costs and expenses of the Predevelopment Services, subject to reimbursement pursuant to the terms and provisions of this MOU. BSU hereby agrees that ACC and its agents, contractors, representatives, inspectors and engineers shall be entitled to have access to the Phase 1 sites owned or controlled by BSU for purposes of providing the Predevelopment Services, subject to the applicable insurance and indemnity obligations of this MOU and the Phase 1 Ground Lease.

1.4.6 BSU shall reasonably cooperate with ACC and assist ACC in connection with the application for and pursuit of development approvals and/or permits for Phase 1 from applicable governmental authorities having jurisdiction over Phase 1, including without limitation the City of Boise. The actual application and pursuit shall be a duty of ACC.

1.4.7 BSU acknowledges that ACC has had preliminary discussions with the current owner of a potential development site for Phase 2 (the “**Phase 2 Property**”) relative to a proposed transaction whereby ACC would attempt to acquire the right to purchase the Phase 2 Property for the development of Phase 2. In the event that ACC presents to BSU a feasible proposal whereby ACC would acquire the Phase 2 Property and convey such Phase 2 Property to BSU, BSU agrees to reasonably consider such proposal in good faith, and the parties agree to use their reasonable efforts in good faith to agree upon an arrangement for the sharing of risks in connection with Phase 2 on terms and provisions substantially similar to those set forth in this MOU. The parties acknowledge that the Board will need to approve Phase 2 and the ground lease for Phase 2, which ground lease shall be on terms and provisions substantially similar to those set forth on Exhibit G attached hereto, modified as necessary to reflect differences in the nature of the Phase 2 project. Notwithstanding anything set forth or implied in this

MOU, in the event that the parties do not elect to proceed with the acquisition, construction and/or development of Phase 1B and/or Phase 2, the parties' obligations with respect to Phase 1A (and, if applicable, Phase 1B) shall not be limited or otherwise affected.

1.5 Conditions to Development of Phase 1. Neither BSU nor ACC shall have any obligation to proceed with the actual construction of Phase 1 unless and until the parties have negotiated, executed and delivered a Phase 1 Ground Lease.

1.6 Site Development. The Phase 1 Ground Lease shall provide that ACC shall pay for the following costs associated with Phase 1, to the extent applicable: (i) demolition; (ii) any required environmental and archeological remediation; (iii) any and all utility distribution systems, including any required site specific utility relocations; and (iv) acquisition of necessary easements and/or rights-of-way, except to the extent ACC and BSU agree otherwise.

1.7 Additional Conditions for Phase 1B.

1.7.1 ACC and BSU acknowledge that the development of Phase 1B will require Additional Phase 1B Properties. Provided that such acquisitions can be made at prices which will result in a combination of Fixed Annual Rental and Variable Rental under the Phase 1 Ground Lease of at least \$323,317.00, as reflected in the second fiscal year as set forth in the revisions to the Preliminary Budget prepared by ACC as part of the Phase 1B Materials (hereinafter defined) , then (a) ACC will use reasonable efforts to so acquire the Additional Phase 1B Properties, (b) if ACC is successful in obtaining the Additional Phase 1B Properties, then Phase 1B shall be a part of Phase 1 without further approval of the Board and (c) ACC will prepare and submit to BSU for its approval revisions or amendments to the Conceptual Designs, Preliminary Schedule, Preliminary Budget and Reimbursement Schedule relative to the design, development and construction of Phase 1B (collectively, the "**Phase 1B Materials**"), which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall be deemed to have been given unless BSU specifically denies such approval in writing within ten (10) business days after it is requested. In the event that ACC is unable to acquire the Additional Phase 1B Properties at prices which will result in a combination of Fixed Annual Rental and Variable Rental under the Phase 1 Ground Lease of at least \$323,317.00, as reflected in the second fiscal year , as set forth in the revisions to the Preliminary Budget prepared by ACC as part of the Phase 1B Materials (hereinafter defined) on or before June 1, 2010 (unless extended by mutual agreement of the parties), then Phase 1 shall include only Phase 1A and not Phase 1B.

1.7.2 In the event that ACC acquires the Additional Phase 1B Properties, ACC will convey (and BSU agrees to accept) such Additional Phase 1B Properties, in consideration for ACC's execution of the Phase 1 Ground Lease and, if required, nominal consideration, and the entire Phase 1B property will be leased to ACC pursuant to the Phase 1 Ground Lease.

1.7.3 As a condition to ACC's acquisition of the Additional Phase 1B Properties, BSU will agree that it will not, until that date which is seven (7) years after such acquisition, attempt to acquire such Additional Phase 1B Properties (by condemnation, eminent domain or otherwise) for consideration less than the total expenses and costs of ACC in acquiring such Additional Phase 1B Properties.

2. RENT, FEES AND COSTS

2.1 Reimbursement. ACC shall be entitled to reimbursement by BSU for its actual, reasonable out-of-pocket costs and expenditures paid or incurred by ACC or its affiliates in (a) providing services hereunder, including costs and expenditures associated with preparation of the Master Plan and Preliminary Materials and performance of the Predevelopment Services and (b) evaluating, inspecting and contracting to acquire the Additional Phase 1B Properties, including without limitation third-party inspection reports, forfeited earnest money and legal fees, as set forth in the Reimbursable Schedule (collectively, "**Reimbursables**"), only as follows:

2.1.1 In the event that BSU reasonably disapproves of any Approval Items as permitted pursuant to Section 4.1 hereof, and the parties are unable, despite their good faith efforts, to reach agreement regarding same, then Phase 1 may be discontinued by written notice thereof by ACC or BSU to the other party, whereupon BSU shall reimburse to ACC an amount equal to fifty percent (50%) of all unreimbursed Reimbursables theretofore paid or incurred by ACC hereunder (but such total amount of Reimbursables to be multiplied by fifty percent [50%] shall not exceed the amounts set forth in the Reimbursable Schedule for the applicable period of time for Phase 1), which reimbursement shall be the limit of ACC's monetary damages in such circumstance; provided, however, that if the Approval Item that is the subject of a disapproval by BSU is a design drawing that is disapproved because the submitted design drawing is not a logical extension of a previously submitted design drawing that was approved by BSU, then ACC would not be reimbursed as a result of such disapproval;

2.1.2 In the event that either (a) this MOU is terminated by ACC pursuant to Section 7.2 hereof, or (b) the Board Lease Approval is not obtained on or before April 30, 2010, then BSU shall reimburse ACC for all of the unreimbursed Reimbursables theretofore paid or incurred by ACC hereunder (but not to exceed the amounts set forth in the Reimbursable Schedule for the applicable period of time);

2.1.3 In the event that (a) BSU breaches the terms and provisions of Section 5.1 hereof, or (b) Phase 1 is discontinued by BSU for reasons other than a default by ACC pursuant to this MOU, then BSU shall reimburse ACC for all of the unreimbursed Reimbursables theretofore paid or incurred by ACC hereunder (but not to exceed the amounts set forth in the Reimbursable Schedule for the applicable period of time); and

2.1.4 In the event that ACC is unable to acquire the Additional Phase 1B Properties at prices which will result in a combination of Fixed Annual Rental and Variable Rental under the Phase 1 Ground Lease of at least \$323,317.00, as reflected in

the second fiscal year, as set forth in the revisions to the Preliminary Budget prepared by ACC as part of the Phase 1B Materials (hereinafter defined) on or before June 1, 2010 (unless extended by mutual agreement of the parties), then Phase 1 shall thereafter include only Phase 1A, and not Phase 1B, as set forth in Section 1.7.1 hereof, and BSU shall reimburse to ACC an amount equal to \$50,000.00.

2.2 Timing of Payments. Any payment due by BSU to ACC pursuant to the terms of Section 2.1 shall be due and payable by BSU to ACC within thirty (30) days after BSU's receipt of ACC's invoice therefor.

2.3 Discretionary Upgrades. ACC and BSU will in good faith attempt to agree upon a prioritized list of discretionary construction upgrades which may be added to Phase 1 if funds therefor are available and ACC's internal yield on Phase 1 is projected to exceed 7.25%. Any such agreed-upon upgrades shall be added to the Plans and Specifications and Budget prior to commencement of construction of Phase 1.

2.4 Survival. The terms and provisions of Sections 2.1 and 2.2 shall survive any termination of this MOU.

2.5 Lease Payments. BSU shall be paid fair market value ground rent for Phase 1, which ground rent shall be comprised of (a) a stipulated payment (in cash and/or property) at the beginning of the lease term, (b) a fixed periodic payment, (c) a variable periodic payment based on the financial performance of Phase 1, or (d) a combination thereof, as agreed to by the parties and set forth in the Phase 1 Ground Lease.

2.6 Project Funding. ACC shall initially pay for the costs to develop, construct and equip the Project with its own funds and shall have no right or ability to mortgage, or otherwise lien, pledge or secure its leasehold interest in the Project to secure funds for such purposes, except as set forth in Exhibit G attached hereto.

3. REPRESENTATIONS AND WARRANTIES

3.1 ACC hereby represents and warrants to BSU as follows:

(a) ACC has all requisite power and authority to enter into this MOU and consummate the transaction herein contemplated, and by proper action has duly authorized the execution and delivery of this MOU and the consummation of the transaction herein contemplated and no permission, approval or consent by third parties or governmental authorities is required in order for ACC to enter into and consummate this MOU;

(b) This MOU is a valid obligation of ACC and is binding upon and enforceable against ACC in accordance with its terms; and

(c) The consummation by ACC of the transaction contemplated hereby does not, and will not, constitute a violation of any order, rule or regulation of any court or of

any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over ACC.

3.2 BSU hereby represents and warrants to ACC as follows:

(a) BSU has all requisite power and authority to enter into this MOU and consummate the transaction herein contemplated, and by proper action has duly authorized the execution and delivery of this MOU and the consummation of the transaction herein contemplated and no permission, approval or consent by third parties or governmental authorities is required in order for BSU to enter into and consummate this MOU;

(b) This MOU is a valid obligation of BSU and is binding upon and enforceable against BSU in accordance with its terms;

(c) The consummation by BSU of the transaction contemplated hereby does not, and will not, constitute a violation of any order, rule or regulation of any court or of any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over BSU; and

(d) BSU is not a party to, nor bound by, any indenture, mortgage, deed of trust, loan agreement, restriction, restrictive covenant, or any order or decree of any court or governmental agency, which might to a material degree adversely affect Phase 1 or any portion of the property on which Phase 1 will be located.

4. DELIVERABLES AND APPROVAL PROCESS.

4.1 Deliverables.

4.1.1 ACC shall prepare or cause to be prepared, as a cost of Phase 1, the following: (i) plans, specifications and drawings which, upon completion thereof, will be sufficient for construction (“**Plans and Specifications**”), (ii) refinements of the Preliminary Budget (“**Budget**”) including reasonably detailed construction cost estimate, (iii) refinements of the Preliminary Schedule (“**Schedule**”) and (iv) refinements to the Preliminary Residence Life Program (the “**Residence Life Program**”). The Budget, Schedule, Residence Life Program, and all schematic drawings and construction drawings to the extent relative to exterior building elevations, site plans, landscaping plans (subject to the approved allowance therefor), exterior lighting plans and emergency call-box locations relative to Phase 1 (collectively, the “**Approval Items**”), and material revisions thereto, shall be delivered to the BSU from time to time for approval, which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall not be withheld so long as the Approval Items conform substantially to the Outline Specifications (in the case of schematic drawings and construction drawings) and are a logical extension of prior submittals that have been approved by BSU.

4.1.2 The parties agree that the Master Plan, the conceptual designs and drawings submitted pursuant to Section 1.4.1 and the Plans and Specifications are the

proprietary intellectual property of ACC. Upon ACC's receipt of all Reimbursables as required under Sections 2.1.2 or 2.1.3 hereinabove, ACC will assign to BSU all of ACC's right, title and interest in and to the Master Plan and Plans and Specifications; provided, however, that such assignment shall expressly be subject to ACC's right to payment of the Fee (hereinafter defined) pursuant to this Section 4.1.2 in the event that any portion of Phase 1 is thereafter constructed by BSU. In the event that BSU, without ACC's involvement under this MOU, commences construction of any portion of Phase 1 utilizing the plans and specifications, then BSU shall owe and pay to ACC (a) any portion of the Reimbursables not theretofore paid by BSU to ACC hereunder (but not to exceed the amounts set forth in the Reimbursable Schedule for the applicable period of time) and (b) a fee ("Fee") in the amount of three percent (3%) of the total costs of constructing such portion of Phase 1 (as shown on BSU's final cost proforma existing at the time of commencement of such construction), which payment shall be due and payable by BSU to ACC within thirty (30) days after the commencement of such construction, which Fee the parties agree is not a penalty, but rather reasonable compensation to ACC for the efforts to be expended and resources to be devoted by ACC hereunder. The terms and provisions of this Section 4.1.2 shall survive any termination of this MOU.

4.2 Approval Process. In the event that BSU does not specifically disapprove or request additional information or documentation concerning any Approval Items within ten (10) business days after approval is requested in writing by ACC (provided that with respect to schematic drawings such period shall be 15 business days and with respect to construction drawings such period shall be 20 business days), BSU shall be deemed to have approved the requested item. In the event that BSU timely requests additional information or documentation concerning any Approval Items, and BSU does not specifically disapprove such Approval Item within five (5) business days after BSU's receipt of such additional information or documentation (or the expiration of the original period for review under this Section 4.2, whichever is later to occur), then BSU shall be deemed to have approved the requested item.

5. EXCLUSIVITY.

5.1 Additional Housing. BSU acknowledges and agrees that ACC has expended and will continue to expend significant resources to assist BSU in the pursuit of BSU's goals and objectives relative to student housing, all without assurance of reimbursement or payment except as expressly set forth herein. In consideration of such expenditures, BSU agrees that, so long as ACC is not in default under this MOU beyond the expiration of any applicable notice, grace and/or cure period, BSU will deal exclusively with ACC relative to the ground leasing or third-party development of Phase 1 or Phase 2 until that date which is five (5) years following the date of this MOU ("**Exclusivity Period**"), and BSU will not deal with another developer or third party regarding the provision of such services during such period. Notwithstanding the foregoing, in the event that BSU pays to ACC any and all Reimbursables and fees due and owing pursuant to Section 2.1.2 and/or 2.1.3 hereinabove, then the Exclusivity Period shall be deemed to expire on the date on which all of such Reimbursables and fees

are received by ACC. The terms and provisions of this Section 5.1 shall survive any termination of this MOU or discontinuance of Phase 1 hereunder for the duration of the Exclusivity Period. The foregoing shall not be deemed to prevent BSU from developing on the Campus student housing facilities containing up to 150 bed accommodations, in the aggregate, using its own funds or borrowings secured by its own credit, so long as BSU does not engage another third-party developer (unless such developer is strictly providing development services for a fee and has no equity interest in the project) in connection with such development.

5.2 Intentionally omitted.

5.3 Competing Projects.

5.3.1 The Phase 1 Ground Lease shall provide that BSU shall not undertake to directly or indirectly own an interest in, lease, develop, subsidize, manage or operate any Competing Project (herein defined) without ACC's prior written approval unless BSU shall first deliver to ACC a housing study from an independent third party consultant which has at least five (5) years of experience in providing such housing studies and which is reasonably acceptable to ACC and BSU (the "**Consultant**") which demonstrates that such Competing Project will not materially and adversely affect the demand for Phase 1. As used herein, the term "**Competing Project**" shall mean any new student housing project which is likely to compete for residents with Phase 1 with consideration given to the following factors: (i) targeted student residents (i.e. upper classmen or graduates); (ii) package of amenities (e.g., swimming pool, food service, parking, access to public transportation and fitness facilities); and (iii) residence life programs. Notwithstanding the foregoing, any replacement of currently existing student housing on the Campus (so long as the total number of beds is not increased and the student housing which is replaced is not used after the replacement student housing is completed) shall not be deemed to be Competing Projects.

5.3.2 The Phase 1 Ground Lease shall provide that ACC shall not undertake to directly or indirectly own an interest in, develop, manage or operate (a) any residence hall housing marketed with a food service plan which is likely to compete for residents with existing freshmen housing or graduate/married student housing currently owned and operated by BSU on the Campus with consideration given to the following factors: (i) targeted student residents (e.g., freshmen or graduate/married students); (ii) package of amenities (e.g., food service, parking, access to public transportation and fitness facilities); and (iii) residence life programs, without BSU's prior written approval, or (b) any apartment style student housing project which is less than one (1) mile from the Campus and which is likely to compete for residents with the existing University Square project on the Campus unless ACC shall first deliver to BSU a housing study from a Consultant which demonstrates that such apartment style student housing project will not materially and adversely affect the demand for such University Square project, without BSU's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, (i) the foregoing restrictions shall not apply to Phase 1 or Phase 2 and (ii) ACC shall not be prevented

from owning an interest in or acquiring any land for future development. Notwithstanding the foregoing, ACC agrees that, while this MOU is in effect ACC will not seek to acquire land for future development (other than the Additional Phase 1B Property and the Phase 2 Property) which is within the area described on Exhibit J attached hereto.

6. INDEMNIFICATION AND INSURANCE.

6.1 ACC shall indemnify, defend and hold harmless BSU and its officers, employees, agents and representatives from and against any and all claims, demands, suits, actions, proceedings, judgments, liabilities, damages, losses, liens, costs and expenses of every kind and nature (including, without limitation, reasonable attorneys' fees and court costs) to the extent arising from or as a result of the acts or omissions of ACC or any of the ACC Parties (defined below in Section 6.2). Subject to the limits of the Idaho Tort Claims Act, BSU shall indemnify, defend and hold harmless ACC and its officers, employees, agents and representatives from and against any and all claims, demands, suits, actions, proceedings, judgments, liabilities, damages, losses, liens, costs and expenses of every kind and nature (including, without limitation, reasonable attorneys' fees and court costs) to the extent arising from or as a result of the acts or omissions of BSU. The terms of this Section 6.1 shall survive the termination of this MOU.

6.2 Insurance.

6.2.1 During the term of this MOU, ACC shall maintain insurance coverages (i) for general liability in the minimum amount of One Million Dollars (\$1,000,000.00) per occurrence, (ii) for automobile liability in the minimum amount of One Million Dollars (\$1,000,000.00) per occurrence with respect to owned, hired or non-owned vehicles, (iii) for property damage of One Hundred Thousand Dollars (\$100,000.00) per occurrence, and (iv) workers' compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of ACC, its employees or both engaged in activities relating to this MOU and employer's liability insurance with a minimum limit of One Hundred Thousand Dollars (\$100,000.00) for each accident, One Hundred Thousand Dollars (\$100,000.00) disease for each employee and Five Hundred Thousand Dollars (\$500,000.00) disease policy limit. The liability insurance coverage of ACC shall be primary and not contributing with respect to any insurance maintained by BSU. BSU will be named as an additional insured on ACC's insurance coverage to the extent of the acts or omissions of ACC or the ACC Parties (defined below). ACC's insurance coverage shall be on the basis that the coverage will not be invalidated due to any act or omission of BSU or its regents, officers, employees or agents. ACC will deliver to BSU a certificate of insurance showing such insurance coverages within ten (10) days after execution of this MOU and before any ACC Parties enter upon Phase 1. ACC's coverages will include acts and omissions of ACC Parties occurring on BSU property. "ACC Parties" means the following: ACC's directors, officers, employees or agents entering upon Phase 1 or otherwise acting in connection with this MOU.

6.2.2 The insurance policy must contain a provision requiring the insurer to notify BSU in writing of any cancellation, alteration or non-renewal at least thirty (30) days prior thereto, except in the case of a cancellation or non-renewal for failure to pay a premium payment, in which case the insurer must notify BSU no less than ten (10) days prior to cancellation or non-renewal.

6.3 Intentionally omitted.

6.4 Upon request by BSU, ACC will provide BSU with certificates of any and all required insurance policies and endorsements.

6.4.1 Any third party performing Predevelopment Services for or on behalf of ACC hereunder who has access to Phase 1 shall also satisfy the provisions of Section 6.2 prior to entering upon Phase 1.

6.4.2 None of the provisions of this MOU shall affect or impair any right of subrogation of any insurer.

7. MEDIATION, DEFAULT AND TERMINATION

7.1 In the event of a dispute between the parties hereto which the parties cannot resolve between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation in Idaho before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by BSU and ACC. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, BSU and ACC shall request a court of competent jurisdiction in Ada County, Idaho to appoint an independent mediator. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to student housing development. The cost of any such mediation shall be divided equally between BSU and ACC. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the moratorium. Notwithstanding the foregoing, either party shall be entitled to seek injunction or other equitable remedy without first resorting to the procedures set forth in this Section 7.1.

7.2 Either BSU or ACC may terminate this MOU upon five (5) business days' prior written notice to the other party, given after the expiration of any applicable cure period, if (a) the other party fails to comply with any of its material obligations under this MOU, and such failure continues for thirty (30) days after the defaulting party's receipt of written notice thereof from the non-defaulting party (provided, however, that if such failure is not reasonably capable of being cured within such thirty [30] day period, the defaulting party shall have additional time to cure such failure so long as the defaulting party promptly commences curative actions and thereafter diligently pursues such curative actions) or (b) the other party files, in any court, pursuant to any statute, either in the United States or of any other state, a petition in bankruptcy or insolvency, or for

reorganization or for appointment of a receiver or trustee of all or a substantial portion of the property owned by such party or if such party makes a general assignment for the benefit of creditors, or any execution or attachment shall be issued against such party or all or a substantial portion of such party's property, except as may herein be otherwise expressly permitted, and such adjudication, appointment, assignment, petition, execution or attachment shall not be set aside, vacated, discharged or bonded within ninety (90) days after the determination, issuance or filing of the same.

7.3 Notwithstanding anything set forth herein to the contrary, in no event shall either ACC or BSU be liable hereunder for (and each party hereby waives the right to claim or sue for) any indirect, speculative, consequential or punitive damages.

7.4 Notwithstanding any other provision of this MOU, this MOU shall terminate upon the date that is five (5) years after the MOU Effective Date.

8. GENERAL PROVISIONS

8.1 Notices. Except as otherwise expressly provided herein, notices may be delivered either by telecopy, private messenger service (including overnight courier) or by mail addressed as provided below. Any notice or document required or permitted hereunder shall be in writing and shall be deemed to be given on the date received; provided, however, that (i) all notices and documents mailed in the United States Mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the respective address show below, shall be deemed to have been received three (3) business days after mailing. Each address shall for all purposes be as set forth below unless otherwise changed by notice to the other parties as provided herein:

TO BSU: Boise State University
 1910 University Drive
 Boise, Idaho 83752-1200
 Attention: Stacy Pearson, Vice President Finance and
 Administration
 Telephone: 208-426-1200
 Facsimile: 208-426-3826

WITH COPIES TO: Boise State University
 1910 University Drive
 Boise, Idaho 83752-1200
 Attention: Kevin Satterlee, Vice President/General
 Counsel

 Telephone: 208-426-1203
 Facsimile: 208-426-1345

TO ACC: ACC OP Development LLC

c/o American Campus Communities
805 Las Cimas Parkway
Suite 400
Austin, Texas 78746
Attention: Mark Rogers
Telephone: 512-732-1000
Facsimile: 512-732-2450

WITH COPIES TO: Glast, Phillips & Murray, P.C.
2200 One Galleria Tower
13355 Noel Road
Dallas, Texas 75240
Attention: R. Craig Warner
Telephone: 972-419-8314
Facsimile: 972-419-8329

8.2 Attorneys' Fees. If any action at law or in equity shall be brought to recover any payment under this MOU, or for or on account of any breach of, or to enforce and interpret any of the covenants, terms or conditions of this MOU, the prevailing party shall be entitled to recover from the other party a reasonable attorneys' fee, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

8.3 Construction. The language in all parts of this MOU shall in all cases be construed as a whole and simply according to its fair meaning and not strictly for nor against any of the parties, and the construction of this MOU and any of its various provisions shall be unaffected by any claims, whether or not justified, that it has been prepared, wholly or in substantial part, by or on behalf of any of the parties. The parties do not intend to become, and nothing contained in this MOU shall be interpreted to deem that BSU and ACC are, partners or joint venturers in any way or that ACC is an agent or representative of BSU for any purpose or in any manner whatsoever. A male or female person may be referred to in this MOU by a neuter or masculine pronoun. The singular includes the plural, and the plural includes the singular. A provision of the MOU which prohibits a party from performing an action shall be construed so as to prohibit the party from performing the action or from permitting others to perform the action. Except to the extent, if any, to which this MOU specifies otherwise, each party shall be deemed to be required to perform its obligations under this MOU at its own expense, and each part shall be permitted to exercise its rights and privileges only at its own expense. **"Including"** means "including but not limited to." **"Include"** means "include but not limited to." **"Any"** means "any and all." Except to the extent context requires otherwise, **"may"** means "may but shall not be obligated to." **"At any time"** means "at any time and from time to time." An expense incurred on behalf of a party shall be deemed to have been incurred by the party. An obligation performed on a party's behalf and pursuant to its request or consent shall be deemed to have been performed by the party. If a party is required not to unreasonably withhold consent or approval, the party shall also be required not to unreasonably delay consent or approval.

8.4 Intentionally omitted.

8.5 Nonliability of BSU and ACC Officials and Employees. No regent, officer, official, employee, agent or representative of BSU shall be personally liable to ACC or any successor in interest, in the event of any default or breach by BSU for any amount which may become due to ACC or any successor in interest, or on any obligation incurred under the terms of this MOU. No officer, official, employee, agent, member or representative of ACC shall be personally liable to BSU or any successor in interest, in the event of any default or breach by ACC for any amount which may become due to BSU or any successor in interest, or on any obligation incurred under the terms of this MOU

8.6 Prior Agreements and Discussions. Any agreements between BSU on the one hand and ACC on the other hand before the date of this MOU and relating to the Phase 1 Ground Lease, or Phase 1 are superseded by this MOU. All prior negotiations are merged into this MOU. The submission of any unexecuted copy of this MOU shall not constitute an offer to be legally bound by the provisions of the document submitted; and no party shall be bound by this MOU until it is executed and delivered by both parties.

8.7 Exhibits. This MOU is executed in two (2) duplicate originals, each of which is deemed to be an original. This MOU includes the following exhibits:

- Exhibit A Location of Phase 1A
- Exhibit B Outline Specifications
- Exhibit C Conceptual Designs and Drawings
- Exhibit D Preliminary Schedule
- Exhibit E Preliminary Budget
- Exhibit F Reimbursement Schedule
- Exhibit G Terms and Conditions of Phase 1 Ground Lease
- Exhibit H Reserved
- Exhibit I Board Approval
- Exhibit J Expansion Area

8.8 Governing Law. This MOU shall be taken and deemed to have been fully made and executed by the parties hereto in the State of Idaho for all purposes and intents and shall be governed by and subject to the laws of the State of Idaho without giving effect to conflict of law principles.

8.9 Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of this MOU are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. Any reference to a Section or Article means a Section or Article of this MOU, unless otherwise defined.

8.10 No Third Party Rights. Nothing in this MOU shall be construed to permit anyone other than BSU and ACC and their respective successors and assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of

action (as a third party beneficiary or otherwise) on account of any nonperformance hereunder.

8.11 Non-Discrimination. BSU and ACC agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing equal employment opportunities, immigration, non-discrimination and affirmative action. To that end, ACC shall not discriminate in the conduct and operation of its business at the Project against any person or group of persons because of race, religion, color, sex, age, national origin, ancestry, handicap or Vietnam veteran or disabled veteran status of such person or group of persons.

8.12 Intentionally omitted.

8.13 Force Majeure. For the purposes of any of the provisions of this MOU, neither BSU nor ACC shall be considered in breach of or in default of its obligations hereunder in the event of any delay in the performance of such obligations due to causes beyond the control of, and without the fault or negligence of, such party, including without limitation acts of God, acts of the public enemy, acts of war or terrorism, acts of the federal government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, severe or inclement weather, or shortages in labor, supplies or materials or other delays due to such causes; it being the purpose and intent of this Section 8.13 that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the party suffering such delay hereunder shall be extended for the period of the delay.

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this MOU on their behalf as of the date first above stated.

IDAHO STATE BOARD OF
EDUCATION, acting as the Board of
Trustees on behalf of Boise State University

ACC OP DEVELOPMENT LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

LOCATION OF PHASE 1A

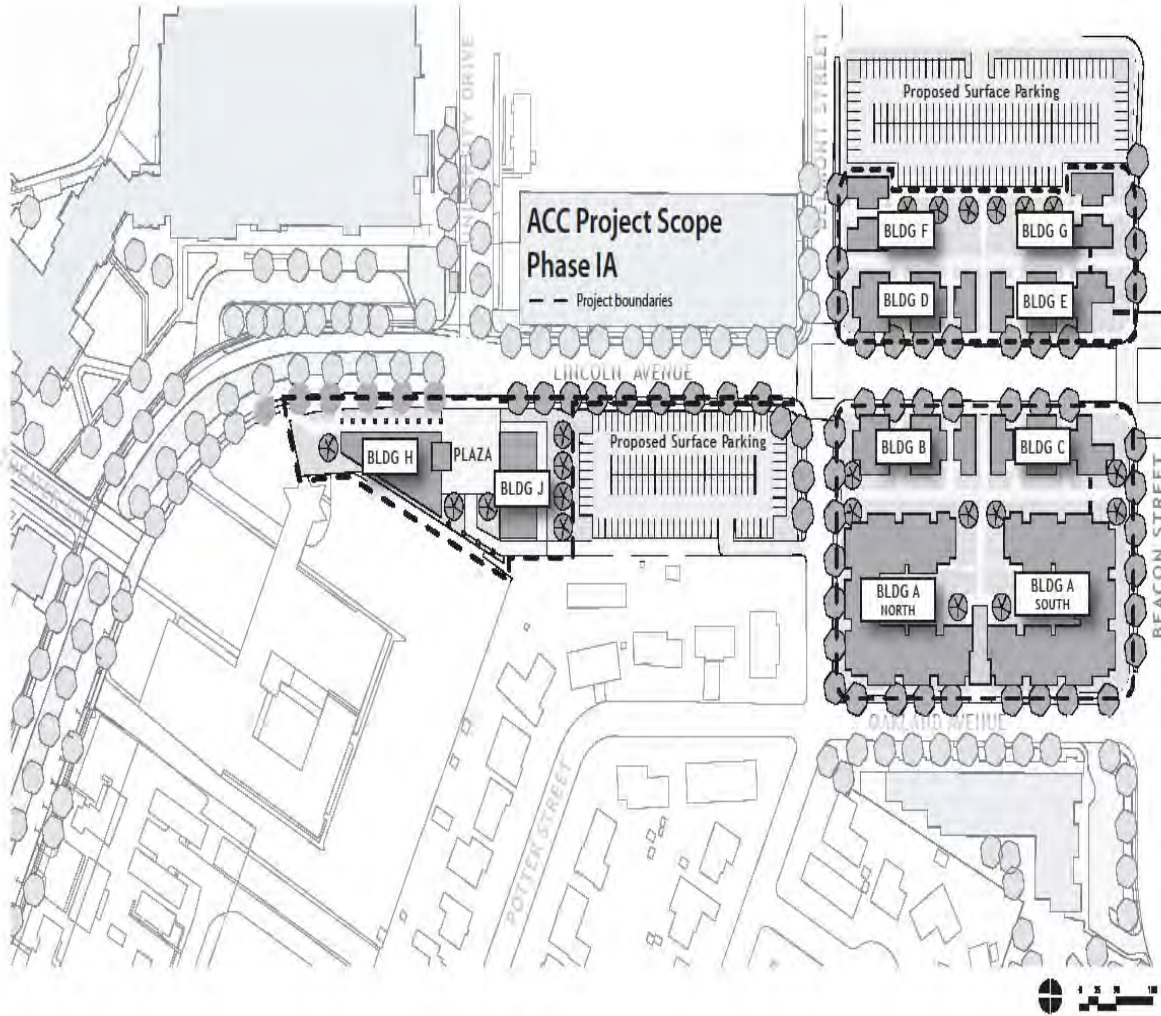


EXHIBIT B**OUTLINE SPECIFICATIONS**Division 1 - General

1. Exterior Mockup Wall Section - Provide a minimum 80 s.f. mockup that includes materials and products proposed for the building. The mock-up shall represent integrated sampling of exterior materials and construction techniques, level of finish/workmanship, and aesthetic effect. Mockup assembly shall be available for owners review and approval prior to commencing work and remain until Boise State University approval to remove.

Division 02 – Site Work

1. Site work – Industry standard clearing, grubbing and grading operations. Remove all non-structural material from site per geotech direction.
2. Site retaining walls – Architectural concrete wall 8” wide X 24” high with standard gray concrete, chamfer at all top edges and single horizontal reveal line or split-face CMU block, standard color.
3. Site utilities – water, fire hydrants, storm sewer and sanitary sewer shall be designed and installed to be consistent with standards of agency having jurisdiction. All verification of utility availability and requirements to be by ACC. Any and all extension or relocations of utilities either on site or off site included as needed. On-site storm water retention provided as needed.
4. Dry Utilities
 - a. Primary voltage distribution, pad mounted transformers, metering equipment, etc. will be installed, owned and operated by Idaho Power Co. and installed in coordination with Idaho Power Co. standards and requirements. Primary electrical distribution shall be underground.
 - b. Telecommunications infrastructure shall be distributed underground and connected to BSU campus telecommunications infrastructure as appropriate and agreed. Connections to include both fiber optic cabling for network/data communications, and analog phone lines for telephone services or agreed alternate approach.
5. Public streets, curbs, gutters and sidewalks shall be per Ada County Highway District standards.
 - a. New curb, gutter and sidewalks as required at street frontages.
 - b. New street paving as required per new sewer and water alignment.
6. Site pavement - Parking and drives shall be asphalt paving over base per geo-tech recommendations. Gutter shall be concrete with a six-inch exposed curb and striping shall be single line.
7. Sidewalk width shall be adequate for projected use and based on geo-tech recommendations and as to be agreed.
8. Hardscape – Sidewalks, bike racks, trash receptacles, cigarette snuffers, tree grates, emergency phones, bollards, consistent with university campus design. See Division 12 “Site Furnishings”.

9. Landscape and irrigation - shall be drought-tolerant and irrigation shall be fully automatic sprinkler and drip systems where appropriate, with zoned controls.
 - a. Provide adequate topsoil
 - b. Maxicom sprinkler system per BSU requirement or equal.
 - c. All trees shall be minimum 2" caliper, B&B or accepted lesser as alternate.
 - d. All trees and landscape within ACHD ROW to meet applicable standards or acceptable alternate
 - e. All lawn to be sod
 - f. Concrete mow strip at all planter beds
10. Site lighting shall be standard residential grade 14-foot pole lights, metal halide in round hat box or 28 foot square hat box at street frontage as needed to match existing similar conditions.
11. Demolition and asbestos – Abatement and demolition with removal to local landfill as necessary and in keeping with all applicable regulations.
12. Provide one monument sign as approved by BSU.

Division 03 – Concrete

1. Building foundations shall be continuous and spread footings with adequate frost depth, foundation wall and four-inch slab on grade. Concrete strength to be 3,000 PSI or as recommended by Geotech Report.
2. Lightweight concrete shall be provided at upper trash rooms, exterior corridors, balconies and stair landings per manufacturer recommendations
3. Gypcrete and accousti-mat (if required to meet code) shall be provided at upper interior units per manufacturer recommendations

Division 04 – Masonry

1. Exterior skin
 - a. Shall be a combination of 75% modular brick and 25% stucco.
2. Masonry – Brick shall be modular size and match brick blend on Lincoln Street garage. Basis of blend design shall be Robinson brick, Cooperstown, texture 2 (85%) and Ballpark, texture 1, smooth satin finish (15%) or approved equal such as Interstate.
3. Mortar shall be natural gray color.
4. Joints shall be ¼" raked.
5. Stucco shall be three-coat system with elastomeric integral finish color
6. Brick ledge shall be galvanized steel
7. Casing bead shall be installed per manufacture recommendations (windows, doors, etc)
8. Lintels shall be galvanized
9. Control joints shall be per manufacturer recommendation and industry standards and to meet all code requirements.
10. Weep holes shall be per industry standards and include plastic screens
11. Provide brick rowlock and soldier courses at required locations (window, doors, vertical and horizontal transitions)

Division 05 – Metals

1. Miscellaneous metals shall be shop primed and contain rust inhibitor.
2. Field touch-up priming required after installation at any exposed surface
3. Stair systems
 - a. Exterior shall be steel stringers with precast concrete treads, closed steel riser plates and pan-filled landings.
 - b. Common interior shall be steel stringers with precast concrete treads, closed steel riser plates and pan-filled landings.
 - c. Private interior shall be wood frame with carpet coverings.
4. Final painting of architectural steel to be field applied
5. Sunshades shall be provided as agreed in design phase
6. Elevator hoist beams and ladders for each shaft as needed
7. One roof access ladder per building as needed
8. Single loop bike racks or agreed equal
9. Two sets of trash gates or agreed equal
10. Final painting of architectural steel to be field applied equal or pre-finished as agreed
11. Structural hardware – all fasteners, joist hangers, hold-downs as required per code
12. Pipe bollards at fire access roads as appropriate and agreed
13. See Division 12, “Site Furnishings” for further requirements

Division 06 – Wood, Plastics, and Composites

1. Rough carpentry
 - a) Exterior siding panels, if used, shall be pre-finished cementitious (Hardi) with smooth texture.
 - b) Exterior soffit – pre-finished cementitious soffit (Hardi) smooth panel materials at patios and exterior unit entries
 - c) Exterior trim – pre-finished cementitious trim materials were exposed to elements
 - d) Covered corridor ceilings – Exterior Type X gypsum sheathing
 - e) Sheathing – Oriented strand board (OSB) sheathing on all exterior walls
 - f) Building and window wrap - Tyvek or equivalent with taped joints
2. Framing includes all rated assemblies’ interior and exterior walls, floors, balconies interior and exterior corridors, roofs, and roof parapets for a complete building
3. Provide wood blocking per truss manufacturer requirements, all upper cabinet installation locations, tubs and shower identified as ADA accessible or adaptable towel bar, ring, hook,, door bumper, door closer, and toilet paper dispenser locations
4. Finish carpentry
 - a) Interior door jambs may be finger jointed
 - b) Baseboards – See Division 9 finish section (four-inch vinyl)
 - c) Window sills shall be four-inch laminate sills.

Division 07 – Thermal and Moisture Protection

1. Insulation

- a) Exterior and corridor wall – R19 Batt insulation with vapor barrier in 2x6 framed walls
- b) Interior Separation wall – Unfaced R13 acoustical Batt insulation in 2x4 framed walls (assumption is that this refers to unit party walls).
- c) Roof – Four-inch R28 rigid insulation per minimum energy code requirements.
- d) Floor Ceilings – Unfaced R13 Batt insulation at unit separation ceilings
2. Roofing flat roofs – TPO membrane (.60 mil), 20-year manufacturer’s warranty
3. Asphalt shingles shall be 30 year architectural or agreed alternate
4. Flashing shall be prefinished metal, with Kynar (or equivalent) coating to match adjacent area,
5. Drip edge shall be prefinished metal with Kynar (or equivalent) coating. Color as selected by Architect.
6. Gutter and downspouts shall be five-inch pre-finished aluminum
7. Caulking and sealants shall be compatible with surfaces attached to per manufacturer instructions. Use backer rod where joint size exceeds manufacturer recommendations
8. Fire caulking shall be installed per local code
9. Waterproofing shall be per industry standard at all below grade walls leading into interior space, including conditioned space, shafts, mechanical rooms, etc

Division 08 – Openings

1. Doors
 - a) Unit entry –Hollow core, 26-gage metal door (20-minute rated)
 - b) Bedroom – Solid core six-panel primed Masonite with wood finger-jointed jambs
 - c) Bathrooms – hollow core 6 panel primed Masonite with wood finger-jointed jambs
 - d) Unit mechanical closets - hollow core 6 panel primed Masonite with wood finger-jointed jambs
 - e) Bedroom closet – Six-foot mirror bypass door
2. Hardware
 - a. Unit entry and bedroom doors – Falcon or Best seven-pin minimum lock sets with interchangeable cores
 - b. Unit entry - single cylinder deadbolt and single cylinder keyed lever
 - c. Bedroom Entry - Single cylinder deadbolt and passage lever
3. Windows
 - a) Vinyl frame
 - b) Double pane
 - c) Single hung with locks
 - d) Low-E with clear insulated glass
 - e) Window screens at bottom sash
 - f) Membrane flashing around all windows
 - g) Storefront systems shall be Kawneer or approved equal
 - h) Bedroom windows to meet minimum egress code requirements
 - i) Window sill heights shall be maintained to minimize fall hazard
4. Glass and glazing
 - a) Storefront shall be dark bronze anodized finish aluminum system

Division 09 – Finishes

1. Drywall
 - a) Level 3 finish per USGA material installation requirements.
 - b) Unit interior walls and ceilings shall be 5/8-inch Type X
 - c) Unit separation walls shall be one layer of 5/8-inch soundboard over one layer of 5/8-inch Type X on both sides of the stud (with insulation in the cavity)
 - d) Unit corridor walls shall be one layer of 5/8-inch Type X board
 - e) Unit bathroom and wet area walls shall be 5/8-inch Moisture Resistant Gypboard.
 - f) Corridor walls shall be two layers of 5/8-inch Type X board
 - g) Corridors ceilings shall be one layer of 5/8-inch Type X board over 7/8-inch RC channel at all levels per code except where a double layer of 5/8-inch Type X is required by code
 - h) Trash room walls shall be fire-rated panel boards per code
 - i) Covered corridor ceilings (above 4th floor exterior stairs) – Exterior Type X gypsum sheathing
 - j) Drywall finish shall be orange peel at walls and ceilings per USGA installation requirements
2. Flooring
 - a) Unit bathroom and kitchens – Earthworks four-inch vinyl plank flooring with low VOC adhesive.
 - b) Unit Carpet – 28-ounce broadloom glue-down carpet with low VOC adhesive
 - c) Common Area – 28-ounce broadloom glue-down carpet with low VOC adhesive
 - d) Provide four-inch vinyl cove base throughout with low VOC adhesive (not at corridor walls)
3. Painting
 - a) Unit walls and ceilings – One coat of primer and one coat water-base eggshell finish
 - b) Unit trim and doors – One coat semi-gloss, water-based paint. Minimum 1.5 mil dry film thickness, or additional coats as necessary to provide uniform appearance.
 - c) Metal doors – factory primed with two coats of oil-based alkyd enamel paint
 - d) All metal flashing to be pre-finished to match adjacent material.
 - e) Mildew and moisture resistant paint at all window sills and jambs
 - f) Low VOC paints at all locations
4. Interior wall carpet
 - a) 28-ounce fire-resistant, glue-down carpet shall be installed 42-inches AFF and include a pre-manufactured chair-rail at all interior corridor (no base)

Division 10 – Specialties

1. Semi-recessed fire extinguishers and cabinets shall be provide per local code
2. Signage shall be per local code
3. Closet shelving shall be ventilated wire shelving
4. Mail boxes - One 4C per bed and one postal parcel for every 10 unit boxes
5. Toilet and bath Accessories
 - a) One 24-inch towel bar for every bed
 - b) One toilet dispenser per toilet

- c) One shower rod per tub
- d) One medicine cabinet per bed
- 6. Cabinets and Vanities – Shop mill work fabricated boxes with reinforced corners.
 - a) Cabinet shall be melamine finish over particleboard subsurface
 - b) Countertops shall be plastic laminate over $\frac{3}{4}$ -inch particle board with a 4-inch backsplash
- 7. Fire Extinguisher and cabinets located and installed per code

Division 11 – Equipment

- 1. Appliances – shall be Energy Star Rated (items b, c & d)
 - a) Range shall be electric
 - b) Dishwasher shall be five-cycle
 - c) Washer/Dryer shall be stackable and electric
 - d) Refrigerator shall be 18-cubic foot
 - e) Microwave with recirculation fan. (not vented to the outside)
 - f) Disposal shall be 1/3 horsepower
- 2. Trash equipment
 - a) Trash chutes – Six trash chutes (three for recycling, three for trash) have been assumed for the four- and five-story apartment buildings. Chutes and receptors to be designed and installed per all applicable codes and SFM requirements.
 - b) Trash compactor – Per ACC standards

Division 12 – Furnishings

- 1. Residential furniture –Per ACC standards and BSU review for comments.
- 2. Site furnishings consistent with university campus design and ACC standards (typ. Landscape forms, V 35 or equivalent.) See Division 02 Section 8, “Hardscape”
- 3. Window treatments – One one-inch aluminum horizontal mini-blind per window at residential units.

Division 13 – Special Construction

Not applicable

Division 14 – Conveying Equipment

- 1. Elevators shall be hydraulic with standard finishes.

Division 15 – Plumbing and HVAC Systems

- 1. Plumbing:
 - a) Piping shall be domestic water distribution main and branch lines to be CPVC and lines from the manifold to the fixture to be crosslinked polyethylene system and installed per local code. Polybutylene piping systems shall not be allowed.

- b) Fitting, valves and connections as required making all the equipment operational.
 - c) System shall be gas fired boiler(s) per building with storage tanks
 - d) Water booster pumping system shall be provided as need to maintain appropriate pressures at all living units
 - e) Tubs shall be one piece fiberglass tub/shower combination
 - f) Fixtures shall be low flow
 - g) Kitchen sink shall be stainless steel with single leaver faucet
 - h) Bathroom sink shall be porcelain with single leaver faucet
2. Fire Protection
- a) Piping shall be CPVC where SFM allows and installed per NFPA 13R and NFPA as required
 - b) Sprinkler heads shall be semi-recessed.
 - c) Fire pumps are assumed at the five-story building and as needed elsewhere
3. Mechanical
- a) Systems
 - 1. Residential units shall be one electric heating and cooling split heat pump system per unit and designed by Mechanical Engineer based on appropriate guidelines for the region.
 - 2. Common areas shall be electric heating and electric cooling systems.
 - b) Manufacturer shall be Carrier, Trane or equal and the SEER rating to be minimum 13
 - c) Piping shall be continuous, hard drawn insulated copper from air handler to the outdoor heat pump condensing unit per manufacture recommendation and industry standards.
 - d) Temperature controls – One programmable thermostat per residential unit
 - e) Air distribution shall be insulated flex duct for a maximum of 6 ft. where practical and insulated metal duct for the balance; provide for adequate air return per applicable residential standards.
 - f) Exhaust and ventilation – Residential bathrooms, common area restrooms, mechanical, laundry rooms and trash rooms as required by code.
 - g) Refrigerant shall be R410A.

Division 16 – Electrical and Fire Suppression

1. Electrical
- a) Wire shall be Romex where allowed by local code otherwise Metal Clad.
 - b) System shall be installed per current NEC
 - c) Electrical panel shall be one per unit
 - d) Meter – Units shall be individually metered.
 - e) Outlets and switches – Residential grade inside the units and commercial grade at common areas.
 - f) Light fixtures shall be residential grade florescent
 - Bedroom – One surfaced mounted
 - Living Room – One surfaced mounted
 - Kitchen – One surfaced mounted
 - Bathrooms – One surfaced mounted strip over sink

- Interior Corridors – Surfaced mounted florescent
2. Fire Alarm
 - a) System shall be fully addressable and installed per local and SFM requirements.
 - b) Smoke detectors shall be 120 volt hardwired with battery back-up
 - c) System shall be connected to a third party or campus monitoring station per SFM requirements.

Division 17 – Telecommunication & Security

1. Cabling shall be:
 - a) Telephone shall be Cat5e located in every living room (not in conduit)
 - b) Data shall be Cat5e located in every bedroom (not in conduit)
 - c) TV shall be RG-6 located in every living room and bedroom (not in conduit)
2. MDF/IDF Rooms
 - a) HVAC shall be through-wall units.
3. Conduit
 - a) Site conduit shall be appropriately sized PVC conduits or equal for main telecom room to property line.
 - b) Buildings – IDF closets located in each building is to be connected to each other via appropriately sized PVC conduit or equal.
4. Security -
 - a) Card access shall be at the exterior doors of the community building and main entrance of the apartment buildings.
 - b) Cameras shall be located at the interior of the community building.

EXHIBIT C
CONCEPTUAL DESIGNS AND DRAWINGS
SEE SLIDE SHOW

EXHIBIT D

PRELIMINARY SCHEDULE

Boise State University New Student Housing Project Schedule No.18					
Activity ID	Activity	Original Duration	Start	Finish	2008 2009 2010 2011 2012 2013
August 2011 Completion					
Finance Phase					
200	MOU Agenda Coordination (ACC/BSU)	224	06/10/08 A	06/05/09	
210	Housing Acquisitions Phase IA (BSU)	178	09/23/08 A	06/22/09	
220	Housing LOI/Affidavit Phase IB (ACC)	88	03/06/09 A	06/22/09	
240	BSU - Board MOU Approval	2	06/18/09 *	06/19/09	
275	Phase IB Closing	17	06/23/09	07/15/09	
280	Financing / Closing (ACC/BSU)	10	04/23/10	05/06/10	
Design Phase					
300	Site & Program Studies	104	09/23/08 A	02/17/09 A	
310	Board Design Package	26	02/18/09 A	03/17/09 A	
315	Conceptual Set	51	02/18/09 A	07/24/09	
322	Traffic Study	40	05/04/09 A	07/09/09	
320	ATLA Survey-Phase IA & IB	20	05/15/09	06/11/09	
335	Geotechnical, ESA Phase I, Phase IA& IB	20	06/12/09	07/09/09	
340	Schematic Set	30	07/27/09	09/03/09	
345	Design Development Set	45	09/04/09	11/05/09	
350	Building Permit Set	45	11/06/09	01/07/10	
360	Construction Drawings Set	10	02/19/10	03/04/10	
Zoning-Phase IA					
410	Wiley & Utility Relocations Process	180	06/22/09	02/25/10	
420	Pre-Application Meeting w/ City Staff	1	06/22/09 *	06/22/09	
430	Neighborhood Notification	1	06/23/09	06/23/09	
440	Neighborhood Meeting/Coordination	60	07/08/09	09/28/09	
450	Submit CPA, Rezoning & CUP	1	10/26/09 *	10/26/09	
460	Planning & Zoning - CPA, Rezoning & CUP	1	02/22/10 *	02/22/10	
470	City Council Hearing	1	04/26/10 *	04/26/10	
480	Public Readings / Final Approval	21	05/26/10 *	06/23/10	
Plan Review Phase					
500	Conceptual Review & Approval (ACC, BSU)	15	05/15/09	06/04/09	
510	Schematic Review & Approval (ACC, BSU)	15	09/04/09	09/24/09	
520	Permit Set Review (BSU Approval & State 1st Rd)	30	01/08/10	02/18/10	
530	2nd Rd. State Review & Issue Permit	30	03/05/10	04/15/10	
Construction Phase I (2011)					
Construction Pricing					
610	Pricing - Design Development Set	30	11/06/09	12/17/09	
620	Pricing - Construction Set (GMP)	36	03/05/10	04/22/10	
Community Center					
700	BSU Vacate Police Substation & IT Annex,	29	05/17/10	06/24/10 *	
710	Abatement & Demolition	10	06/25/10	07/08/10	
720	New Construction	149	07/09/10	02/02/11	
730	FF&E installation	30	12/23/10	02/02/11	
Phase IV-Beacon St. (850+ Beds)					
800	Abatement & Demolition	15	05/07/10	05/27/10	
810	New Construction	315	05/28/10	08/11/11	
820	FF&E installation	26	07/15/11	08/18/11	
830	First Day of Fall Classes	1	08/23/11 *	08/23/11	
BSU Parking Deliverables					
900	Surface at Beacon (North) & Michigan (West)	1	08/15/11	08/15/11 *	
910	Surface at Belmont (North) & Lincoln (West)	1	08/15/11	08/15/11 *	
920	Lincoln Garage Phase II Expansion	1	08/15/11	08/15/11 *	
Construction Phase II (2012)					
Phase II-Housing (1400+ Beds)					
1100	Abatement & Demolition	15	07/15/11 *	08/04/11	
1110	New Construction	223	09/22/11	07/30/12	
1120	FF&E installation	16	07/24/12	08/13/12	
1130	First Day of Fall Classes	1	08/21/12 *	08/21/12	
Comments: BOR MOU Approval 6/18/09 Submit CPA, Rezoning no later than 10/26/09 BSU Vacate Police Substation & IT Annex, Move Substation 6/24/10 Const Start Phase IA on 5/07/10					American Campus Communities (May 14, 2009)

EXHIBIT E - PRELIMINARY BUDGET
BOISE STATE UNIVERSITY
 SCENARIOS 1 - 3 COMPARISON
 5/21/2009

	Scenario 1: 1A Stand Alone	Scenario 2: 1A + 1B Min Density	Scenario 3: 1A + 1B Max Density
Program ⁽¹⁾			
Delivery Date	2011	2011 / 2012	2011 / 2012
Beds	864	1,004	1,084
Total Res SF	247,644	291,809	316,417
Total Circulation SF	58,887	70,917	78,679
% of Res SF	23%	24%	25%
Community Center SF	15,000	15,000	15,000
Total GSF	319,631	377,726	410,096
Development Budget			
GC Costs - residential ⁽²⁾	\$92.73/sf	\$93.20/sf	\$93.40/sf
Land Costs ⁽³⁾	-	\$600,000	\$1,500,000
Abatement Costs	\$50,000	\$50,000	\$50,000
Parking Costs	-	-	-
Intramural Field Allowance	\$250,000	\$250,000	\$250,000
Construction Duration	17 months	17mo (1A) / 12mo (1B)	17mo (1A) / 12mo (1B)
Total Development Costs	\$41,688,969	\$48,902,676	\$53,437,101
Project Level/Corp Finc Costs	\$1,845,605	\$2,136,304	\$2,379,093
Total ACC Cost @ GAAP Interest	\$43,534,574	\$51,038,980	\$55,816,195
Operating Budget			
Year 1 - 2011	Assumes No Taxes	Assumes No Taxes	Assumes No Taxes
OpEx per bed	\$2,125	\$2,138	\$2,142
Expense Ratio	33.8%	34.0%	34.1%
Taxes	n/a	n/a	n/a
Year 2 - 2012 ⁽⁴⁾			
OpEx per bed		\$2,277	\$2,225
Expense Ratio		34.5%	33.6%
Taxes		n/a	n/a
Rental Rate change vs base (per month)	(\$15.00)	(\$15.00)	(\$15.00)
Cash Flow			
Reserves per Bed	\$175	\$175	\$175
Revenue/Expense Growth	4.0%	4.0%	4.0%
Ground Lease Term ⁽⁵⁾	65-years + extensions	65-years + extensions	65-years + extensions
Valuation Analysis			
Year 1 - 2011	Assumes No Taxes	Assumes No Taxes	Assumes No Taxes
ACC Yield	7.22%	7.22%	7.22%
Annual Pmt	\$300,832	\$311,000	\$318,000
% of Revenue	5.54%	5.73%	5.85%
Year 2 - 2012 ⁽⁴⁾			
ACC Yield	7.51%	7.51%	7.51%
Annual Pmt	\$312,969	\$323,317	\$375,345
% of Revenue	5.54%	4.88%	5.23%
BSU NPV of Ground Rent ⁽⁶⁾	\$10,738,885	\$11,094,041	\$12,843,136
ACC Unlevered IRR ⁽⁷⁾	11.20%	11.13%	11.09%

Notes/Assumptions:

⁽¹⁾ Scenario 1 assumes only Phase 1A is developed on the Lincoln Ave sites

Scenario 2 assumes a phased delivery with Phase 1A coming on-line in 2011 and 1B at minimum density of 140 beds coming on-line in 2012

Scenario 3 assumes a phased delivery with Phase 1A coming on-line in 2011 and 1B at maximum density of 220 beds coming on-line in 2012

⁽²⁾ Residential GC costs reflect "GC Alt List No. 10" dated 5/13/09 per meeting at BSU plus -5% escalation add; additional 3% escalation add on 1B GC and FF&E

Community Center GC costs are being carried at \$150/sf

⁽³⁾ Land Costs assume acquiring four (4) parcels on Potter St in Scenario 2 and six (6) parcels in Scenario 3

⁽⁴⁾ Year 2 is shown for Scenarios 2 & 3 due to being the first stabilized year after both Phases 1A & 1B are complete

⁽⁵⁾ 65-year term with two, 10-year extensions

⁽⁶⁾ NPV is over the full, 85-year term and assumes a 6% discount rate

⁽⁷⁾ IRR is over the full, 85-year term

811042309.ACZ.SCENARIOS 1-3 SUMMARY.XLS

1:43 PM, 5/21/2009

Boise State University - New Student Housing
Predevelopment Risk Budget - Shared Risk

Version No. 20

Updated: May 15, 2008

#	Description	Budget Amount	Negotiated Exposure	2009								2010					Total Paid to Closing	Negotiated Risk Paid @ Closing		
				Expense to Date	May	June	July	August	September	October	November	December	January	February	March	April			May	
1	Building Architect	1,244,313	995,529	289,175	14,634	14,634	14,634	43,903	43,903	109,758	109,758	91,282	91,282	91,282	81,282	-	-	995,529	248,785	
2	Civil Engineer	279,060	146,078	14,595	2,608	2,608	2,608	7,823	7,823	19,556	19,556	17,601	17,601	17,601	16,101	-	-	146,078	132,983	
3	Structural Engineer	182,708	98,218	13,728	-	-	4,970	4,970	4,970	12,425	12,425	11,183	11,183	11,183	11,183	-	-	98,218	84,491	
4	MEP Engineer	250,228	198,166	41,978	-	-	9,188	9,188	9,188	22,969	22,969	20,672	20,672	20,672	20,673	-	-	198,166	52,062	
5	Landscape Architect	178,120	92,058	5,995	1,688	1,688	1,688	5,063	5,063	12,656	12,656	11,391	11,391	11,391	11,391	-	-	92,058	86,063	
6	Communication Engineer	133,617	71,992	10,376	-	-	3,625	3,625	3,625	9,063	9,063	8,156	8,156	8,156	8,148	-	-	71,992	61,625	
7	Acoustical Engineer	5,000	5,000				2,500				2,500							5,000	-	
8	Water Envelope	7,500	7,500				2,500				5,000							7,500	-	
9	Interior Design	25,000	25,000				2,000	2,000	2,000	2,000	3,000	2,000	2,000	2,500	2,500	2,500	2,500	25,000	-	
10	Traffic Engineer	9,230	9,230	3,230	1,000	2,000	2,000	1,000										9,230	-	
11	Topo / Boundary & Alta Survey	14,925	14,925	8,925		3,000	3,000											14,925	-	
12	Geotech Engineer	17,447	17,447	7,447		5,000	5,000											17,447	-	
13	Environmental Phase I	7,615	7,615	2,615		2,500	2,500											7,615	-	
14	Reimbursable	259,584	259,584	129,584	9,000	10,000	10,000	7,500	7,500	8,000	15,000	7,500	7,500	15,000	8,000	5,000	20,000	259,584	-	
15	Market Study	12,000	12,000	6,000		6,000												12,000	-	
16	City Planning Process	30,640	30,640	5,640	2,000	9,000	3,000	3,000	2,000	4,000	2,000							30,640	-	
17	Parking Garage	15,000	15,000	15,000														15,000	-	
18	Consulting ADA/FHA	3,027	3,027	527			500	500	500	500				500				3,027	-	
19	Consulting - Bldg Architect	75,000	75,000	75,000														75,000	-	
20	Dry Utility Consultant	23,600	23,600	-			2,000	3,600	4,000	4,000	2,000	2,000	2,000	2,000	2,000			23,600	-	
21	Legal	101,595	101,595	11,595	10,000	10,000	5,000	5,000	5,000	10,000	5,000	5,000	5,000	5,000	5,000	10,000	10,000	101,595	-	
22	Appraisal	1,500	1,500	1,500														1,500	-	
TOTAL HARD & SOFT COSTS		2,876,710	2,210,702	642,909	40,929	66,429	76,712	97,171	95,571	214,927	220,927	176,784	176,784	185,284	166,276	17,500	32,500	2,210,703	666,007	
Paid to Date - Partial Payment				642,909	683,838	750,268	826,980	924,150	1,019,721	1,234,648	1,455,574	1,632,358	1,809,142	1,994,426	2,160,703	2,178,203	2,210,703		2,876,710	

Notes:

1. Amounts are based on Phase IA & IB sites only.
2. Negotiated exposure means firms are willing to share in fee risk until the project closes and is funded.
3. Architect & Engineering fees (#1-#6) are for design only and do not include construction administration fees.
4. Fees above do not include LEED documentation or process.
5. Construction start assumed May 2010.
6. No design costs have been assumed for parking.

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EXHIBIT G

SUMMARY OF PHASE 1 GROUND LEASE TERMS

Any capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Memorandum of Understanding to which this Summary of Phase 1 Ground Lease Terms is attached.

1. Ownership Structure

- a. Lessee (an affiliate of American Campus Communities, Inc.) will own a leasehold interest in and to the real property, improvements, fixtures and equipment comprising Phase 1.
- b. Lessor (BSU) will own the real property, improvements, fixtures and equipment comprising Phase 1, subject to the Lessee's leasehold interest therein. The improvements, fixtures and equipment will be owned by Lessor as they are incorporated, and will never be owned by Lessor unburdened by Lessee's leasehold interest until termination of the lease.

2. Term

- a. Base Term: 65 Years
- b. Extensions: Lessee may extend the term for two periods of 10 years each, on same economic terms and conditions.

3. Rental

a. Fixed Annual Rental

- (i) Phase 1 comprised solely of Phase 1A -
N/A
- (ii) Phase 1 comprised of Phase 1A and Phase 1B
- N/A.

Fixed Annual Rental for Phase 1 will be paid annually, commencing upon completion of Phase 1.

b. Variable Rental

- (i) Phase 1 comprised solely of Phase 1A -
5.54% of Gross Revenues of Phase 1.

- (ii) Phase 1 comprised of Phase 1A and Phase 1B - 5.73% of Gross Revenues of Phase 1 until Phase 1B is completed, and 4.88% of Gross Revenues of Phase 1 thereafter.

Variable Rental will be paid semi-annually, in arrears, on June 30 and December 31 of each year, with a reconciliation annually within 120 days after the end of each calendar year of operations. To the extent adjustments are necessary, any such adjustments shall be added to or subtracted from next installment of Variable Rental.

As used herein, "Gross Revenues" shall mean, for any period, all revenues received by Lessee from the operation and leasing of Phase 1 during such period normally included in operating revenues in accordance with GAAP; provided, however, that Gross Revenues shall not include: (i) subtenant deposits, unless and until such subtenant deposits are forfeited to or applied by Lessee in accordance with the terms of a sublease with respect to any failure of the subtenant to perform its obligations; (ii) proceeds or payments under insurance policies, except for those related to lost revenue; (iii) any other items that would not normally be included in operating revenues in accordance with GAAP.

c. Outperformance Rent. Outperformance Rent (hereinafter defined) shall be due and payable by Lessee to Lessor only in the event that each of the following conditions are satisfied in any lease year:

- (i) the sum of all Gross Revenues received by Lessee since the commencement of the Lease Term exceeds a mutually agreed-upon amount of cumulative Gross Revenue for such lease year, which amount shall be based upon Lessee's yield being at least 8% in the first lease year, which yield amount shall be increased annually thereafter (which shall be adjusted following finalization of resident rental rates in the final development proforma); and

- (ii) Gross Revenues received by Lessee during such lease year exceed a mutually agreed-upon amount of annual Gross Revenue for such lease year, which amount shall be based upon Lessee's yield being at least 8% in the first lease year, which yield amount shall be increased annually thereafter.

As used herein, the term "Outperformance Rent" shall mean a sum equal to 25% of the mutually agreed-upon amount of annual Gross Revenue for such lease year.

4. Mortgages/Mortgagee Protective Provisions. Lessee shall initially pay for the costs to develop, construct and equip the Project with its own funds and shall have no right or ability to mortgage, or otherwise lien, pledge or secure its leasehold interest in the Project to secure funds for such purposes. Notwithstanding the foregoing, Lessee may, following the expiration of two (2) years after Phase 1 is first opened for business, mortgage, or otherwise lien, pledge or secure its leasehold interest in the Project to secure borrowings of Lessee or its affiliates in the event and to the extent that preliminary indications are rendered by Moody's Investor's Service and Standard & Poor's that such borrowings will not be included in the calculation of direct or indirect debt for BSU (a "Rating Determination"), and BSU agrees, at ACC's request, to cooperate with ACC and use its reasonable good faith efforts to obtain a Rating Determination. In the event that, pursuant to the foregoing, Lessee is permitted to mortgage, or otherwise lien, pledge or secure its leasehold interest in the Project, the Lease shall contain the provisions set forth on Exhibit I-1 attached hereto.

5. Lessor covenants/assistance
 - a. Lessor shall permit Lessee to advertise on the campus; provided that, with respect to signage on the campus which is outside of the Project, the location of such signage will not be inconsistent with BSU policy related to advertising locations for BSU housing and/or other BSU-recognized student groups, unless approved by BSU. Notwithstanding the foregoing, Lessee shall be permitted to (a) have advertising kiosks and/or information dissemination tables in high pedestrian areas approved by BSU, with such approval not to be unreasonably withheld, conditioned or delayed (and which approval shall be deemed granted in the event that Lessor does not specifically deny such approval within ten [10] business days after it is requested in writing), (b) advertise and disseminate information in the student center during leasing periods, (c) advertise in a temporary marketing and leasing center located on campus during construction of the Project and (d) have other advertising and/or information dissemination locations, as approved by BSU, with such approval not to be unreasonably withheld, conditioned or delayed (and which approval shall be deemed granted in the event that Lessor does not specifically deny such approval within ten [10] business days after it is requested in writing). To the extent that any advertising by Lessee contains Lessor's name, logo or website, such advertising shall be subject to Lessor's written approval, which approval shall not be unreasonably withheld, conditioned or delayed (and which approval shall be deemed granted in the event that Lessor does not specifically deny such approval within ten [10] business days after it is requested in writing).

 - b. To the extent permitted by State and federal law, Lessor will provide to Lessee on a timely basis contact information (name, address, email address, etc.) on all accepted and enrolled students. Lessee shall

reimburse Lessor for its actual cost of providing such information, without any mark-up, overhead or profit. The Lease shall address the confidentiality of such information (FERPA).

- c. In Lessor's marketing materials, catalogues, informational brochures distributed to students and on its web sites, Phase 1 shall be listed as available on-campus or off-campus Lessor housing, as mutually selected by Lessor and Lessee. Lessor will permit Lessee to actively participate in transfer student orientation sessions or similar events for purposes of marketing Phase 1. Lessee shall also be entitled to participate in the freshman orientation sessions with the permission of the Lessor, which permission shall not be unreasonably withheld, conditioned or delayed.
- d. Lessor shall not undertake to directly or indirectly own an interest in, lease, develop, subsidize, manage or operate any new or existing Competing Project (hereinafter defined) on a preferential basis to that of Phase 1 in terms of student referrals, without Lessee's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. As used herein, the term "Competing Project" shall mean any student housing project which is likely to compete for residents with Phase 1 with consideration given to the following factors: (i) targeted student residents (e.g., upper-classmen or graduates); (ii) package of amenities (e.g., swimming pool, food service, parking, access to public transportation and fitness facilities); and (iii) residence life programs.
- e. Lessor shall not undertake to directly or indirectly own an interest in, lease, develop, subsidize, manage or operate any new Competing Project without Lessee's prior written approval unless Lessor shall first deliver to Lessee a housing study from an independent third party consultant which has at least five (5) years of experience in providing such housing studies and which is reasonably acceptable to Lessee and Lessor (the "Consultant") which demonstrates that such Competing Project will not materially and adversely affect the demand for Phase 1. Notwithstanding the foregoing, for purposes of this Paragraph 5(e), any replacement of currently existing student housing on the Campus (so long as the total number of beds is not increased and the student housing which is replaced is not used after the replacement student housing is completed) shall not be deemed to be Competing Projects. The foregoing shall not be deemed to prevent Lessor from developing on the Campus student housing facilities containing up to 150 bed accommodations, in the aggregate using its own funds or borrowings secured by its own credit, so long as Lessor does not engage another third-party developer (unless such developer is strictly providing development services for a fee and has no equity interest in the project) in connection with such development.

- f. Lessee acknowledges that Lessor has advised Lessee that the Board has authority to set rental rates for Lessor's own student housing facilities on the Campus. Lessor will use its good faith efforts to attempt to cause the Board to cause rental rates for any existing or future student housing project on the Campus to be, on a comparative basis (taking into consideration such factors as age of the facility, location, amenities, unit size and configuration), no less than those being charged for Phase 1.
 - g. Lessor will agree to permit Lessee to market Phase 1 for purposes of housing for summer camps and conferences at BSU.
6. Notice/grace/late fees
- a. Monetary Default - 90 days
 - b. Non-Monetary Default - 180 days, with additional time if cure not reasonably achievable within 180 days
 - c. For monetary defaults, amounts unpaid for 60 - 90 days after due date shall bear interest at 6% per annum; amounts unpaid for 90 - 120 days after due date shall bear interest at 8% per annum; and amounts unpaid for more than 120 days after due date shall bear interest at 12%.
 - d. In the event of a default by Lessee which is not cured within the applicable notice/cure period, Lessor may terminate the Lease by paying to Lessee an amount equal to (a) Lessee's total acquisition, development and construction costs of the Project, minus (b) an amount equal to (i) 1.54% of the such total acquisition, development and construction costs multiplied by (i) the number of lease years under the Phase 1 Ground Lease which have elapsed prior to the effective date of such termination.
7. Utilities/Services
- a. Lessor shall allow students who are residents of Phase 1 the same access to Lessor's internet system that other registered students of Lessor have, at no additional cost; provided, however, that Lessee shall be responsible for any and all costs of installing and maintaining hardware to enable internet access.
 - b. Lessor shall make available to students who are residents of Phase 1 (on the same terms as made available to other registered students who live in on-campus housing), as applicable, the same "support" services that are provided to all other registered students who live in on-campus housing (security, police service, transportation, residence life programming, student adjudication procedures, recreation center access, etc.).

8. Payment of Operating Expenses

- a. Lessee to pay for all costs and expenses of operating and maintaining the property, including reasonable reserve deposits.
- b. Costs for any utilities or services furnished by Lessor to be at Lessor's actual cost. In the event that Lessee elects, at its option, to obtain any available utility services from Lessor (if allowed by law), Lessee will be charged with Lessor's actual cost of such service.

9. Taxes

- a. Lessor and Lessee intend that land, improvements, furniture, fixtures and equipment will be exempt from ad valorem taxes as property of the State. Lessor and Lessee will cooperate in good faith as allowed by law to ensure that applicable exemptions are at all times applicable to the projects. In addition, Lessor and Lessee will cooperate in good faith to reduce and/or eliminate any governmental assessments regarding the real property as allowed by law. In the event that either party determines that ad valorem taxes cannot be avoided or are likely to be assessed, then the parties agree to in good faith negotiate relative to the economic consequences of such taxation to Lessor and Lessee.
- b. The State Board of Education has determined that the housing to be constructed and operated under the Phase 1 Ground Lease is designed to serve a State of Idaho recognized educational purpose for Boise State University and is being used to benefit Boise State University. It is the intent of the State Board of Education that the housing constructed pursuant to this transaction is a facility designed to meet the needs of the Boise State University and the State of Idaho.

10. Construction

- a. Lessee will engage a qualified licensed general contractor to construct improvements. All cost of construction shall be paid by Lessee.
- b. Offsite improvements affecting city rights-of-way will be approved by and permitted through the Ada County Highway District and/or utility companies having jurisdiction. On-site stormwater detention or retention shall incorporate stormwater best practice as stipulated under COB best practices and EPA stormwater permit other jurisdictions as required. Any required lot consolidation or lot line adjustment applications will be processed for approval through the Boise City Subdivision Department and any other required agencies. Building permits and certificates of

occupancy will be issued through the appropriate inspecting agency, but with Lessee having the duty to secure such permits and certificates, with the reasonable cooperation of Lessor.

- c. All schematic and construction drawings to the extent relative to exterior building elevations, site plans, landscaping plans (subject to the approved allowance therefor), exterior lighting plans and emergency call-box locations relative to Phase 1 (collectively, the “Approval Items”), and material revisions thereto, shall be delivered to Lessor from time to time for approval, which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall not be withheld so long as the Approval Items conform substantially to the Outline Specifications (in the case of schematic and construction drawings) and are a logical extension of prior submittals that have been approved by Lessor (and which approval shall be deemed to have been given if Lessor does not specifically disapprove such drawings or request additional information or documentation concerning such Approval Items within 15 business days (with respect to schematic drawings) or 20 business days (with respect to construction drawings) after receipt by Lessor). In the event that Lessor timely requests additional information or documentation concerning any Approval Items, and BSU does not specifically disapprove such Approval Item within five (5) days after BSU’s receipt of such additional information or documentation (or the expiration of the original period for review under this Section 10(d), whichever is later to occur), then BSU shall be deemed to have approved the requested item.
- d. Construction schedule will be specified. If construction is not completed on schedule, same shall not constitute a default by Lessee, but Lessee will be required to house tenants unable to occupy the improvements at the commencement of their leases at Lessee’s cost until construction is completed.
- e. To the extent that the total costs of acquisition, design, development, construction, furnishing, equipping and opening Phase 1 (the “Actual Phase 1 Cost”) is less than the estimated costs of acquisition, design, development, construction, furnishing, equipping and opening Phase 1 shown on Lessee’s proforma as of the commencement of construction of Phase 1 (the “Estimated Phase 1 Cost”) then following final completion of Phase 1, Lessee shall apply the difference between Actual Phase 1 Cost and Estimated Phase 1 Cost (“Savings”) as follows:
 - (i) First, 25% of the Savings, if any, shall be distributed by Lessee to Lessor; and
 - (ii) The remainder of the Savings shall be retained by Lessee.

- f. Lessee to be responsible, as a cost of Phase 1, for costs of the following, to the extent applicable: (i) demolition; (ii) any required environmental and archeological remediation; (iii) any and all utility distribution systems; and (iv) acquisition of necessary easements and/or rights-of-way, except to the extent otherwise agreed by Lessor and Lessee.
 - g. Lessee shall not charge a development fee; however, Lessee will charge Phase 1 for Lessee's overhead allocation.
 - h. With regard to Phase 1, the construction of improvements will be substantially in accordance with the Outline Specifications and the Plans and Specifications which have been approved by BSU.
 - i. Lessee shall engage a qualified, licensed third party general contractor to construct the improvements. Lessee will cause the general contractor to provide (i) customary construction warranties on all improvements, fixtures and equipment, (ii) customary indemnities (which shall include indemnities of Lessor), (iii) customary builder's risk and liability insurance (which shall name Lessor as an additional insured), with limits of liability reasonably acceptable to Lessor and (iv) customary payment and performance bonds in the amount of the construction contract, which shall name Lessor as a dual obligee.
 - j. Lessee's construction budget will include a \$250,000.00 allowance for intramural athletic fields and streetscape improvements along Lincoln between University and Belmont.
11. Minimum Standards of Operations: Lessee shall operate and maintain Phase 1 to a standard equal to Class A Condition (hereinafter defined). As used herein, the term "Class A Condition" means the condition of a privatized student housing facility which is of high quality, excellently maintained and very well managed (especially if the building is more than 10 years old), attractive and efficient. In order to maintain a standard equal to Class A Condition, Lessee shall, at a minimum, do the following:
- a. Minimum Maintenance Standards:
 - (i) Lessee shall perform daily groundskeeping and common area cleaning, including interior and exterior common areas, to ensure that the property meets mutually acceptable levels of curb appeal.
 - (ii) Lessee's on-site maintenance staff shall use reasonable efforts to respond to resident issued work orders within 24 hours of receipt. Resident work orders related to life safety, loss of utilities or issues of major inconvenience to a resident will be handled on a first

priority basis utilizing reasonable efforts to respond within 4 hours of receipt of such resident work order.

- (iii) Lessee shall develop and implement ongoing maintenance programs along with a preventive maintenance and capital replacement program to ensure Phase is preserved in Class A Condition throughout the lease term. The maintenance program shall be subject to approval of the Committee (hereinafter defined).
- (iv) If the Lessee refuses or neglects to make repairs and/or maintain Phase 1, or any part thereof, and, as a result of such refusal or neglect, the safety or health of residents of Phase 1 is in imminent danger, and Lessee fails to cure such condition within a reasonable time after Lessor advises Lessee thereof in writing, the Lessor shall have the right, upon giving the Lessee reasonable written notice of its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of the Lessee. In such event, such work shall be paid for by the Lessee as additional rent and shall be due promptly upon receipt of an invoice therefor. No exercise by the Lessor of any rights herein reserved shall entitle the Lessee to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent pursuant to Section 3 or other amounts payable by the Lessee under this Lease.
- (v) If the Lessee fails, following reasonable written notice thereof from Lessor to Lessee, to make repairs and/or maintain Phase 1 in accordance with the Minimum Standards of Operation, and such refusal or neglect does not adversely affect the safety or health of residents of Phase 1, then Lessor shall have the right to obtain a report from an independent, qualified third-party consultant relative to the level or repairs or maintenance of Phase 1 and, if such report indicates that Lessee is not repairing or maintaining Phase 1 in accordance with the Minimum Standards of Operation, then Lessee shall take action to repair or maintain Phase 1 in accordance with the Minimum Standards of Operation; provided, however, that if Lessee disputes the findings of such report, Lessee may at its option mediate such dispute in accordance with the procedures and guidelines of the American Arbitration Association.

b. Minimum Staffing Standards:

- (i) Lessee shall maintain the necessary on-site staff at Phase 1 to ensure that all facets of operations (business administration, marketing and leasing, maintenance and residence life), are

successfully implemented. Phase 1's on-site staff shall at a minimum consist of an on-site manager, assistant manager, maintenance supervisor and a resident director. Each area will also contain the support staff necessary to meet the minimum standards contained herein.

- (ii) Lessor and Lessee acknowledge that they desire Phase 1 to serve as an academically oriented student housing community that provides its student residents with an opportunity to study, socialize and recreate through the implementation of a sound residence life program. To meet these desires, Lessee acknowledges that Phase 1 must have an on-site paraprofessional community assistant staff at a ratio of no less than one community assistant to every 75 residents living at the community, which community assistants shall be employees of Manager (hereinafter defined).

12. Management/Residence Life

- a. Management: An affiliate of Lessee (the "Manager") will manage the facilities pursuant to management agreements between Lessee and such affiliate.
- b. Residence Life and Marketing:
 - (i) Advisory Committee
 - (A) An advisory committee ("Committee"), composed of three representatives of Lessor and three representatives of Lessee, will meet at least twice annually to review the operations of Phase 1. The Committee may review annual operating and capital budgets and operating policies governing student residents of Phase 1. The Committee shall not set or amend rental rates (which will be set and amended by Lessee) or set or amend parking and transportation policies, rates or procedures (which will be set and amended by Lessor).
 - (B) Four members of the Committee will constitute a quorum, provided at least two representatives of Lessor and two representatives of Lessee are present. A concurring vote of four members shall be required for action by the Committee. Notwithstanding the foregoing, in the event that the Committee is unable to reach a decision relative to a financial or economic matter which will or is likely to result in a material economic consequence to Lessee or

Phase 1, then representatives of Lessee shall resolve the deadlock by casting the deciding vote (provided, however, that Lessee may not use its ability to cast a deadlock-breaking vote as a means to avoid adherence to the applicable Minimum Standards of Operations), and in the event that the Committee is unable to reach a decision relative to operating policies governing student residents, then representatives of Lessor shall resolve the deadlock by casting the deciding vote; provided, however, that if such decision will or is likely to result in a material economic consequence to Lessee or Phase 1, Lessee may override such deciding vote (provided, however, that Lessee may not use its ability to cast a deadlock-breaking vote as a means to avoid adherence to the applicable Minimum Standards of Operations).

- (C) On or before September 30 of each year, the Manager shall deliver to the Committee for its review and consideration an Annual Marketing and Leasing Plan setting forth the following with respect to the upcoming academic year:
 - 1 Proposed rental rates; and
 - 2 A proposed Marketing Plan.

- (D) On or before November 1 of each year, the Manager shall deliver to the Committee for its review and consideration an annual Management Plan, setting forth the following with respect to the upcoming academic year:
 - 1. Annual Operating Budget;
 - 2. Annual Capital Budget – including planned maintenance and renewal projects as needed to adhere to Class A standard;
 - 3. Annual Staffing Plan;
 - 4. Any proposed changes in operational programs, policies and procedures necessary to achieve the applicable Minimum Standards of Operations;
 - 5. Security Plan; and
 - 6. Residence Life Plan.
 - 7. Facility assessment reports as necessary to appropriately plan for use of reserves in maintaining Class A standard

The Annual Operating Budget, Annual Capital Budget and Annual Staffing Plan shall be designed to achieve or exceed the applicable Minimum Standards of Operations.

(ii) Marketing and Leasing of Phase 1

(A) Lessor desires and Lessee intends to market and lease Phase 1 to house students attending BSU.

(B) Lessee shall cause the Manager to direct its marketing and leasing efforts in the following order of priority for Phase 1:

1. BSU students
 - a. Continuing students currently living in Lessor's on-campus facilities in an effort to attract them to Lessee's housing as opposed to moving off campus;
 - b. Continuing students currently living off-campus in an effort to have them return to on-campus housing;
 - c. Upperclass transfer students applying for admission to BSU;
 - d. First year students who satisfy either of the following conditions: (i) if such student graduated from high school, such student graduated from high school more than two years previous to his/her admittance to BSU or (ii) if such students received a GED diploma, such student is 20 years old or older; and
 - e. Freshmen applying for admission to BSU.
2. Students of other state universities or colleges, but only with the Lessor's approval, which approval shall not be unreasonably withheld, conditioned or delayed if there is insufficient demand from BSU students; and
3. BSU faculty and staffs, but only with Lessor's approval, which approval shall not be unreasonably withheld, conditioned or delayed if there is insufficient demand from BSU students.

(iii) Lessee shall collect all revenues from Phase 1.

(iv) Lessee and Lessor shall work together to develop a process to coordinate financial aid with Lessor's current system.

- (v) Manager will provide residence life services for Phase 1 consistent with University Housing's mission and initiatives and, where appropriate, in collaboration with University Housing's staff, subject to oversight by the Committee as herein set forth. All community assistants in Phase 1 will be employees of Manager.
 - (vi) Manager shall incorporate into the resident sublease agreements the obligation for residents to abide by Lessor's promulgated code of conduct relative to all student residents and all other applicable relevant promulgated policies of which Lessee is advised in writing.
 - (vii) The Committee shall adopt community policies, rules and regulations for the residents of Phase 1.
 - (viii) Phase 1 shall be within the jurisdiction of the Lessor's campus police force.
 - (ix) Lessor and Lessee shall reasonably cooperate relative to the marketing of meal plans to residents of Phase 1.
 - (x) Student residents of Phase 1 and their guests shall be subject to Lessor's conduct process procedures, and violations of Lessor's student code of conduct shall be adjudicated pursuant to such procedures.
 - (xi) Lessee and Lessor agree to cooperate to foster a safe environment for residents of Phase 1, including Lessor's on-campus police force patrolling the Phase 1 and responding to resident calls.
- c. Reporting. Lessee or its Manager shall promptly report criminal incidents or serious breaches of community policies or rules and regulations to Lessor.
- d. Resident Satisfaction Surveys. Lessee may from time to time, commission a resident satisfaction survey relative to Phase 1. Lessee agrees to furnish to Lessor the results of any such survey following Lessee's receipt thereof.
13. Assignment and Subleasing. Lessee may assign the Lease or sublease the facilities to an affiliate of Lessee which is owned or controlled, directly or indirectly, by American Campus Communities, Inc. In addition, Lessee may assign the Lease or sublease the facilities to a qualified assignee/sublessee which satisfies (and/or which has a parent organization which satisfies, or will engage a property management company which satisfies) the following conditions:

- a. Minimum net worth: \$100,000,000.00;
- b. Years of experience managing student housing facilities comparable to Phase 1: five (5).

In the event that Lessee desires to assign the Lease or sublease the facilities to an entity other than an affiliate or qualified assignee/sublessee as set forth above, then Lessee must first obtain the written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

The foregoing provisions shall not apply to the subleasing of space within Phase 1 to tenants.

- 14. Maintenance/Capital Repair Reserve. \$125 per bedroom per year (which sum will be adjusted annually according to CPI increases), or such greater amount as is required by a Mortgagee. Reserves shall be utilized, from time to time, as necessary to keep Phase 1 adequately maintained and equipped in accordance with the applicable Minimum Standards of Operations for maintenance.
- 15. Insurance/indemnity. Lessee to provide builder's risk, casualty and liability insurance as a cost of the project. Lessor shall be named an additional insured on liability policies (with the exception of any professional liability policies). All proceeds of casualty insurance shall be used to restore the damage, unless otherwise required by a Mortgagee. The Lease will provide mutual indemnity provisions acceptable to Lessor and Lessee.
- 16. Intentionally omitted.
- 17. Intentionally omitted.
- 18. Naming Rights. Lessor and Lessee shall mutually choose the name of Phase 1. Lessor may, in consultation with Lessee, choose names of individual buildings within Phase 1. In the event that Lessor desires to name a building within Phase 1 in connection with a significant monetary contribution for the benefit of Lessor, then Lessee's approval of such naming shall not be unreasonably withheld, conditioned or delayed.
- 19. Parking. The Phase 1 Ground Lease will provide that Lessor is responsible for providing .75 parking spaces per bed space for Phase 1 which is within close proximity to Phase 1. Parking spaces will be sold either to Lessee or directly to residents and will be operated by Lessor, including issuance of permits to individual users, enforcement and all other operational duties. Parking will be offered in a tiered format and pricing will be based upon proximity and convenience and shall include any market-justified premiums. Parking needs of

Phase 1 will be evaluated every 10 years, provided that no changes to parking requirements shall materially negatively impact the demand for Phase 1.

20. Default by Lessee. In addition to the occurrence of any other event of default specifically set forth in the Lease, the occurrence of the following event shall constitute a material default and breach of this Lease by the Lessee: filing by or against the Lessee in any court, pursuant to any statute, either in the United States or of any other state, a petition in bankruptcy or insolvency, or for reorganization or for appointment of a receiver or trustee of all or a substantial portion of the property owned by the Lessee or if the Lessee makes a general assignment for the benefit of creditors, or any execution or attachment shall be issued against the Lessee or all or a substantial portion of the Lessee's property, whereby all or any portion of the Lessee's interest in Phase 1 covered by this Lease shall be attempted to be taken, exercised or occupied by someone other than the Lessee, except as may herein be otherwise expressly permitted, and such adjudication, appointment, assignment, petition, execution or attachment shall not be set aside, vacated, discharged or bonded within ninety (90) days after the determination, issuance or filing of the same.

21. No Waiver. The failure of the Lessor to seek redress for violations or to insist upon the strict performance of any covenant or condition of this Lease shall not be deemed a waiver of such violation or of any future similar violation and the waiver by the Lessor or the Lessee of any breach shall not be deemed a waiver of any past, present or future breach of the same or any other term, covenant or condition of this Lease.

**EXHIBIT I-1
MORTGAGEE PROTECTIVE PROVISIONS**

- (i) Lessee shall be free to finance, refinance and mortgage all or any part of the Lessee's leasehold interest in Phase 1; provided that the debt secured is equal to or less than 75% of the value of the Project. Lessee will not grant a lien on Lessor's fee simple interest in Phase 1 or Lessor's interest under the Lease for Phase 1.
- (ii) Mortgagee to receive notices of default, etc.
- (iii) Mortgagee to have ability (but not obligation) to cure Lessee's default. Mortgagee shall be given additional time to cure default before Lessor may terminate the Lease as a result of Lessee's default.
- (iv) Lessor to provide Lessor's financial information to Mortgagee.
- (v) Lessor to provide Mortgagee with an estoppel certificate upon request from time to time. In addition, Lessor and Lessee will each provide the other party with an estoppel certificate upon request from time to time.
- (vi) In the event of a foreclosure of the Mortgagee's mortgage, and the Mortgagee succeeds to the rights of Lessee under the Lease, such action shall not constitute a default under the Lease and the Mortgagee shall succeed to all rights of Lessee under the Lease; provided that (a) the Mortgagee shall not be liable for any act or omission of Lessee, (b) Mortgagee shall not be liable for any subsequent amendment to the Lease not joined in by Mortgagee, (c) Mortgagee shall not be subject to any offsets or defenses which Lessor has against Lessee and (d) Lessor and Mortgagee will reaffirm in writing the validity of the Lease.
- (vii) In the event of a termination of the Lease by Lessor, Mortgagee may enter a new lease for Phase 1 within 60 days after the Mortgagee is notified of the termination. Such new lease shall be (a) effective as of the date of termination of the Lease, (b) for the remainder of the term of the Lease and (c) at the same rent and upon the same terms and conditions of the Lease. Upon the execution of such new lease, the lessee therein shall pay all sums which at the time of execution of such new lease would have been due under the Lease but for the termination of the Lease.
- (viii) All insurance proceeds will be payable to the Mortgagee.

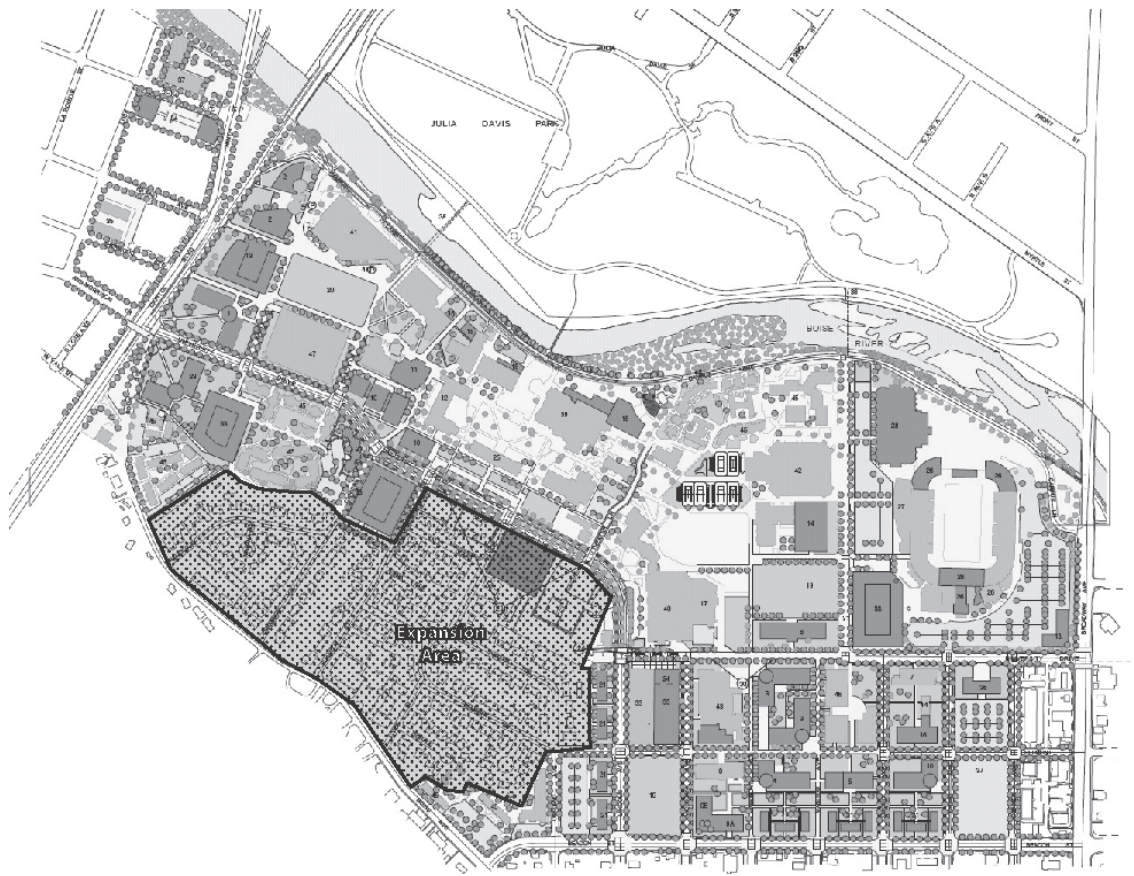
EXHIBIT H

RESERVED

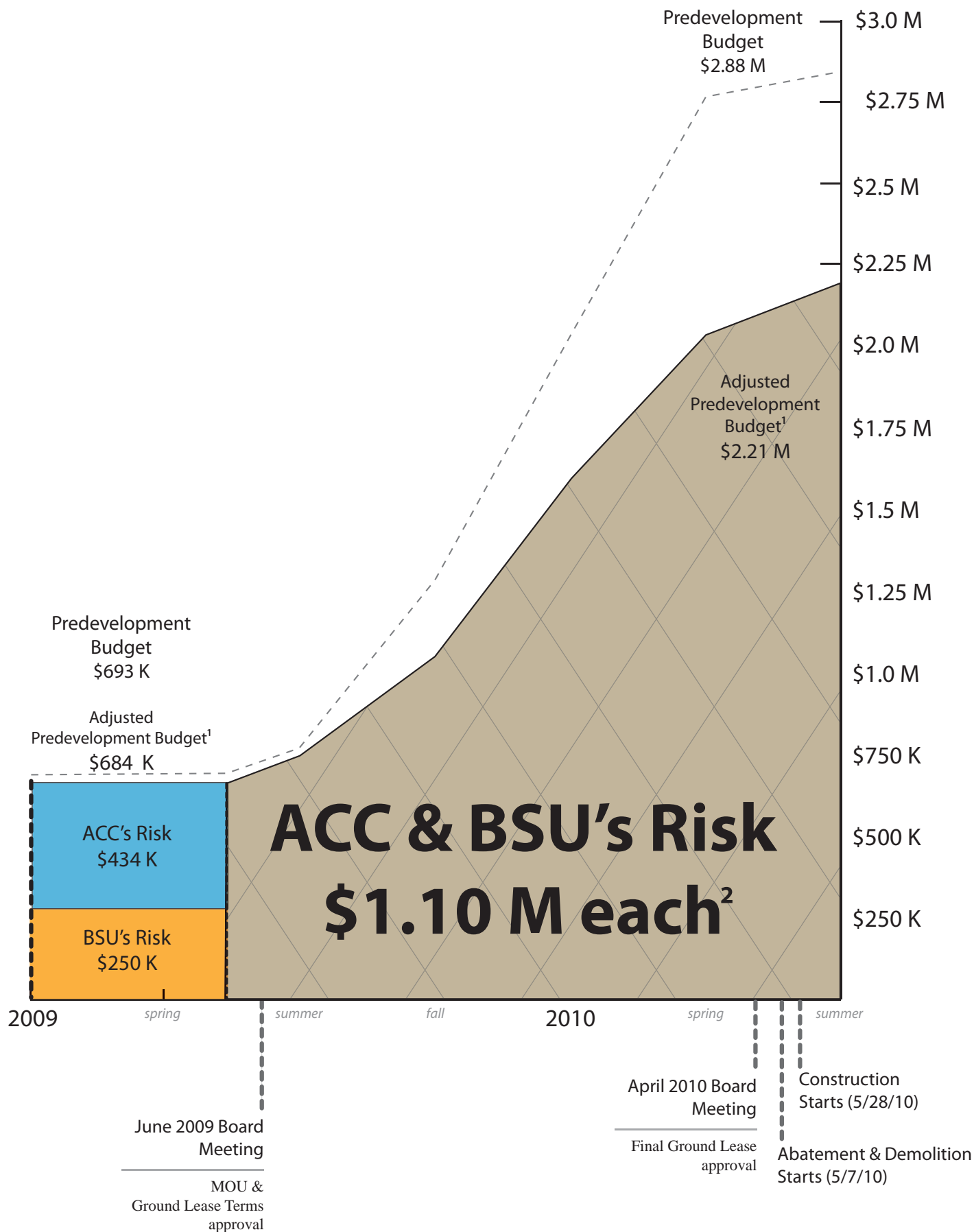
EXHIBIT I
BOARD APPROVAL

EXHIBIT J

EXPANSION AREA



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Notes:

1: Adjusted predevelopment budget reflects negotiated fee in the event project does not close. Difference between predevelopment budget and adjusted budget reflects design and development team risk sharing.

2: This amounts represents BSU's risk unless BSU defaults under the agreement; discontinues the project after approving Ground Lease terms; or fails to complete the final Ground Lease.

Boise State University
Ten Year Debt Projection, Updated for Final Bond Sizing
February 2009

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY2016	FY2017	FY2018	Total			
1 Future Buildings														
	Cost	Est. Debt	Financed											
2 2010 COBE	\$38,000,000	\$18,000,000		\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$11,696,468			
3 2010 Housing (public/private)	<i>tbd</i>	\$0												
4														
5 Future Debt Financing		\$18,000,000	\$0	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$11,696,468			
6 Current University Debt Service				\$15,890,766	\$19,231,946	\$14,760,440	\$14,227,763	\$14,130,014	\$14,182,146	\$14,223,454	\$14,275,616	\$14,153,509	\$13,565,590	\$148,641,244
7 Less impact of 2009A refundings				-\$282,596	-\$2,053,253	-\$2,858,953	-\$2,636,573	-\$2,629,823	-\$2,361,653	-\$1,229,963				-\$14,052,811
8 Projected 2009A Debt Service (CESED, Seating, Refunded Bonds)				\$0	\$3,462,500	\$4,781,500	\$4,565,250	\$4,547,750	\$4,284,250	\$3,206,750	\$2,035,438	\$2,032,038	\$2,031,138	\$30,946,614
9 Debt Service after 2009A				\$15,608,170	\$20,641,194	\$16,682,988	\$16,156,441	\$16,047,942	\$16,104,744	\$16,200,242	\$16,311,054	\$16,185,547	\$15,596,728	\$165,535,047
10 Total Projected Debt Service after COBE				\$15,608,170	\$20,641,194	\$18,353,912	\$17,827,365	\$17,718,866	\$17,775,668	\$17,871,166	\$17,981,978	\$17,856,471	\$17,267,652	\$177,231,515
11 Operating Budget (less direct loans, includes 0% growth in State support)	\$268,663,208	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500	\$251,222,500
12 Debt Service as a % of Operating Budget after 2009A		5.8%	8.2%	6.6%	6.4%	6.4%	6.4%	6.4%	6.4%	6.5%	6.4%	6.2%		
13 Debt Service as a % of Operating Budget after COBE				7.3%	7.1%	7.1%	7.1%	7.1%	7.1%	7.2%	7.1%	6.9%		

As presented in June, 2006, a ratio of 10% would significantly hinder access to capital in the bond markets.

Assumptions:

- 14 1. 0% growth in enrollment, with 4% loss in student fees due to transfer of Seland College to CWI in FY2010
- 15 2. 6% Holdback in FY2009 and 11% decrease in base appropriation in FY2010, 0% growth in ongoing state support, and loss of Seland College appropriation
- 16 3. Drop in gifts and auxiliary revenues of 5%
- 17 4. New housing will be done through a public/private partnership that will not impact balance sheet or credit of the University.
- 18 5. No new source of state funding for academic buildings
- 19 6. The ratio increase in 2010 is the result of the \$3,325,000 private note balloon payment for East Junior High.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

BOISE STATE UNIVERSITY

SUBJECT

Lease by Boise State University (BSU) to the College of Western Idaho (CWI) of certain premises on BSU's main campus for a limited term to accommodate the transfer of Selland College

REFERENCE

December 2008 State Board of Education approved the transfer of West Campus property from Boise State University to the College of Western Idaho.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Until such time as CWI can transfer all of its programs, personnel, furnishings and equipment to facilities not on the Boise State University campus, the University has agreed to lease certain of its premises, some or all of which are currently being used by the Larry Selland College, to CWI. The premises comprise, and shall be used as, classrooms, offices, storage and laboratories.

The premises are more fully described in the Exhibit A of the Lease and total nearly 115,097 square feet. The term of the lease shall be from July 1, 2009 until June 30, 2012, but portions of the leased space may be vacated earlier on 30 days notice from CWI.

CWI shall take all non-permanent fixtures, furnishings and equipment that have been transferred to it upon their vacation of the facilities. Any alterations, additions and permanent fixtures made or installed by CWI shall become the property of BSU upon CWI's vacation of the Property. Any such alterations to the premises require BSU prior approval and shall be at CWI's cost.

BSU shall provide and maintain all utilities, including the IT infrastructure; property maintenance and security services. BSU shall permit CWI employees and students to purchase parking passes on the same terms and conditions as Boise State University employees and students.

IMPACT

CWI shall pay rent to BSU at the State Occupancy Cost rate of \$6 per square foot totaling approximately \$690,582 per year. The rent will decrease with each area vacated by CWI as programs and personnel are relocated from the Boise State campus. If CWI does not vacate by the expiration of the three year term, CWI shall be permitted to continue to lease but the rent shall be increased to a more market based rent of \$18 per square foot for year 4. CWI may extend for a

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

further year thereafter on an increased rental rate at real market rates of \$24 per square foot. After that year, the rent shall increase by 3% each year.

ATTACHMENTS

Attachment 1 – Proposed Contract	Page 3
Attachment 2 – Details of Leased Premises	Page 11
Attachment 3 – FO&M Services	Page 12

STAFF COMMENTS AND RECOMMENDATIONS

The rental rate of \$6 per square foot for utilities and maintenance, including security services, appears reasonable. This agreement allows CWI three years to locate to other facilities for professional-technical education.

The lease term is fixed and neither party may terminate except that CWI may vacate the premises by giving 30 days written notice. If CWI fails to vacate the premises after the initial three year term, the rent will increase to \$18 per square foot in the first year, up to \$24 per square foot the second year, and increase by 3% thereafter indefinitely. There is no provision for BSU to terminate the lease during this indefinite time span.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Boise State University to enter into the lease agreement, as submitted, with the College of Western Idaho.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this ____ day of _____ 2009 and is effective July 1, 2009, by and between Boise State University (“University”) and the College of Western Idaho (“CWI”), collectively referred to herein as the Parties.

WHEREAS, CWI was formed as a community college district by the voters in that district on May 22, 2007; and

WHEREAS, the State Board of Education has determined, in the interests of the students and the general public, to transfer the professional-technical component of the University, known as the Selland College, to CWI effective no later than July 1, 2009, pursuant to the terms of an agreement to be called The Selland College Transfer Agreement; and

WHEREAS, until such time as CWI can transfer all of its programs, personnel, furnishings and equipment to facilities not on the University campus, University desires to lease certain premises more fully described herein to CWI and CWI desires to rent same from University;

WHEREAS, this Lease Agreement shall become an addendum to the Selland College Transfer Agreement.

NOW THEREFORE, University and CWI, for good and sufficient consideration set forth below, agree as follows:

ARTICLE 1 –PREMISES AND TERM

University, for and in consideration of the rental payments herein provided and the covenants and agreements herein contained, hereby agrees to lease to CWI approximately 115,097 gross square feet, (the “Premises”) more fully described in Exhibit A, attached hereto, for the term beginning July 1, 2009 and ending June 30, 2012 unless sooner terminated or vacated as provided herein.

ARTICLE 2 – USE OF PREMISES

CWI agrees that the premises shall be used and occupied as classrooms, offices, storage and laboratories in a careful, safe and proper manner. CWI shall not use or permit the premises to be used for any purposes prohibited by the laws or regulations of the United States or the State of Idaho and the applicable ordinances of Ada County and the City of Boise. Use of the Premises shall, at all times, be governed by University’s policies and procedures as set forth at www.boisestate.edu/policy/. CWI shall not use or keep any substance or material in or about the Premises which may endanger the validity of the insurance on the Premises or increase risk associated with the use or occupancy of the Premises. Further, CWI shall not permit any nuisance in the Premises. Notwithstanding the foregoing, the Parties acknowledge and agree that this Lease Agreement is intended to accommodate the transfer of Selland College programs,

personnel, furnishings and equipment from BSU to CWI, and as such, BSU acknowledges and agrees that any use, substance, or material currently existing in or about the Premises may be continued by CWI under the terms of this Lease Agreement without resulting in any default by CWI; provided, however, CWI at its sole expense, shall be responsible for its own hazardous materials handling, storage and disposal.

ARTICLE 3 – RENTAL PAYMENT

CWI shall pay to University, as rent for the premises, 115,097 gross square feet at \$6.00 per square foot for a total rental payment of \$690,582 per year. Rental payments of \$172,645.50 shall be received in advance by University of the first day of each calendar quarter, July 1, October 1, January 1, and April 1. The rental amount shall be decreased proportionately as Premises are vacated, pursuant to ARTICLE 4 below. Rental payments shall be remitted to the University at the following address:

Treasury Management, Mail Stop 1247
Boise State University
1910 University Drive
Boise, ID 83725-1247

Title to the Premises at all times remains with the State Board of Education on behalf of Boise State University. CWI accepts the Premises in as is condition.

ARTICLE 4 – VACATION OF PREMISES

CWI may, from time to time, vacate portions of the Premises by giving 30 days advance written notice to University describing with specificity the Premises and actual square footage to be vacated. Upon such vacation, the rental payment shall be recalculated based upon the adjusted square footage continuing to be occupied. Such recalculated rental amount shall become effective at the next quarterly payment due University.

CWI covenants that upon vacation of the Premises, the same will be in the condition as originally received, reasonable wear and tear excepted; provided, however, that certain Selland College fixtures, furnishings and equipment being transferred to CWI may be removed from the Premises and in such event, CWI shall not be required to restore the Premises to “like new” condition but shall repair any new damage. CWI shall remove all personal property and shall repair any damage to the Premises caused by such removal. Any damage not repaired by CWI shall be repaired by University, the cost of which shall become due and payable as additional rent 30 days after notice by University. All alterations, additions, improvements, and fixtures that may be made or installed by CWI upon the Premises and which are attached to the floors, walls, or ceilings shall become the property of University at the vacation of the Premises or termination of the Lease.

ARTICLE 5 – ASSIGNMENT AND SUBLETTING

CWI shall not assign this Lease Agreement and shall not sublet the Premises nor will CWI permit the use of the Premises by anyone other than CWI without the prior written consent of University.

ARTICLE 6 – SERVICES, MAINTENANCE AND PARKING

University shall provide and maintain all utilities during the Lease term, including the information technology infrastructure, plumbing, heating and cooling systems, electrical and mechanical devices and fixtures. University shall provide and pay for janitorial services, maintenance and repair of the Premises, including the building interiors, exteriors and all grounds, fixtures and appurtenances furnished by University under this Lease Agreement in order to keep the same in good repair and habitable condition. University shall provide security services through its' Department of Security. The extent of services provided by University pursuant this Lease Agreement are outlined in the FO&M Services, attached hereto as Exhibit "B" and incorporated herein by reference. University shall have the right to enter upon the Premises at reasonable times in order to inspect the same and to perform maintenance and repair, but this right shall be exercised in a manner that does not unreasonably interfere with CWI's use of the Premises.

During the term of the Lease Agreement, CWI employees and students shall be entitled to purchase parking passes from University for the same price and under the same terms and conditions as University's employees and students. For purposes of this paragraph, during the pendency of this Lease Agreement, at the commencement of each semester CWI shall provide to University a list of CWI students enrolled in classes located in the Premises.

ARTICLE 7 – ALTERATIONS

At no time shall CWI be entitled to make any structural or non-structural changes or alterations to the Premises without the prior written approval of University, which approval may be withheld at the sole and absolute discretion of University. This includes, but is not limited to, alterations of the Premises that impacts the exterior appearance of the premises, changes the interior configuration of the Premises or adversely impacts the functioning of the wiring, plumbing, heating, air conditioning, sewer or other similar systems. CWI shall be solely responsible for all costs and expenses for any alterations and improvements approved by the University and made by CWI.

ARTICLE 8 – COMPLETE AGREEMENT AND MODIFICATION

This Lease Agreement, including all exhibits, supersedes any and all prior written or oral agreements and there are no covenants, conditions or agreements between the

Parties except as set forth herein. No amendment hereto shall have any force or affect whatsoever unless embodied in writing and mutually agreed to by the Parties.

ARTICLE 9 – APPLICABLE LAW

The laws of the State of Idaho and the rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this Lease Agreement.

ARTICLE 10 – LIABILITY, INSURANCE AND INDEMNIFICATION

Both the University and CWI are public governmental entities subject to the Idaho Tort Claims Act. Nothing in this Lease Agreement shall be interpreted or construed to alter those provisions or to waive the protections of the Act. The University and CWI agree to indemnify and defend each other from any acts or omissions arising from their respective performances under this Lease Agreement, provided that such indemnity and defense is subject to the limits of and to the extent consistent with, the Idaho Tort Claims Act, I.C. Sections 6-901 *et seq.*, as now or hereafter amended.

CWI shall, at its sole cost and expense, during the entire term hereof, carry and maintain the following insurance, exclusive of any coverage University may carry and in the amounts specified below, or at such other amounts as University shall, from time to time, reasonably request, with insurance companies and in a form satisfactory to University:

A. Public liability and property damage liability insurance with a combined single occurrence limit of not less than \$1,000,000 and including contractual liability insurance applicable to CWI's obligations hereunder. Such insurance shall name University as an additional insured.

B. Fire and extended coverage insurance covering all of CWI's equipment, fixtures, appliances, furniture, furnishings and personal property from time to time in, on, or upon the Premises in an amount not less than the full replacement cost without deduction for depreciation.

C. A copy of each policy or certificate of insurance pertaining to this provision shall be delivered to University within thirty (30) days of the execution of this Lease. Such insurance shall not be cancelable without thirty (30) days prior written notice thereof to University and shall permit CWI to waive its rights of subrogation.

D. CWI and University hereby release each other from any and all liability and responsibility to the other as to any person claiming though or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

ARTICLE 11 – DAMAGE AND DESTRUCTION

In the event the premises are rendered untenable or unfit for CWI’s purposes by fire or other casualty, this Lease Agreement will immediately terminate and no rent shall accrue to University from the date of such fire or casualty. In the event the Premises are damaged by fire or other casualty so that there is a partial destruction of the Premises or such damage as to render the premises partially untenable or partially unfit for CWI’s purposes, CWI may, upon written notice to University, vacate that portion of the Premises rendered untenable and rent shall be apportioned as set forth in Article 4 above.

ARTICLE 12 – NOTICES

Any notice required or permitted by this Lease Agreement may be delivered in person or sent by registered or certified mail, return receipt requested, to the party at the address as hereinafter provided, and if sent by mail it shall be effective when posted in a U.S. Mail Depository with sufficient postage attached thereto.

TO UNIVERSITY:	TO CWI:
Boise State University Attn.: President 1910 University Drive Boise, Idaho 83725-1000 (208) 426-1345 (facsimile)	College of Western Idaho Attn.: President 5500 East University Way Nampa, Idaho 83687 (208) _____ (facsimile)
With a Copy To:	With a Copy To:
General Counsel 1910 University Drive Boise, Idaho 83725-1200 (208) 426-1345 (facsimile)	Richard W. Stover Eberle, Berlin, Kading, Turnbow & McKlveen, Chtd. P.O. Box 1368 Boise, Idaho 83701 (208) 344-8542 (facsimile)

Notice of change of address shall be treated as any other notice.

ARTICLE 13 – DISPUTE RESOLUTION:

The parties agree that as two public entities, the advent of litigation between them arising from the terms of this Agreement would not be a good use of public resources. As such the Parties agree that any disputes that arise from this Lease Agreement will be resolved by the appropriate administrators of the Parties. If the administrators cannot resolve the dispute, then the dispute will be referred for resolution to the Chairperson of the CWI Trustees and the President of the University. If they are unable to resolve the dispute, the Parties shall hire a mutually acceptable mediator to help resolve the dispute. If and only if all the above steps are followed in sequence and the dispute remains unresolved shall either party have the right to initiate litigation.

ARTICLE 14 – NO EARLY TERMINATION

Subject to CWI's vacation of premises rights pursuant to Article 4 herein, the lease term set forth in this Lease Agreement shall be fixed and shall not be terminated by either party except in cases of default by a party or by CWI's total vacation of the Premises pursuant to Article 4.

ARTICLE 15 – HOLDING OVER

If CWI fails to vacate the entire Premises upon expiration or sooner termination of this Lease agreement, CWI shall be allowed to continue its tenancy for an additional one year term on the same terms, including Article 4 herein, as the initial term, except for rent, and subject to all the laws of the State of Idaho applicable to such tenancy. The rent to be paid by CWI to University during such continued occupancy after June 30, 2012 shall be \$18.00 per square foot and payable on the same terms as during the initial term. Such amount is deemed and agreed to between the parties as both market based rent as well as compensation to the University for the lost opportunity to improve its campus and expand its program for its students.

If CWI fails to vacate the entire Premises by June 30, 2013, CWI shall be allowed to continue its tenancy for an additional one year term on the same terms, including Article 4 herein, as the initial term, except for rent, and subject to all the laws of the State of Idaho applicable to such tenancy. The rent to be paid by CWI to University during such continued occupancy after June 30, 2013 shall be \$24.00 per square foot and payable on the same terms as during the initial term. Such amount is deemed and agreed to between the parties as both market based rent as well as compensation to the University for the lost opportunity to improve its campus and expand its program for its students.

If CWI fails to vacate the entire Premises by June 30, 2014, CWI shall be allowed to continue its tenancy for consecutive annual terms on the same terms, including Article 4 herein, as the initial term, except for rent. The rent to be paid by CWI to University in any annual term after June 30, 2014 shall not exceed three percent (3%) of the rent over the previous year.

ARTICLE 16 – CWI’S PERSONAL PROPERTY

All personal property of any kind or description whatsoever in the Premises shall be at CWI’s sole risk and University shall not be liable for any damage done to or loss of such property. If CWI shall fail to remove all its effects from the Premises upon the termination of this Lease Agreement for any cause whatsoever, the University shall remove and dispose of at its sole discretion, with no duty to account for such to CWI or credit CWI for any value received and CWI shall bear the full cost of such disposal.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement on the day and year first above written.

BOISE STATE UNIVERSITY

By: _____
Its: _____

COLLEGE OF WESTERN IDAHO

By: _____
Its: _____

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Exhibit A

College of Applied Technology Professional Technical Education Space										
Leased Space Calculation - July 1, 2009										
Bldg #	Building Name	Bldg ASF	CWI program space ASF per bldg	percent CWI program space ASF per bldg	Bldg Total GSF - updated 8/08 inventory	CWI space per bldg (GSF) for lease calculation	notes			
	Space Leased to CWI									
28	Technical Services	20,127	8,054	40.01%	29,464	11,790				
29	Engineering Tech	42,991	-	0.00%	63,609	-	All current COAT space to be vacated 6/30/08			
33	Applied Tech	48,514	43,519	89.70%	64,675	58,015				
51	Canyon County Center	49,202	-	0.00%	76,837	-	No lease payment calculated; Assumes transfer of facility to CWI			
52	Diesel Tech	11,239	11,239	100.00%	13,173	13,173				
56	Mechanical Tech	19,945	13,157	65.97%	23,804	15,703				
68	Child Care Development Lab	1,245	1,245	100.00%	1,581	1,581				
75	Culinary Arts	7,359	7,359	100.00%	9,953	9,953				
128	Old Pen Greenhouse	4,835	4,835	100.00%	4,882	4,882	Greenhouse is owned, but land beneath it is leased.			
	Total		89,407			115,097	Total GSF leased to CWI			
						x \$6	annual lease rate			
						\$ 690,581	total annual lease payment			
Notes: ASF=Assignable square feet, the area which is assigned to a specific academic or support function										
GSF=Gross square feet, the total area of a building including all areas which are not assigned such as restrooms, corridors, elevators, stairs and mechanical space And which is used as basis for rental.										

Exhibit B

FO&M Services

Normal Services

Maintenance of grounds including snow removal

Maintenance of utilities and distribution systems

Maintenance of buildings

- Preventative maintenance, repair and replacement of:
 - HVAC systems
 - Plumbing systems
 - Electrical systems
 - Life Safety systems (fire protection, generators, reporting equipment)
 - Security systems (burglar alarm)
 - Conveyance systems (elevators, lifts)
 - Fixed furnishings and classroom equipment
 - Roofing systems
 - Building exterior
 - Building interior
- Custodial Services

Administer and maintain campus access control systems

- Locks & keys
- Electronic access control

Recycling Services

Energy management

Trash/solid waste disposal services (excluding Hazardous waste)

Central receiving

Disposal of surplus property

Additional Services Provided on a Recharge Basis

Minor remodeling projects (<\$50,000)

Installation of bulletin boards, chalkboards, and shelving in department space

Special lock and key work such as rekeying

Work connected with a special event, such as setup and cleaning.

Assembly and repair of furniture

Custom furniture and casework

Motor pool rentals and leases

Preventative maintenance and repair of fleet vehicles

Maintenance of items or equipment not owned by BSU

Discretionary replacements or maintenance work (before the normal life expectancy)

Any work performed for an auxiliary

Warehouse storage

Chair and table rental

Moving and hauling services

Central stores sales

Special pickup and deliveries

Other non-maintenance services as required

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

BOISE STATE UNIVERSITY

SUBJECT

Agreement between Boise State University (BSU) and College of Western Idaho (CWI) relating to bond financing of the parking lot on the Nampa campus and provision of a Park-and-Ride system

REFERENCE

December 2008 State Board of Education approved transfer of the West Campus property from Boise State University to the College of Western Idaho.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

As part of Boise State University's transfer of the Larry Selland College to CWI, the University shall transfer by deed certain property located on its west campus in Nampa, ID, including a 4.55 acre parking lot ("Parking Lot"). The Parking Lot construction was paid for by student revenue bonds paid by BSU students.

BSU and CWI wish to mutually promote and use the Parking Lot as a Valley Regional Transit Transfer Point and Park-And-Ride ("Park-And-Ride Services") for the benefit of students and employees.

CWI will grant BSU the right for its employees and students to use the Parking Lot for free for the Park-And-Ride services for the term of the agreement. CWI remains responsible for the operation, management and maintenance of the Parking Lot.

In consideration for BSU's continued use of the Parking Lot it shall pay 70% of the semi-annual bond payments due. In consideration of the transfer of the parking improvement to it and use of the Park-And-Ride system, CWI shall pay 30% of the semi-annual bond payments due.

The parties agree to work together to pursue federal funding for a permanent community park and ride location on the CWI campus and to work together for continued operation of the existing Park and Ride Service operated by Valley Regional Transit.

The agreement shall terminate upon the earlier of the maturation and final payment of the bond obligations or May 30, 2023. CWI has the right to terminate earlier on 12 months notice if it repays all outstanding bond obligations.

IMPACT

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

CWI shall pay to BSU an amount representing 30% of the bond obligations on a semi-annual basis. \$490,000 of the original \$640,000 bond remains due in principal balance plus the interest payments of approximately \$130,000. CWI will be responsible for 30% of this which is approximately \$147,000 in principle and \$40,000 in interest.

ATTACHMENTS

Attachment 1 – Proposed Contract	Page 3
Attachment 2 – Parking Lot Property Description	Page 7
Attachment 3 – Bond Financing Obligations	Page 10

STAFF COMMENTS AND RECOMMENDATIONS

In the Transition Agreement approved by the Board in December 2008, CWI assumed the principal obligation to the BSU bonds relating to the parking lot in the approximate amount of \$545,000. At the time it was anticipated that CWI and BSU would subsequently enter into a memorandum of understanding relating to the shared use of the parking lot and the park and ride operation, and that CWI's financial obligation with respect to the parking lot bond would be reduced. This agreement for a Park-and-Ride system reduces the CWI obligation to \$187,000.

This agreement will provide a benefit to BSU and CWI students commuting from the surrounding Treasure Valley and to CWI by reducing their operating and capital expenses.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Boise State University to enter into the Memorandum of Agreement relating to bond financing of the parking lot on the Nampa campus and provision of a park-and-ride system with the College of Western Idaho.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**MEMORANDUM OF AGREEMENT
VALLEY REGIONAL TRANSIT TRANSFER POINT AND PARK-AND-RIDE**

THIS MEMORANDUM OF AGREEMENT is made and entered into this _____ day of _____, 2009 and is effective the 1st day of July, 2009 by and between Boise State University (“University”) and the College of Western Idaho (“CWI”), collectively referred to herein as the Parties.

WHEREAS, CWI was formed as a community college district by the voters in that district on May 22, 2007; and

WHEREAS, the State Board of Education has determined, in the interests of the students and the general public, to transfer the professional-technical component of the University, known as the Seland College, to CWI effective no later than July 1, 2009; and

WHEREAS, pursuant to a separate written agreement, entitled “Educational Facility Property Transition Agreement,” which is incorporated herein by reference, University has transferred to CWI certain real property located on its west campus in Nampa, Idaho including an improved parking lot comprising 4.55 acres, more or less, more particularly described on Exhibit A, attached hereto, (the “Parking Lot”); and

WHEREAS, the Parking Lot is encumbered by bond financing, the obligations under which are more fully set forth on Exhibit B, attached hereto and incorporated herein; and

WHEREAS, to encourage the use of mass transportation services to and from each campus, University wishes to cooperate with CWI to use and manage the Parking Lot as a Valley Regional Transit Transfer Point and Park-And-Ride for the benefit of their students and employees;

NOW THEREFORE, the Parties agree upon the following:

1) Grant of Rights: CWI grants to the University, for the benefit of its employees and students, the rights of ingress and egress and an un-restricted license to use the Parking Lot as a Regional Transit Transfer Point and Park-And-Ride. University employees and students using the Valley Regional Transit Park-and-Ride services shall be allowed to park in the Parking Lot free of charge.

2) Payment:

A) In consideration for the continued use of the Parking Lot, University shall pay an amount equal to 70% of the semi-annual bond payment as set forth on Exhibit B.

B) In consideration for the transfer of the property and use of the Valley Regional Transit Park-and-Ride services by CWI students and employees, CWI shall pay an amount equal to 30% of the semi-annual bond payment as set forth on Exhibit B.

C) Payments made by CWI shall be remitted semi-annually, beginning October 1, 2009, then on each April 1st and October 1st thereafter, to Accounts Receivable, Boise State University, 1910 University Drive, Boise, Idaho 83725-1248 and University will be responsible for remitting payments to the bondholders.

3) Operation and Maintenance:

CWI shall be responsible for the operation, management, and maintenance of the Parking Lot and all costs and expenses attributable thereto.

4) Indemnification and Insurance:

Both the University and CWI are public governmental entities subject to the Idaho Tort Claims Act. Nothing in this Memorandum of Agreement shall be interpreted or construed to alter those provisions or to waive the protections of the Act. The University and CWI agree to indemnify and defend each other from any acts or omissions arising from their respective performances under this Memorandum of Agreement, provided that such indemnity and defense is subject to the limits of and to the extent consistent with, the Idaho Tort Claims Act, I.C. Sections 6-901 *et seq.*, as now or hereafter amended.

5) Cooperation:

The parties agree to work together in good faith to pursue federal grant funding for a permanent community park and ride location at the CWI campus.

The parties agree to work together for continued operation of Valley Regional Transit Route #45. To the extent feasible, each party agrees to financially support continued operation of the route in proportion to its constituents' use as calculated, reported and communicated to the parties by Valley Regional Transit.

6) Termination:

This Agreement shall terminate upon maturation and final payment of the bond obligations, but in no event no later than May 30, 2023.

CWI may terminate this agreement upon payment of all outstanding bond obligations and with 12 months written notice given to University no later than August 31 of the year prior to the desired termination date. Notice shall be delivered either in person or sent by registered or certified mail, return receipt requested to the Vice President for Finance and Administration, Boise State University, 1910 University Drive, Boise, ID 83725.

7) Applicable Law:

The laws of the State of Idaho and the rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this Agreement.

8) Dispute Resolution:

The parties agree that as two public entities, the advent of litigation between them arising from the terms of this Agreement would not be a good use of public resources. As such the Parties agree that any disputes that arise from this Agreement will be resolved by the appropriate administrators of the Parties. If the administrators cannot resolve the dispute, then the dispute will be referred for resolution to the Chairperson of the CWI Trustees and the President of the University. If they are unable to resolve the dispute, the Parties shall hire a mutually acceptable mediator to help resolve the dispute. If and only if all the above steps are followed in sequence and the dispute remains unresolved shall either party have the right to initiate litigation.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

BOISE STATE UNIVERSITY

By: _____
Its: _____

COLLEGE OF WESTERN IDAHO

By: _____
Its: _____

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EXHIBIT A

A parcel of land located in Government Lot 2, and the NE ¼ of the SW ¼, of Section 7, Township 3 North, Range 1 West, Boise Meridian, Canyon County, Idaho, more particularly described as follows:

- A.) **COMMENCING** at the N 1/16 corner common to said Section 7 and Section 12, Township 3 North, Range 2 West, as shown on Record of Survey Instrument No. 9905375, records of Canyon County, Idaho, from which the 1/4 corner common to said Sections bears S.00°38'38"W., 1326.68 feet; thence S.83°20'05"E., 1165.27 feet to the **POINT OF BEGINNING**; thence,
- 1.) N.28°15'34"E., 15.21 feet to the beginning of a tangent curve; thence,
 - 2.) Northeasterly along said curve to the right having a radius of 83.50 feet, an arc length of 90.97 feet, through a central angle of 62°25'22", and a chord bearing and distance of N.59°28'28"E., 86.54 feet; thence, tangent from said curve,
 - 3.) S.89°18'51"E., 798.64 feet; thence,
 - 4.) S.28°38'02"W., 463.67 feet; thence,
 - 5.) N.61°22'35"W., 749.76 feet to the **POINT OF BEGINNING**

CONTAINING 4.55 Acres, more or less.

SUBJECT TO: All Covenants, Rights, Rights-of-Way, Easements of Records, and other encumbrances.

REFERENCE: Record of Survey Instrument No. 9905375, records of Canyon County, Idaho,

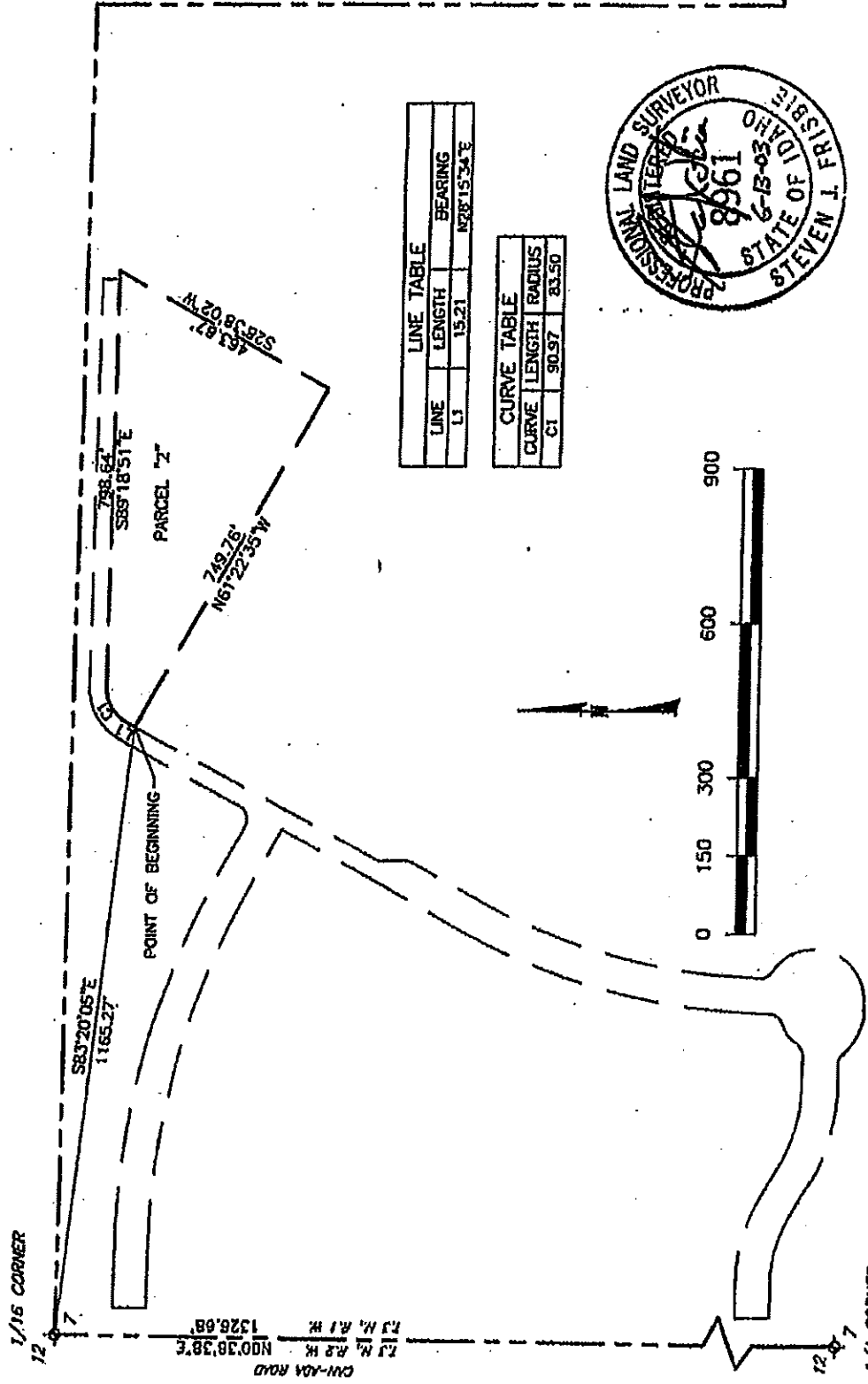
EXHIBIT "B2" attached, and by this reference, made a part hereof.

BY ORDER OF THE REGISTER



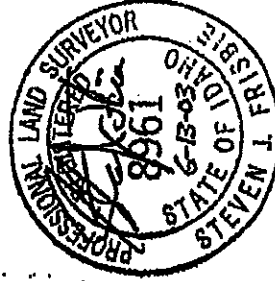
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EXHIBIT "B2"
 A PARCEL OF LAND LOCATED IN GOVERNMENT LOT 2, AND THE SE 1/4 OF THE NW 1/4,
 OF SECTION 7, TOWNSHIP 3 NORTH, RANGE 1 WEST, BOISE MERIDIAN, CANYON COUNTY, IDAHO
 2003



LINE TABLE		
LINE	LENGTH	BEARING
L1	15.21	N28°15'34"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C1	90.97	83.50



TOOTHMAN-ORTON ENGINEERING CO.
 ENGINEERS SURVEYORS PLANNERS
 9777 CHINDEN BOULEVARD • BOISE, IDAHO 83714-2008
 PHONE: 208-323-2288 • FAX: 208-323-2399
 E-FILE: 0302A-1\examnt.dwg DATE: 05/12/03

H:\0302A\CADD\DWG\examnt.dwg, 13-Jun-03 09:29:00

Exhibit B

Pmt Date	Fiscal Year	Series 2004-West Campus Parking				
		Principal Balance	Payment			Interest Rate
			Principal	Interest	Total	
		640,000				
04/01/04	2004	640,000			0.00	
10/01/04				17,432.19	17,432.19	
04/01/05	2005	620,000	20,000	13,642.58	33,642.58	4.86%
10/01/05				12,841.88	12,841.88	
04/01/06	2006	595,000	25,000	12,841.87	37,841.87	4.14%
10/01/06				12,529.38	12,529.38	
04/01/07	2007	570,000	25,000	12,529.37	37,529.37	4.21%
10/01/07				12,216.88	12,216.88	
04/01/08	2008	545,000	25,000	12,216.87	37,216.87	4.29%
10/01/08				11,841.88	11,841.88	
04/01/09	2009	520,000	25,000	11,841.87	36,841.87	4.35%
10/01/09				11,466.88	11,466.88	
04/01/10	2010	490,000	30,000	11,466.87	41,466.87	4.41%
10/01/10				11,016.88	11,016.88	
04/01/11	2011	460,000	30,000	11,016.87	41,016.87	4.50%
10/01/11				10,566.88	10,566.88	
04/01/12	2012	430,000	30,000	10,566.87	40,566.87	4.59%
10/01/12				9,816.88	9,816.88	
04/01/13	2013	400,000	30,000	9,816.87	39,816.87	4.57%
10/01/13				9,066.88	9,066.88	
04/01/14	2014	370,000	30,000	9,066.87	39,066.87	4.53%
10/01/14				8,316.88	8,316.88	
04/01/15	2015	335,000	35,000	8,316.87	43,316.87	4.50%
10/01/15				7,441.88	7,441.88	
04/01/16	2016	300,000	35,000	7,441.87	42,441.87	4.44%
10/01/16				6,566.88	6,566.88	
04/01/17	2017	265,000	35,000	6,566.87	41,566.87	4.38%
10/01/17				5,691.88	5,691.88	
04/01/18	2018	225,000	40,000	5,691.87	45,691.87	4.30%
10/01/18				4,691.88	4,691.88	
04/01/19	2019	185,000	40,000	4,691.87	44,691.87	4.17%
10/01/19				3,891.88	3,891.88	
04/01/20	2020	140,000	45,000	3,891.87	48,891.87	4.21%
10/01/20				2,963.75	2,963.75	
04/01/21	2021	95,000	45,000	2,963.75	47,963.75	4.23%
10/01/21				2,018.76	2,018.76	
04/01/22	2022	50,000	45,000	2,018.75	47,018.75	4.25%
10/01/22				1,062.50	1,062.50	
04/01/23	2023	-	50,000	1,062.50	51,062.50	4.25%

640,000.00	319,096.02	959,096.02
------------	------------	------------

Pmt Date	Fiscal Year	Series 2004-West Campus Parking				
		Principal Balance	Payment			Interest Rate
			Principal	Interest	Total	
		640,000				
04/01/04	2004	640,000			0.00	
10/01/04				17,432.19	17,432.19	
04/01/05	2005	620,000	20,000	13,642.58	33,642.58	4.86%
10/01/05				12,841.88	12,841.88	
04/01/06	2006	595,000	25,000	12,841.87	37,841.87	4.14%
10/01/06				12,529.38	12,529.38	
04/01/07	2007	570,000	25,000	12,529.37	37,529.37	4.21%
10/01/07				12,216.88	12,216.88	
04/01/08	2008	545,000	25,000	12,216.87	37,216.87	4.29%
10/01/08				11,841.88	11,841.88	
04/01/09	2009	520,000	25,000	11,841.87	36,841.87	4.35%
10/01/09				11,466.88	11,466.88	
04/01/10	2010	490,000	30,000	11,466.87	41,466.87	4.41%
10/01/10				11,016.88	11,016.88	
04/01/11	2011	460,000	30,000	11,016.87	41,016.87	4.50%
10/01/11				10,566.88	10,566.88	
04/01/12	2012	430,000	30,000	10,566.87	40,566.87	4.59%
10/01/12				9,816.88	9,816.88	
04/01/13	2013	400,000	30,000	9,816.87	39,816.87	4.57%
10/01/13				9,066.88	9,066.88	
04/01/14	2014	370,000	30,000	9,066.87	39,066.87	4.53%
10/01/14				8,316.88	8,316.88	
04/01/15	2015	335,000	35,000	8,316.87	43,316.87	4.50%
10/01/15				7,441.88	7,441.88	
04/01/16	2016	300,000	35,000	7,441.87	42,441.87	4.44%
10/01/16				6,566.88	6,566.88	
04/01/17	2017	265,000	35,000	6,566.87	41,566.87	4.38%
10/01/17				5,691.88	5,691.88	
04/01/18	2018	225,000	40,000	5,691.87	45,691.87	4.30%
10/01/18				4,691.88	4,691.88	
04/01/19	2019	185,000	40,000	4,691.87	44,691.87	4.17%
10/01/19				3,891.88	3,891.88	
04/01/20	2020	140,000	45,000	3,891.87	48,891.87	4.21%
10/01/20				2,963.75	2,963.75	
04/01/21	2021	95,000	45,000	2,963.75	47,963.75	4.23%
10/01/21				2,018.75	2,018.75	
04/01/22	2022	50,000	45,000	2,018.75	47,018.75	4.25%
10/01/22				1,062.50	1,062.50	
04/01/23	2023	-	50,000	1,062.50	51,062.50	4.25%

640,000.00	319,096.02	959,096.02
------------	------------	------------

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

UNIVERSITY OF IDAHO

SUBJECT

Wallace Residence Center Fire Detection, Alarm and Suppressions System Improvements

REFERENCE

Initial capital project authorization request

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedure, Section, V.K.1 & V.K.2

BACKGROUND/DISCUSSION

This is an initial request for Regent's Authorization to implement planning and design phase work towards an eventual series of improvements to the Fire Detection, Alarm and Suppressions Systems of the Wallace Residence Center located on the main campus of the University of Idaho, Moscow, Idaho.

At this time the University's request is limited to the planning and design phases. This request is based upon an initial feasibility investigations performed by the University.

The University's Wallace Residence Center (WRC) was completed and occupied in 1964. The Fire Detection, Alarm and Suppressions Systems in the WRC are old, out-dated and many necessary replacement parts are no longer available.

The existing conditions are similar to those which the University experienced at Theophilus Tower. A highly successful retrofit and improvement to the systems in the Theophilus Tower was initiated in 2006 and completed in 2007. The University expects to pattern the anticipated improvements in the WRC after the work accomplished in Theophilus Tower.

Initial investigations by the University indicate that the cost of requisite improvements to the Fire Detection, Alarm and Suppressions System in the WRC to be \$1,800,000. The current state of the existing systems and the large size of the WRC lead to this estimate.

At this time the University is requesting authorization to proceed with the planning and design phase for these improvements. Planning and design costs are estimated at \$75,000.

Funding for the construction phase(s) will be developed based upon the cost and scope information developed through planning and design.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

As the planning and design phase moves forward, the University will report any variations or deviations from this project cost estimate, if any. The University will return to the Board at such time that required construction phase funds have been raised to seek construction phase authorization prior to proceeding beyond the planning and design phases.

The project is fully consistent with the university's strategic plan, and the university's Long Range Capital Development Plan (LRCDP).

IMPACT

Immediate fiscal impact of this effort is \$75,000. The project fund source is University housing reserves set aside for this specific and intended purpose.

The eventual, future fiscal impact of the total project, should further authorization be granted for the construction phase, is estimated at \$1,800,000.

<u>Funding</u>		<u>Estimate Budget</u>	
State	\$ 0	Construction	\$ 0
Federal (Grant):	0	A/E & Consultant Fees	70,000
Other (State & UI)	<u>75,000</u>	Contingency	<u>5,000</u>
Total	\$ 75,000	Total	\$ 75,000

ATTACHMENTS

Capital Project Tracking Sheet

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The source of funds will be housing auxiliary services reserves.

Staff recommends approval.

BOARD ACTION

A motion authorizing the University of Idaho to proceed with the planning and design phases only of a Capital Project for the Wallace Residence Center Fire Detection, Alarm and Suppressions System Improvements, at a cost not to exceed \$75,000, to be funded from University housing reserves. Authorization includes the authority to execute all necessary and requisite contracts to implement the planning and design phase of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Office of the Idaho State Board of Education
 Capital Project Tracking Sheet
 As of June, 2009

History Narrative

1 **Institution/Agency:** University of Idaho **Project:** Wallace Residence Center Fire Detection, Alarm and Suppressions System Improvements, University of Idaho, Moscow, Idaho

2 **Project Description:** Design phase work towards an eventual series of improvements to the Fire Detection, Alarm and Suppressions Systems of the Wallace Residence Center located on the main campus of the University of Idaho, Moscow, Idaho.

3 **Project Use:** Project will improve and upgrade the Fire Detection, Alarm and Suppressions Systems of the Wallace Residence Center, University of Idaho, Moscow, Idaho. Initial project Authorization request is for planning and design phase. Total Project Cost to include future construction phase is estimated to be \$1,800,000

4 **Project Size:** N/A

	Sources of Funds				Use of Funds			Total Uses
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other**	
9 Initial Cost of Project	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 70,000	\$ -	\$ 5,000	\$ 75,000
10								
11 History of Revisions:								
12								
13								
14								
15								
16 Total Project Costs	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 70,000	\$ -	\$ 5,000	\$ 75,000

History of Funding:	PBF	ISBA	* Other Sources of Funds				Total Other	Total Funding
			Institutional Funds (Gifts/Grants)	Student Revenue	Other			
20 Initial Authorization Request, Design Phase Only, Jun 09			\$ 75,000				\$ 75,000	\$ 75,000
21								
22								
23								
24								
25 Total	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000

27 * University of Idaho Housing reserve and maintenance funds set aside for this purpose . UI will report back to the Board of Regents any resulting revisions to the project estimate resulting from the bid process and seek additional project authorization as may be required.

28 ** Project Contingency

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

UNIVERSITY OF IDAHO

SUBJECT

Amendment to University of Idaho Faculty Staff Handbook policy regarding intellectual property

REFERENCE

November 2006 Approval of comprehensive amendments to University's Faculty Staff Handbook (FSH) policy section 5300 on "Copyrights, Protectable Discoveries and Other Intellectual Property Rights."

April 2008 Approval of amendments to FSH 5300 to reflect changes in technology transfer duties.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Board policy requires Board approval of amendments to the University's policy on intellectual property. This is a minor amendment that modifies the current policy to address new public access requirements for certain federal grants.

The 2008 Consolidated Appropriations Act included a section directing the National Institutes of Health (NIH) to require all investigators funded by NIH to submit manuscripts to the National Library of Medicine's public access database PubMed Central. (Division G, Title II, Section 218 of PL 110-161, Consolidated Appropriations Act, 2008). NIH is the first federal granting entity to mandate public access of research results. It is anticipated that similar requirements may follow for other federal granting entities. More information about the NIH program is available on its website for public access: <http://publicaccess.nih.gov/>.

The University's intellectual property policy grants copyright in publications authored in the course of research to the individual author (with limited exceptions). In order to ensure that the University can comply with the new requirement at an institutional level, rather than entering into individual agreements with each researcher, the University proposes to amend its copyright policy to grant to the University a non-exclusive license for the sole purpose of complying with public access mandates in law and policy.

This change will not prevent an author from entering into publishing agreements with research journals, or other publications. However, where public access is

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

mandated by federal law or policy, the author's rights to their copyrighted work will be subject to this non-exclusive license.

This proposed change has been presented to the Faculty Council and has gone through the University's policy approval process as a minor amendment made to make the policy consistent with controlling legal authority.

IMPACT

This amendment allows for institutional compliance with public access requirements for research publications, where applicable. There is no fiscal impact associated with this amendment.

ATTACHMENTS

Attachment 1 – Proposed Amendments

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to amend the Faculty Staff Handbook section 5300 in substantial conformance to the amendments submitted to the Board in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

5300

COPYRIGHTS, PROTECTABLE DISCOVERIES AND OTHER INTELLECTUAL PROPERTY RIGHTS

PREAMBLE: This section outlines UI policy concerning copyrights, as they arise from university research. Particularly this section discusses the assignment of ownership to such copyrights. This section was part of the 1979 Handbook but was revised in a significant way 1) in July of 1992 to reflect changes in applicable federal law, 2) in January of 1995 by the addition of subsection C-5 to reflect the change in the Regents' intellectual property and conflict of interest rule (former IDAPA 08.01.09.101.03c), and 3) in 2007 to update terminology and add clarity to the rights and obligations of the University and of its employees and students in dealing with intellectual property, and in 2008 edited to reflect the restructuring of technology transfer functions from Idaho Research Foundation to the Office of Technology Transfer.. Unless otherwise noted, the text is as of July 1996. For more information, contact the Research Office (208-885-6651). [ed. 7-98, rev. 2-07, 4-08]

CONTENTS:

- A. Introduction
- B. Copyrights
- C. Protectable Discoveries
- D. Dispute Resolution
- E. Special Arrangements for Federal, State, and Private Grants
- F. Record-Keeping

A. INTRODUCTION. The UI encourages the creation of scholarly works as an integral part of its mission. UI participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. The UI recognizes its obligation to transfer technology and useful discoveries to society. With respect to all types of intellectual property, the rights and obligations of UI, its employees and students and other third parties shall be governed by this policy. To the extent permitted by this policy, individuals may enter into contracts with UI to address intellectual property, in which case the contract terms shall control, provided that the contract was entered into in a manner consistent with this policy.

A-1. DEFINITIONS. For purposes of this Section 5300 and Section 5400, the following terms shall have the following meanings:

- a. "electronic" shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- b. "written" or "in writing" shall include information created, generated, sent, communicated, received, or stored by electronic means, including without limitation email, telecopy, and facsimile transmissions.
- c. "natural person or persons" means natural person or persons involved in the creation or development of intellectual property.

B. COPYRIGHTS. UI participation in the development of copyrightable works raises questions concerning the ownership and use of materials in which UI has become an active and intentional partner through substantial investment of resources. This policy is established to clarify the rights of the natural person or persons and the UI regarding ownership and use of copyrightable materials in the absence of a valid written agreement between the natural person or persons and UI. The UI acknowledges the right of faculty and staff members and students to prepare and publish materials that are copyrightable in the name of the natural person or persons and that may generate royalty income for the natural person or persons. (In this policy, "the natural person or persons" is to be construed broadly as including producers of creative works in the arts and sciences and creators of literary or scholarly writing.)

B-1. Coverage. The types of materials to which this policy applies include:

UI FACULTY-STAFF HANDBOOK

Chapter 5: RESEARCH POLICIES

Section 5300: Copyrights, Protectable Discoveries and Other Intellectual Property Rights

February 2007

- a. Study guides, tests, syllabi, bibliographies, texts, books, and articles.
- b. Films, filmstrips, photographs, slides, charts, transparencies, illustrations, and other visual aids.
- c. Programmed instructional materials.
- d. Audio and video recordings.
- e. Simultaneously recorded live audio and video broadcasts.
- f. Dramatic, choreographic, and musical compositions.
- g. Pictorial, graphic, and sculptural works.
- h. Computer software, including computer programs, procedural design documents, program documents, and databases as defined below: *[ed. 7-00]*
 - (1) “Computer program” means a set of instructions that direct a computer to perform a sequence of tasks.
 - (2) “Procedural design document” refers to material that describes the procedural steps involved in the creation of a computer program.
 - (3) “Program document” refers to material created for the purpose of aiding the use, maintenance, or other interaction with a computer program.
 - (4) “Data base” means a collection of data elements grouped together in an accessible format.
- i. Other copyrightable materials, including materials generated in the production of any of the above works.

B-2. Assignment of Ownership. Faculty, staff members, and students retain all rights in the copyrightable materials they create except in the cases of “UI-Sponsored Materials” as defined in Subsection B-2-b below, [materials subject to grant of a non-exclusive license to UI for public access as described in Subsection B-2-c below](#), materials covered by a Grant or Contract as discussed in Subsection E below, and materials covered by a valid written agreement between the natural person or persons and the UI as discussed in Subsection B-5 below. Faculty members, staff members, and students shall co-operate with reasonable requests from UI for the creation of any documents and records needed to vest and memorialize UI’s rights, if any.

a. Retention of Rights. Except as otherwise provided in Subsection B-2-b [and B-2-c](#), the natural person or persons retain the rights to: (1) copyrightable works produced while on sabbatical leave; (2) study guides and similar materials; and (3) works prepared as part of the general obligation to produce scholarly or other creative works of the natural person or persons, such as, but not limited to articles, books, musical compositions, and works of art.

b. UI-Sponsored Materials. Materials are “UI-Sponsored Materials” within the meaning of this policy if the natural person or persons: (1) was commissioned specifically in writing by UI or one of its distinct units to develop the material as part of his or her employment duties and the writing states that the resulting works would be considered “UI Sponsored”; (2) received extra pay from UI to prepare the specific materials pursuant to a valid written agreement providing that the extra pay is consideration for the preparation of the specific materials; (3) received release time from regular duties to produce the specific materials; or (4) made “substantial use” of UI resources in the creation or development of the specific materials, provided however that the use of UI resources regularly and customarily available to him/her as part of his/her regular employment or as part of his/her regular academic enterprise, shall not be considered “substantial use” of UI

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resources.

[c. University Non-exclusive License for Public Access. In order to permit UI to comply with public access mandates established by federal law or federal agency or university policy \(e.g. the National Institutes of Health Public Access Policy, Division G, Title II, Section 218 of PL 110-161 \[Consolidated Appropriations Act, 2008\]\) and related terms and conditions of research agreements, faculty, staff, and students accepting research grants or contracts from, and conducting research from United States federal agencies shall grant UI an irrevocable, non-exclusive, non-transferable, non-commercial, royalty-free license in copyrightable materials produced as a result of such research, such license to be used solely to comply with public access mandates. This grant of non-exclusive license is deemed by UI to be a special arrangement for federal grants and contracts, per Subsection E below, and is not subject to the disposition of rights described in B-2-b or to negotiation under Section B-5 below.](#)

B-3. Registration of Copyrightable Materials. Absent a valid written agreement otherwise, UI Sponsored Materials are to be registered in the name of the Regents of the University of Idaho or its' assignee. UI or its designee has the right to file registrations of UI Sponsored copyrightable works.

B-4. Royalties and Income.

a. Out of the gross receipts from royalties and other income from sale or rental of UI Sponsored Materials, the UI, college, department, other unit, or UI's designated agent may recover reasonable expenses that it incurred in the development, marketing, or dissemination of the materials.

b. Absent a valid written agreement to the contrary, the net proceeds are distributed as follows: 40 percent to the natural person or persons, 40 percent to UI or its designated agent, and 20 percent to the 'college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furtherance of its goals.

c. UI retains a right to royalty-free internal use of any materials designated UI Sponsored under this policy.

B-5. Written Agreements.

a. The provost represents UI in negotiating agreements with the natural person or persons pursuant to this policy. The natural person or persons of copyrightable material may negotiate with the provost and arrive at a mutually agreeable contract. The provost consults with the dean or departmental administrator of the department of the natural person or persons in drafting these agreements. (For purposes of this policy, "dean" includes persons with equivalent administrative capacities.)

b. Valid written agreements concerning copyright ownership, use of copyrighted materials, and distribution of royalties and income from copyrightable works which are entered into by one or more natural person or persons and the provost supersede the provisions of this Section 5300. ' To be valid, such agreements must (1) comply with the terms of any relevant Grants or Contracts as discussed in Subsection E below, (2) comply with the policies of the UI Board of Regents, and 3) comply with Idaho state and federal law. [rev. 4-08]

B-6. Use of UI-Sponsored Materials. Use of UI Sponsored Materials under this policy is subject to the following conditions:

a. **Internal Use.** Internal use is use by anyone employed by UI, or attending the UI as a student, while acting within the scope of his or her employ or academic enterprise, or any agent of UI acting within the scope of his or her agency, either directly or through a grant or contract, or by any UI unit. Internal use of UI Sponsored Materials for the same general purpose for which they were developed, and revision of such materials, do not require the prior approval or notification of any of the natural person or persons. However, for as long as any natural person or persons involved in the creation or development of UI Sponsored

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Materials remains a UI employee or student, such natural person or persons may, in a professionally appropriate manner, propose revisions of the material.

b. External Use. External use is any use other than that defined in Subsection B-6-a. above. Licensing or sale of UI Sponsored Materials for external use must be preceded by a valid written agreement between the natural person or persons and UI or the UI's designated agent specifying the conditions of use, and including provisions concerning updating or revision of the materials.

B-7. Protection.

a. Allegations of unauthorized use or copyright infringement of UI Sponsored Materials should be made to the Intellectual Property Committee for investigation. The committee will recommend appropriate action to the provost.

b. If such action is initiated by UI alone or in concert with the natural person or persons, the costs are borne by UI or UI's agent. Proceeds from the action in excess of costs are shared as provided in Subsection B-4-b.

c. If the natural person or persons involved in the creation or development of the allegedly infringed intellectual property desires to institute a suit and UI decides not to act, UI will co-operate either by assigning to the natural person or persons such rights as are necessary for the natural person or persons to pursue redress or by some other reasonable method acceptable to UI. The costs of the suit will be born by the natural person or persons desiring to sue, who will also obtain any monetary relief obtained from the alleged infringer due to the prosecution of the suit.

B-8. Liability. When either UI or the natural person or persons involved in the creation or development of materials copyrighted by UI or its assignee is alleged to have violated personal or property rights, UI or its designated agent assumes responsibility for the defense against such allegation and the satisfaction of any judgment rendered against UI or the natural person or persons except insofar as liability of governmental entities is limited by Idaho Code 6-903 as currently written or later amended.

B-9. Waiver. Any person involved in the development of copyrightable materials governed by Section 5300 B waives any claim that otherwise legal use of the material by UI, its agents, employees, or distinct units, creates legal liability by UI, its agents, employees, or distinct units on any theory of indirect liability for allegedly infringing actions of third parties. [*ed. 4-08*]

C. PROTECTABLE DISCOVERIES. "Protectable Discoveries," for purposes of this Section 5300 is defined to include anything which might be protected by utility patent, plant patent, design patent, plant variety protection certificate, maskwork, or trade secret. All Protectable Discoveries made by UI employees at any of its facilities in the course of programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI belong to UI. The natural person or persons involved in the creation or development of such Protectable Discoveries shall assign to UI all such (1) Protectable Discoveries, (2) applications for legal protection of such Protectable Discoveries, and (3) utility patents, plant patents, design patents, and plant variety protection certificates resulting from such Protectable Discoveries. Absent a valid written agreement to the contrary, any Protectable Discoveries made by UI employees or such other natural person or persons identified above with the use of facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) owned by UI or made available to it for project or research purposes are deemed to have been made in the course of working on a research program or project of UI.

C-1. Ownership by Other Than UI. A Protectable Discovery made by a natural person or persons wholly on his or her own time outside of his or her duties at UI and without the use of UI facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) belongs to that natural person or persons, even

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though it falls within the field of competence relating to the person's UI position. This provision also allows any Protectable Discovery made by a natural person or persons in the course of private consulting services carried out by the person in conformance with the UI's policy on professional consulting and additional workload [see 3260] to be assigned to the consulting sponsor.

C-2. UI Processes. All Protectable Discoveries made by a natural person or persons in the course of working on a UI research program or project must be submitted to the Office of Technology Transfer (OTT). If a Protectable Discovery is accepted by OTT for development, management, marketing, licensing, or assignment in any manner for the purposes of this policy, OTT must ensure that such property is conveyed, assigned, or transferred to UI. OTT shall have full power to manage such rights and to enter into contracts and licenses concerning such rights, including the right to join in agreements with other nonprofit intellectual property-management entities. *[rev. 7-97, 7-06, 4-08]*

a. Upon submission of intellectual property to OTT, OTT must make a formal written decision to pursue commercialization for that property within three months. If OTT does not file for protection of the intellectual property within eighteen months of the date the disclosure was submitted, the rights shall be evaluated for return to the inventors. If OTT submits a provisional patent application for intellectual property protection, a "full" and non-provisional patent application must be submitted within nine months of the date of the submission of the provisional patent. *[add. 7-97; ed. 7-98, rev. 4-08]*

b. The OTT shall submit semi-annual reports, as long as UI owns the property, to both the inventor/natural person or persons of and to the college or center where the inventor(s) are located. The report will include on 1) the status of the application until such time that protection is granted, 2) the marketing activities for the property being serviced, and 3) an accounting for funds received from the property. In the event that OTT has been unsuccessful in transferring a property or filing a patent application within three years after its first acceptance, OTT must notify the college or center and inventor(s) in writing. *[add. 7-97, rev. 7-06, 4-08]*

c. If OTT determines not to pursue commercialization of a Protectable Discovery, the University may elect, subject to controlling federal law, including but not limited to 37 CFR 401 ("Bayh-Dole"), to reconvey, assign and transfer the Protectable Discovery to the natural person or persons (inventors) involved in the creation of the intellectual property. *[rev. 4-08]*

C-3. Proceeds. OTT will make provision to share the net proceeds, management, and licensing of any Protectable Discovery as follows: *[ed. 4-08]*

a. Legal and development expenses incurred by OTT will be reimbursed first out of the net proceeds, prior to any distributions. *[rev. 4-08]*

b. Absent a valid written agreement to the contrary, the net proceeds in excess of legal and development expenses shall be distributed as follows: 40 percent to the natural person or persons; 40 percent to OTT; and 20 percent to the college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furthering its goals. *[rev. 4-08]*

C-4. Ownership Questions. Questions as to the ownership of a Protectable Discovery or division of proceeds between persons involved in development of such discoveries and departments are referred in the first instance to the Intellectual Property Committee. The disputes will be decided in accordance with Section 5300(D).

D. DISPUTE RESOLUTION. From time to time, disputes will inevitably occur concerning ownership of the intellectual property (copyrights and Protectable Discoveries) contemplated in this Section 5300. Resolution of such disputes shall be achieved by the following procedure:

D-1. Intellectual Property Dispute Committee. The Intellectual Property Dispute Committee (IPD Committee) shall be an Ad Hoc Committee formed when necessary by appointments made by the Provost, in

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consultation with the Chair of Faculty Council and the President of the Graduate and Professional Student Association (GPSA). Normally the IPD Committee shall be composed of five faculty members and two graduate students. The Provost shall appoint the chair from among the faculty members. In the event the GPSA shall fail to appoint one or more student members, the IPD Committee may nonetheless be formed by the Provost and conduct business without the GPSA student representatives.

D-2. Recommendation by the Intellectual Property Dispute Committee. The IPD Committee considers, investigates, and makes recommendations toward resolution of disputes concerning (1) ownership of copyrightable materials and Protectable Discoveries, and (2) allegations or unauthorized use or copyright infringement of UI Sponsored Materials. It reviews all relevant evidence submitted to it before making its recommendation to the provost. The IPD Committee's recommendation is to be made no later than 60 days after receiving the matter for consideration. The IPD Committee's recommendation is determined by a majority of all its members voting by secret ballot at a meeting at which over one-half its appointed members are present. No member may participate in any matter in which his or her ownership rights are being determined.

D-3. Decision by the Provost. After receiving the recommendation of the IPD Committee, the provost makes a decision concerning ownership or infringement. The provost's decision is made no later than 30 days after receiving the IPD Committee's recommendation. That decision is transmitted in writing to the natural person or persons and to his or her departmental administrator and dean.

D-4. Appeal of the Decision of the Provost. The decision of the Provost may be appealed to the President of the University. Further appeals shall be made as from any other decision of an administrative body under the laws of the State of Idaho in effect from time to time.

E. SPECIAL ARRANGEMENTS FOR FEDERAL, STATE, AND PRIVATE GRANTS. Nothing in this policy shall prevent UI from accepting research grants from, and conducting research for, agencies of the United States upon terms and conditions under applicable provisions of federal law or regulations that require a different disposition of rights in any form of intellectual property. Moreover, nothing herein shall prevent cooperative arrangements with other agencies of the state of Idaho for research. Where receipt of a grant in support of research from any nonprofit agency or group may be dependent upon acceptance of terms and conditions of the established intellectual property policy of the grantor that differ from those stated herein, UI may specifically authorize acceptance of such grant upon such terms and conditions. UI may also specifically authorize contractual arrangements with an industrial sponsor for different disposition of rights in any form of intellectual property resulting from its sponsored research.

F. RECORD-KEEPING. See Section 5500 for record-keeping procedures that are recommended in order to safeguard the property rights of UI or the faculty member in research and potentially patentable results.

[For form of employment agreement concerning patents, see 5400.]

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

UNIVERSITY OF IDAHO

SUBJECT

Niccolls Family and Consumer Sciences Building, renovations and improvements

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedure, Section, V.K.1 & V.K.2

BACKGROUND/DISCUSSION

This is an initial request for Regent's authorization to implement planning and design phase work towards an eventual series of architectural, mechanical, and electrical renovations and improvements to the Niccolls Family and Consumer Sciences Building located on the main campus of the University of Idaho.

At this time, the University's request is limited to the planning and design phases. This request is based upon an initial feasibility study commissioned by the University.

The University's Niccolls Family and Consumer Sciences Building was completed and occupied in 1955. It is now 54 years old and there have been no substantive renovations or improvements since the original construction. Fixtures and systems have degraded over time and are in need of update and/or replacement. In addition, social and cultural shifts since the 1950's highlight the need to renovate programmatic teaching spaces which are no longer suited for today's environment or needs.

Recently, the University commissioned Design West Architects, Nampa, Idaho, to conduct an initial feasibility study for desired architectural, mechanical, and electrical renovations and improvements to three spaces within the Niccolls Family and Consumer Sciences Building. Those spaces are:

- Food Preparation Laboratory
- Child Development Laboratory
- Creation of a Technology Enabled Classroom

The study provided a menu of renovation and improvement options that, if implemented in full for these three spaces, would result in a total capital project cost of \$1,250,000. Since the receipt of the Design West feasibility study, the University has worked to raise private development gift funds for the purpose of allowing this set of improvements to proceed. To date, the University has raised in excess of \$600,000 towards its goals.

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At this time, the University is requesting authorization to proceed with the planning and design phase for these renovations and improvements. Planning and design costs are estimated at \$125,000.

It is the intent of the University to proceed with planning and design in parallel with continuing efforts to raise the private development gift funds necessary to complete the construction phase of the project.

As the planning and design phase moves forward, the University will report any variations or deviations from this project cost estimate, if any. The University will return to the Regents at such time that required construction phase funds have been raised to seek construction phase authorization prior to proceeding beyond the planning and design phases.

The project is fully consistent with the university's strategic plan, specifically, Goal One, Teaching and Learning Activity, and Goal Three, Outreach and Engagement, and the University's Long Range Capital Development Plan (LRCDP).

IMPACT

Immediate fiscal impact of this effort is \$125,000. The project fund source is private donations designated specifically for this project.

The future fiscal impact, again from gift funds and provided that such funds are raised and further authorization is granted for the construction phase, would be approximately \$1,250,000.

<u>Funding</u>		<u>Estimate Budget</u>	
State	\$ 0	Construction	\$ 0
Federal (Grant):	0	A/E & Consultant Fees	110,000
Other (State & UI)	<u>125,000</u>	Contingency	<u>15,000</u>
Total	\$ 125,000	Total	\$ 125,000

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

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STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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BOARD ACTION

A motion authorizing the University of Idaho to proceed with planning and design for the renovations and improvements of the Niccolls Family and Consumer Sciences Building, at a cost not to exceed \$125,000, to be funded with gift funds. Authorization includes the authority to execute all necessary and requisite contracts to implement the planning and design phase of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of June, 2009**

History Narrative

- 1 **Institution/Agency:** University of Idaho **Project:** Niccolls Family and Consumer Sciences Building Renovations and Improvements, University of Idaho, Moscow, Idaho
- 2 **Project Description:** Design phase work towards an eventual series of renovations and improvements to the Niccolls Family and Consumer Sciences Building located on the main campus of the University of Idaho, Moscow, Idaho.
- 3 **Project Use:** Project will renovate and improve three spaces within the Niccolls Family and Consumer Sciences Building, University of Idaho, Moscow, Idaho. The spaces to be improved are the Food Preparation Lab, Child Development Lab, and an existing Classroom to create a state of the art technology-enabled Classroom. Initial project Authorization request is for planning and design phase. Total Project Cost to include future construction phase is eventually estimated to be \$1,250,000
- 4 **Project Size:** N/A

	Sources of Funds				Use of Funds			Total Uses
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other**	
Initial Cost of Project	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 110,000	\$ -	\$ 15,000	\$ 125,000
History of Revisions:								
Total Project Costs	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 110,000	\$ -	\$ 15,000	\$ 125,000

History of Funding:	PBF	ISBA	* Other Sources of Funds				Total Other	Total Funding
			Institutional Funds (Gifts/Grants)	Student Revenue	Other			
Initial Authorization Request, Design Phase Only, Jun 09			\$ 125,000				\$ 125,000	\$ 125,000
Total	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ 125,000	

27 * Privately developed gift revenue raised specifically for this purpose. UI will report back to the Board of Regents any resulting revisions to the project estimate resulting from the bid process and seek additional project authorization as may be required.

28 ** Project Contingency

BUSINESS AFFAIRS AND HUMAN RESOURCES
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UNIVERSITY OF IDAHO

SUBJECT

Building management services contract for the Idaho Water Center, Boise

REFERENCE

March 2004

Idaho Water Center (IWC) Leasing, Operations, and Maintenance Contract (Information Only) – The University of Idaho presented a pending Requests for Qualifications for building management services at the IWC.

January 2005

The Regents approved a contract with Colliers to provide building management services at the Idaho Water Center.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

The original contract with Colliers Paragon, LLC (Colliers) allowed for one base year of operations, plus up to four additional one-year options. Colliers performed well, and the University exercised the option each year. The final option year of the current contract expires on June 30, 2009.

The University publicly advertised a Request for Qualifications (RFQ) in January 2009, seeking interest in the next five-year contract (again envisioned as a base year contract plus four option years). Two firms submitted materials in response to the RFQ. A selection committee found both firms well qualified and interviewed both in March.

Colliers was rated the top firm with notable strengths including admirable past performance as the current building management team, exceptional knowledge of building systems and operations, strong history of improving building energy performance, and consistently bringing operating costs in under budget. The University has since negotiated contract terms, as well as established the building operating budget for the base year of the anticipated contract.

The contract provides for all building operations, maintenance, and routine repairs, to include janitorial, custodial, and security services. Building reception, service call management, and commercial utility billing and reporting are also included. The contract is structured to cover all operating costs, plus a flat rate management fee. Total contract costs are in the range of \$4.38 per square foot per year, to include all utilities. The University believes that continued

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outsourcing of the building management function best serves the University's need for economical and efficient building operations.

IMPACT

The contract covers the operating budget for the building, valued at \$903,462 for FY10. The costs are billed proportionately among the condominium owners, the U.S. Forest Service (approx 10% share) and the University of Idaho, on behalf of the state of Idaho (approx 90% share). The University recovers a majority of its expenses from the tenants leasing space from the University (ISU, CH2M Hill, and the Idaho Dept of Water Resources). Contract amounts for subsequent years will be based on the budget to be submitted by Colliers and subject to approval by the University.

The University will cover its proportionate share of the costs associated with this contract out of existing operating funds.

ATTACHMENTS

Attachment 1 – Proposed Contract	Page 3
Attachment 2 – FY10 Operating Budget	Page 19

STAFF COMMENTS AND RECOMMENDATIONS

The monthly management fee is comparable to the fee included in the current contract. The contract appears similar to the agreement approved by the Board in 2005.

Staff recommends approval.

BOARD ACTION

A motion to approve the Management Agreement for building management services at the Idaho Water Center between University of Idaho and Colliers Paragon, LLC, in substantial conformance to the form submitted to the Board in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of this 1st day of July, 2009, by and between the Regents of the University of Idaho a public corporation, state educational institution, and a body corporate organized and existing under the Constitution and laws of the state of Idaho (herein after called "Institution"), whose address is P.O. Box 443168, Moscow, Idaho 83843-3168 and Colliers Paragon, LLC, (hereinafter called "Manager") whose address is 755 W. Front St., Suite 300 Boise, ID 83702.

RECITALS

The Property is known as the Idaho Water Center (hereinafter called "Property"), together with all improvements erected thereon and all personal property of the Institution located thereon.

Manager is licensed to manage real estate in the State of Idaho and is in the business of managing and operating real estate.

The Institution desires to appoint Manager to manage the day-to-day operations of the Property consistent with Institution's objectives of maximizing the Property's economic value.

This Agreement is entered into to set forth the terms on which Manager will manage the Property.

NOW THEREFORE, incorporating the Recitals as set forth above, and in consideration of the mutual covenants herein contained, Institution and Manager mutually hereby agree as follows:

DEFINITIONS

The terms used in this Agreement shall have the following meanings:

"Authorized Expenses" shall be those expenses included within the Institution-Approved Budget, and such additional expenses as may thereafter be approved by Institution in writing.

"Institution-Approved Budget" shall be the budget approved pursuant to Section 3.8 and included here as Exhibit A.

"Operating Account" shall have the meaning ascribed to it in Section 3.9.

"Fiscal Year" shall coincide with the State Fiscal Year: 1 July through 30 June.

ARTICLE I

TERM

Institution hereby appoints and Manager hereby accepts appointment as exclusive Manager for the Property for the period of 1 July 2009 through June 30, 2010. This Agreement also includes four additional one-year option periods, corresponding to state fiscal years 2011, 2012, 2013, and 2014. Contingent upon sustained satisfactory performance by the Manager, the Institution, at its sole discretion, may choose to exercise an option on the Agreement. The Institution shall provide written notification to the Manager of the intent to exercise an option on the Agreement not less than sixty (60) days prior to the end of the current performance period.

This Agreement is cancelable without cause by either party on not less than sixty (60) days advance written notice, which notice may be given at any time during a month, provided that in any event the cancellation shall be effective at the end of the calendar month in which the sixty (60) day notice period ends.

ARTICLE II

COMPENSATION OF MANAGER

The compensation and payment thereof for management of the Property shall be as follows:

2.1 *Management Fee.* Institution agrees to pay Manager and Manager agrees to accept as full management fee for the services to be rendered to Institution an amount equal to \$4,371.00, monthly, subject to an annual review by the parties and negotiation for any potential increase for the next contract year. In no case will an increase exceed 3%. Such fee shall be payable monthly in arrears commencing upon the last day of the first initial month of this Agreement.

2.2 *Maintenance Compensation.* Manager shall do everything reasonably necessary for the proper management of the Property, including supervision and staffing of building reception and maintenance/engineering services, regular workday inspections of building systems and services, and arranging for such improvements, alterations, and repairs as may be required by Institution. In the event there is ever a need for additional labor above and beyond the two onsite building engineers, and it is determined that the providing of additional maintenance from Manager shall be the most effective method of resolving a maintenance issue, Manager shall provide said labor at a commercially reasonable rate not to exceed \$38.00 per hour, price subject to change with thirty (30) days prior written notice. No improvements, alterations or repair work costing more than Five Thousand Dollars (\$5,000) shall be made by Manager without Institution's

prior written authorization unless it is part of a pre-approved budget. In the case of an emergency, as described in paragraph 3.5, that requires immediate repairs or alterations, if Institution is not readily available for consultation, Manager may use its discretion and judgment regarding same to make repairs.

2.3 *Tenant Improvement/ Capital Improvement / Oversight.*

Tenant Improvement/Capital Improvement is defined as any alteration, renovation, or new construction project which alters the intended use of a space within the building or which supports the reassignment of the space from one owner/occupant to another.

- A. All improvements valued under \$15,000 require Institutional written approval of project and oversight of Manager’s activities in the selection of the contractor(s). Manager shall select contractor(s) in conformity with Institution policy and procedure, and State Board of Education and Board of Regents Policies and procedures. Manager shall provide Institution a written report prior to, and after the bid process to insure proper process was followed. Manager shall be responsible for all supervision and oversight of the contractor and shall hold the contract with the selected contractor.
- B. All improvements valued at or over \$15,000 require Institution written approval and Institution participation in the selection of contractor(s). Selection of contractor(s) shall be in conformity with Institution policies and procedures and State Board of Education and Board of Regents Policies and procedures. Institution may, at its sole option, request in writing the services of Manager, in which case Manager shall hold the contract with the selected contractor. Nothing in this Agreement prohibits Institution from soliciting bids for and managing improvements valued at or over \$15,000 independent of and without any involvement of Manager.
- C. Any Tenant Improvement/Capital Improvement approved by the Institution and undertaken or supervised by the Manager shall be treated as additional work outside of the approved budget. The Management fee for any such tenant or capital improvement shall be on a percentage basis as follows:

Improvement with a total costs of up to \$15,000	10%
Improvement with a total cost at or over \$15,000	4%

2.4 *General Overhead.* Institution shall not additionally compensate or reimburse Manager for Manager's normal central office overhead expenses other than as provided in Section 3.6 and those expressly approved in the Institution-Approved Budget.

2.5 *Other Financial Reports and Audits.* Property Manager shall furnish to Institution as promptly as practicable all routine financial reports and such other financial reports, statements, audits or other information, outside the usual and customary reporting, with respect to the operations of the Property as Institution may from time to time reasonably request.

ARTICLE III

RESPONSIBILITIES OF MANAGER

3.1 Manager shall operate, manage, and maintain the Property as an independent contractor acting as agent for Institution in accordance with Idaho real estate law and sound property management practices. Manager shall exercise prudence and diligence in performing its duties. The responsibilities of the Manager shall include, but not be limited to, the following:

3.2 *Compliance with Legal Requirements.* Manager shall take such action as may be necessary to comply with any and all orders or requirements affecting the Property by any federal, state, county or municipal authority having jurisdiction thereover and of which Manager has received written notice.

Manager, however, shall not take any such action as long as the Institution is contesting, or has affirmed its intention to contest, and promptly institutes proceedings contesting, any such order or requirement except that Institution and Manager shall promptly notify each other in writing of all such orders and notices or requirements. Manager shall prepare, execute, and, after obtaining the approval of Institution, file any such reports and documents as may be required by any local, state, or federal authority.

Manager shall manage the Property under this Agreement in full compliance with any applicable state or federal legislation governing discrimination or fairness in housing or business, and shall take action considered appropriate to carry out the purposes of any such legislation.

3.3 *Operation.* Manager shall continually operate the Property as a high-quality project, and shall perform all acts which are customary for the management of properties of like size and character or as may be required for the efficient and businesslike operation of the Property.

3.4 *Maintenance and Repairs.* Manager shall, within the limitations of the Institution-Approved Budget, see that the physical facilities, personal property, and grounds are at all times well maintained, kept in good order and repair, and in a proper state of cleanliness.

Manager shall, in accordance with the approved operating budget, make or contract for all repairs that shall reasonably be required to preserve, maintain, and keep the Property

in first-class condition. To the extent that Manager must contract out for such services, all such contracts shall be the responsibility of Manager.

Manager shall obtain and maintain records and enforce any guarantees or warranties that may concern Institution's personal property included within the Property. Written approval of the Institution must be obtained before pursuing any legal remedies to enforce said guarantees or warranties.

3.5 Emergency Maintenance and Repair. In an emergency where repairs are immediately necessary for the preservation and safety of the Property, or to avoid the suspension of any essential service to the Property, or to avoid danger to life or property, or to comply with federal, state, or local law, such emergency repairs shall be made by Manager at Institution's expense without prior written approval. Manager shall report to the Institution full details of any emergency orally within one (1) business day and by written report remitted within one (1) week of the incident.

Manager shall notify Institution or Institution's designated insurance agent promptly of any personal injury or property damage occurring to or claimed by any tenant or third party on or with respect to the Property and to promptly forward to such insurance agent, with copies to Institution, any summons, subpoena, or other legal document served upon Manager relating to the actual or alleged potential liability of the Institution, Manager, or the Property, with copies to Institution of all such documents.

3.6 Employment and Supervision of Personnel. Manager shall employ and supervise all personnel required for the operation, maintenance, and management of the Property. All such employees shall be employees of the Manager, and shall not be employees of the Institution.

Manager agrees not to discriminate against any employee or applicant for employment in the performance of this Agreement, with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, disability, status as a veteran, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this agreement.

Manager shall procure and maintain worker's compensation insurance and employer's liability insurance covering all employees working on or about the Property, and fidelity bonds or employee dishonesty insurance, covering all employees who handle funds of the Institution.

Manager is solely responsible for payment of income, social security, and employment taxes due to the proper taxing authorities and Institution shall not deduct such taxes from any payments to Manager hereunder. Manager shall prepare, maintain, and file all necessary reports with respect to such taxes or deductions and all other necessary statements and reports pertaining to labor employed by Manager in or about the Property. Costs of administering and managing such personnel are to be borne by Manager.

3.7 *Disclosure.* Manager shall disclose the name of any property owned and/or managed by the Manager which is within a two (2)-mile radius of the Property and any other property owned and/or managed by the Manager which is in direct competition with the Property. Subsequent like-kind conflicts shall also be disclosed immediately upon occurrence.

3.8 *Institution-Approved Budget.* An annual budget shall be submitted to the Institution prior to the beginning of each fiscal year. Exhibit A, attached and incorporated herein by reference, is the approved annual budget for the base contract period. Said budget shall include a detailed listing of all the estimated expenses required to operate the property, including but not limited to Janitorial, Window Washing, Repair and Maintenance, Preventative Maintenance, Engineering, Interior Landscaping, Management Fees, Capital Improvements, Utilities, Insurance, Master Association Fees, Capital Reserves and any other customary operating expenses. Said budget shall not include any expenses relating to the leasing of any of the space to be subleased, including commissions, as these items will fall outside of the scope of this Agreement and shall be covered by a separate agreement.

Manager shall submit, along with the budget, a projection of capital expenditures for the forthcoming Fiscal Year. After approval by the Institution in writing, budget shall be used by Manager as a guide for the actual operation of the Property and shall be subject to comparisons monthly. Manager agrees to obtain prior approval for any normal operating expenditure(s) which would cause any budget variance of Five Thousand Dollars (\$5,000) and over, per occasion in any budget year, except for emergencies. All expenses within the Institution-Approved Budget are to be borne by Institution, and it shall be the responsibility of the Institution, to make available sufficient funds to Manager to meet expenses anticipated in the Institution-Approved Budget.

3.9 *Operating Account.* Manager, serving as Agent for Institution, shall establish and maintain on behalf of Institution, a non-interest bearing operating account and, if necessary, an interest bearing reserve account. Said account(s) shall be opened in the name of Manager as trustee for Institution, and maintained in a federally insured bank or savings institution. All receipts and disbursements for the operation of the Property shall be handled through these account(s). Institution shall be responsible for providing funds to pay the Institution-approved cash requirements of the Property on a timely basis. Manager shall have no proprietary interest in Operating Account or reserve account, and all funds in these accounts shall at all times be the property of the Institution. All interest on the reserve account shall accrue to Institution.

3.10 *Collections.* Manager shall make all reasonable steps to collect, and enforce the collection of, all payments and other charges due Institution for tenants of the Property in accordance with the terms of their tenancies and state and federal law.

3.11 *Payment of Bills.* From the Operating and/or Reserve Account(s), Manager is hereby authorized to pay or reimburse itself for all Institution's expenses and costs of operating the Property, including property taxes, Institution's insurance premiums, mortgage indebtedness, and for all other sums due Manager under this Agreement, including Manager's compensation under Section 2.1.

Institution shall give Manager advance written notice of at least seven (7) days if Institution desires Manager to make any additional monthly or recurring payments out of the proceeds from the Property. Any advance of funds by Manager must have prior approval by Institution.

In the event that the balance in the Operating and/or Reserve Account(s) is at any time insufficient to pay disbursements due and payable under Article II, Manager shall notify Institution of the deficiency. Manager shall give at least fifteen (15) days written notice to Institution of any funds required for deficiency and contingency reserve. Institution shall, immediately upon notice, remit to Manager sufficient funds to cover the deficiency and replenish the contingency reserve. In no event shall Manager be required to use its own funds to pay such disbursements, nor shall Manager be required to advance any monies to Institution or to bank accounts maintained by Manager on behalf of Institution. Manager shall pay, with all available Institution's funds, invoices in order of invoice date with the oldest taking the highest priority.

If Institution requests in writing and Manager elects to advance any money, only pursuant to a written agreement signed by both parties, in connection with the Property to pay any expenses for Institution, such advance shall be a loan subject to repayment with interest at an annual rate equal to the prevailing prime rate plus two percent (2%), calculated on a daily basis, and Institution hereby authorizes Manager to deduct such amounts from any monies due Institution.

Any balance existing in the Operating Account at the termination of this Agreement shall be returned to the Institution within thirty (30) days of termination, and the Institution agrees to pay expenses incurred during the term of the Agreement but which have not been received thirty (30) days after termination of the Agreement.

3.12 *Books, Records and Reports.* Manager shall establish and maintain an accounting and management reporting system that will duly account for all transactions relating to the Property.

On or before the thirtieth (30th) day of each month, Manager shall provide to Institution a report of the Property's operations for the preceding month, including:

- A detailed and itemized statement of all sources and uses of funds in a format satisfactory to Institution and Manager.
- A statement of ending balances in all trust accounts.

- General comments regarding the Property's operation and any requirements by Manager for the Institution, such as payments to cover unexpected expenses.

For a period of three (3) years following completion of the services called for hereunder, Institution or its authorized representatives shall at all reasonable times have access to the accounting records, books and other records of the Manager, in order to audit all charges for the services as they relate to the Property. Manager shall keep Institution notified in writing of the location of all such records. Institution shall have the right to audit said records and books at Institution's expense.

All original reports and documents are to be retained in Manager's possession. Copies, as required, will be made available to the Institution. Manager will retain said records for a period of three (3) years, or as required by law, after which time the records shall be transferred to Institution. At the termination of this agreement all records, except those required by law to be retained by Manager, shall be returned to Institution for retention. Institution

3.13 *Use and Maintenance of Premises.* Manager agrees not to knowingly permit the use of the Property for any purpose which might void any policy of insurance relating to the Property or which might render any loss there under uncollectible, or which would be in violation of any government restriction.

3.14 *Parking Garage.* Manager agrees to assume a lead role on behalf of the tenants in addressing building parking garage safety issues and needs through the parking garage owner and operator. In addition the Manager agrees to seek parking alternatives for tenants as may be warranted from time to time.

3.15 *Local Communications.* Manager agrees to maintain regular communications with institution local personnel keeping the Operations Coordinator/Events Manager apprised of operational, scheduling, parking and other matters that may impact institutional operations and employees.

ARTICLE IV

INSURANCE AND INDEMNIFICATION

4.1 Insurance

4.1.1 *General Requirements.* Manager is required to carry the types and limits of insurance shown in this insurance clause, section 4.1.2, and to provide Institution with a Certificate of Insurance (“certificate”). Certificates shall be provided within seven (7) days of the signing of the contract by the Manager. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days’ written notice to Institution prior to cancellation, non-renewal, or other material change of any

insurance referred to therein as evidenced by return receipt of United States certified mail. Said certificates shall evidence compliance with all provisions of this section.

Additionally and at its option, Institution may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Institution's request.

All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Institution may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at Institution's option.

All policies shall name Institution as Additional Insured. On the certificate, the Institution shall be stated as: "State of Idaho and The Regents of the University of Idaho". Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

Failure of Institution to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall not be construed as a waiver of Manager's obligation to maintain such insurance.

No Representation of Coverage Adequacy. By requiring insurance herein, Institution does not represent that coverage and limits will necessarily be adequate to protect Manager, and such coverage and limits shall not be deemed as a limitation on Manager's liability under the indemnities granted to Institution in this section.

4.1.2 *Required Insurance Coverage.* Manager shall at its own expense obtain and maintain:

4.1.2.1 *Commercial General and Umbrella / Excess Liability Insurance.* Manager shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under a Manager contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

4.1.2.2 *Commercial Auto Insurance.* For any corporate vehicles in use, Manager shall maintain a Commercial Auto policy with a Combined Single Limit of not

less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

4.1.2.3 *Personal property.* Manager shall purchase insurance to cover Manager's personal property. In no event shall Institution be liable for any damage to or loss of personal property sustained by Manager, even if such loss is caused by the negligence of Institution, its employees, officers or agents. Waiver of subrogation language shall be included.

4.1.2.4 *Workers' Compensation.* Manager shall maintain all coverage statutorily required of the Manager, and coverage shall be in accordance with the laws of Idaho. Manager shall maintain Employer's Liability with limits of not less than \$100,000 / \$500,000 / \$100,000.

4.1.2.5 *Professional Liability.* If available generally to members of the Manager's profession, Manager shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

4.2 *Indemnification and Hold Harmless.* Manager shall indemnify, defend and hold harmless the State of Idaho, and Institution and its governing board, employees, agents, and assigns, from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on Manager's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of Manager, or any of its agents, contractors, employees, invitees or guests.

Subject to the limits of liability specified in Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, the University shall indemnify and hold harmless Colliers, its agents, and employees, from and/or against any and all claims, damages, and liabilities (including reasonable attorney's fees) that may be suffered or incurred and that arise as a direct result of and which are caused by the University's possession, operations, or performance under this agreement. This indemnification does not apply when such claims, damages, and liabilities are the result of negligent acts, errors, omissions or fault on the part of Colliers, its agents or assigns, or when the claim or suit is made against Colliers by the University, the State of Idaho, or any of its agencies. Colliers shall promptly notify the University of Idaho, Attn: Risk Management Officer, PO Box 443162, Moscow, Idaho 83844-3162, of any such claim of which it has knowledge and shall cooperate fully with the University or its representatives in the defense of the same. The University's liability coverage is provided through a self-funded liability program administered by the State of Idaho Office of Insurance Management. Limits of liability,

and this indemnification, are \$500,000 Combined Single Limits, which amount is the University's limit of liability under the Idaho Tort Claims Act.

ARTICLE V

TERMINATION

5.1 *Termination of Contract.* Notwithstanding the provisions of Article I above to the contrary, either party may terminate this Agreement at any time at its election, provided only that at least sixty (60) days written notice of such termination is given to the other party.

5.2 *Obligations Upon Termination.* Upon termination of this Agreement, for whatever reason, each party shall promptly pay to the other, as soon as the same is determinable after the effective date of termination, all amounts due such other party under the terms of this Agreement, and upon such payment neither party shall have any further claim or right against the other, except as expressly provided hereinafter.

Upon termination for whatever cause, Manager shall, not later than the effective date of termination, deliver to the Institution, copies of documents in its possession necessary or desirable for the operation of the property, including but not limited to: all books, permits, plans, records, licenses, contracts and other documents pertaining to the Property and its operation, all insurance policies, bills of sale, or other documents evidencing title or rights of the Institution.

All personal property of Institution, whether on the premises of the Property or elsewhere, shall be delivered intact to Institution or Institution's representative. The Operating Account provided for in Section 3.9 hereof will be transferred as directed by the Institution. Manager further agrees to do all other things reasonably necessary to cause an orderly transition of the management of the Property without detriment to the rights of the Institution or to the continued management of the Property.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.1 *Headings.* The headings used herein are for purposes of convenience only and should not be used in constructing the provisions hereof.

6.2 *Notice.* Any notice under this Agreement 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:

To the Institution: Vice President for Finance and Administration
University of Idaho
P.O. Box 443168
Moscow, ID 83844-3168
Phone: (208) 885-6174
Fax: (208) 885-5504

with copies to:

Assistant Vice President, Facilities
University of Idaho
P.O. Box 442281
Moscow, ID 83843-2281
Phone: (208) 885-5146
Fax: (208) 885-9212

and

Associate Vice President & CEO
University of Idaho South
322 East Front Street; Suite #350
Boise, ID 83702
Phone: (208)364-4002
Phone: (208) 364-4041 (direct line)
Fax: (208) 364-4084

To Manager: Colliers Paragon LLC
Real Estate Management Services
475 South Capitol Blvd., Suite 300
Boise, Idaho 83702

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 whomever received, shall always be effective.

6.3 *Relationship of the Parties.* It is expressly understood that Manager is an independent contractor and not the partner, or employee of Institution. Manager and Manager's workers are not employees of Institution and are not entitled to tax withholding, Workers' Compensation, unemployment compensation, or any employee benefits, statutory or otherwise. The relationship between the parties is that of principal and agent, and Manager is governed under the regulations promulgated by the Idaho Real Estate Commission.

6.4 *Covenant of Further Assurances.* The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

6.5. *Confidentiality of Information.*

6.5.1 Manager agrees to keep confidential and not to disclose to third parties any information provided by Institution pursuant to or learned by Manager during the course of this Agreement unless Manager has received the prior written consent of Institution to make such disclosure. This obligation of confidentiality does not extend to any information that:

6.5.1.1 Was in the possession of Manager at the time of disclosure by Institution, directly or indirectly;

6.5.1.2 Is or shall become, through no fault of Manager, available to the general public, or

6.5.1.3 Is independently developed and hereafter supplied to Manager by a third party without restriction or disclosure.

6.5.2 This provision shall survive expiration and termination of this Agreement.

6.6 *Entire Agreement.* This document represents the entire agreement between the parties with respect to the subject matter hereof, and to the extent inconsistent therewith, supersedes all other prior agreements, representations, and covenants, oral or written. Amendments to this Agreement must be in writing and signed by both parties.

6.7 *Assignment.* Institution shall have the right to assign at its discretion, this agreement and all its rights, duties and responsibilities to the entity or entities who either are owner-occupants in the Idaho Water Center or who are charged with managing the Water Center under the IWC Condominium Declaration. Manager may not assign the rights or delegate the obligations under this Agreement without Institution's prior written consent.

6.8 *Successors and Assigns.* Subject to the limitations concerning assignment, this Agreement shall be binding upon and inure to the benefit of the parties, their heirs, legal representatives and successors.

6.9 *Attorney Fees.* In the event of any controversy, claim or action being filed or instituted between the parties to this Agreement to enforce the terms and conditions of this Agreement or arising from the breach of any provision hereof, the prevailing party will be entitled to receive from the other party all costs, damages, and expenses, including reasonable attorneys' fees, incurred by the prevailing party, whether or not such controversy or claim is litigated or prosecuted to judgment. The prevailing party will be that party who was awarded judgment as a result of trial or arbitration, or who receives a payment of money from the other party in settlement of claims asserted by that party.

6.10 *Non-Waiver.* The delay or failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

6.11 *Representations and Warranties.* Manager represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the equipment and goods, complete the services, and perform its obligations hereunder; (b) that it is able to furnish any of the plant, tools, materials, supplies, equipment, and labor required to complete the services required hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and the services, equipment, and goods required hereunder, and has or will obtain all licenses and permits required by law; (d) that in performing the services called for hereunder Manager will not be in breach of any agreement with a third party; and (e) that it has familiarized itself with the local conditions under which this agreement is to be performed.

6.12 *Compliance with Rules, Regulations, and Instructions.* Manager shall follow and comply with all rules and regulations of the Institution and the reasonable instructions of Institution personnel. The Institution reserves the right to require the removal of any worker it deems unsatisfactory for any reason. Manager shall comply with all local, state and federal laws in its performance of this agreement.

6.13 *Time of the Essence.* Time is of the essence of this Agreement.

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

6.15 *Severability.* Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal for any reason whatsoever, such provision shall be severed from the Agreement and shall not affect the validity of the remainder of this Agreement.

6.16 *Appropriations clause.* The Institution's obligations and liabilities are subject to the appropriation of funds from the state of Idaho, which appropriation shall be in the state of Idaho's sole discretion, from revenues legally available to the Institution for the ensuing fiscal year(s) for the purposes of this Agreement. If the state of Idaho does not appropriate the funds for the purpose of this Agreement, the Agreement shall not renew and shall terminate and neither party shall have any further obligations hereunder

6.17 *Authority.* Institution and Manager hereby certify that each is duly authorized to execute the foregoing Agreement and that the Agreement, when so executed, will be

binding upon the Institution and Manager in accordance with its terms and no further authorization is required.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

INSTITUTION: THE REGENTS OF THE UNIVERSITY OF IDAHO

By: _____
Lloyd Mues

Title: Vice President, Finance and Administration

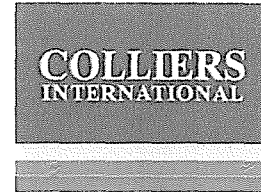
Date: _____

MANAGER: COLLIERS INTERNATIONAL

By: _____
Mike Attiani

Title: Director of Property Services

Date: _____



Fiscal Year 2010 Operating Budget (1 July 2009 – 30 June 2010)
Operating Budget

Accounting Summary:	Actual FY 2006-7	Actual FY 2007-8	Projected FY 2008-9	Budgeted FY2009-10
Projected Gross Income:	888,506	832,632	876,815	903,995
Projected Recoverable Expenses:	843,359	812,994	873,729	903,462
Projected Non-Recoverable Expenses:	45,147	19,641	6,388	-
Projected Net Operating Income:	-	-	(3,303)	533
Projected Capital Expenditures:	-	-	-	-
Projected Property Income:	-	-	(3,303)	533

Leasing Summary:

There is no leasing associated with this budget.

General Budget Assumptions:

Fiscal Year	2010
First Month of Fiscal Year	7
Bad Debt Write off:	0%
Management Fee	Fixed

Prepared For:

University of Idaho
Idaho Water Center
322 E Front Street
Boise, Idaho 83706

Idaho Water Center
Operating Budget

Operating Income:	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Rental Income	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	903,462	4.38
Miscellaneous Income	-	-	533	-	-	-	-	-	-	-	-	-	533	0.00
Adjustments to Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tenant Direct Reimbursable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	75,288	75,288	75,822	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	903,995	4.38
Recoverable Expenses:	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Alarm and Security	1,345	620	6,074	2,745	2,124	3,835	1,345	1,520	4,835	1,845	2,805	3,035	32,127	0.16
Professional Services	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	159,474	0.77
Grounds Maintenance	2,294	1,144	1,144	1,444	1,994	1,144	2,444	2,144	2,144	1,444	1,144	1,144	19,625	0.10
Utilities	17,454	20,466	17,266	17,566	14,566	18,116	21,196	17,696	15,096	18,996	16,896	19,596	214,914	1.04
Repair and Maintenance	15,801	14,951	15,449	17,001	14,551	16,749	18,301	15,551	15,149	15,801	14,551	14,649	188,503	0.91
Janitorial and Cleaning	18,022	18,022	27,822	19,022	18,022	18,022	19,240	18,490	18,490	19,490	28,290	18,490	241,419	1.17
Insurance	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	47,400	0.23
Real Estate Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverable Expenses	72,155	72,442	84,993	75,017	68,496	75,105	79,766	72,641	72,953	74,816	80,926	74,153	903,462	4.38
Net Operating Income:	3,133	2,846	(9,172)	271	6,793	184	(4,477)	2,648	2,335	473	(5,637)	1,135	533	0.00
Profit/(Loss)	3,133	2,846	(9,172)	271	6,793	184	(4,477)	2,648	2,335	473	(5,637)	1,135	533	0.00

daho Water Center
ncome Summary

Operating Income	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Rental Income														
Base Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	903,462	4.38
Percentage Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rental Income	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	903,462	4.38
Prior Year Activity	77,727	80,110	76,079	75,324	71,301	65,045	66,874	68,743	72,650	72,650	72,650	72,650	871,805	4.22
Increase (Decrease) over last year	(2,439)	(4,822)	(791)	(36)	3,987	10,243	8,414	6,545	2,638	2,638	2,638	2,638	31,657	0.15

Miscellaneous Income	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Prior Year NNN Reconciliation			533										533	0.00
Signage / Display													-	-
Parking													-	-
Vending Machine / Payphone													-	-
Late Fee													-	-
Other Income													-	-
Total Miscellaneous Income	-	-	533	-	-	-	-	-	-	-	-	-	533	0.00
Prior Year Activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) over last year	-	-	533	-	-	-	-	-	-	-	-	-	533	0.00

Adjustments to Income	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Rental Abatement													-	-
Bad Debt													-	-
Total Adjustments to Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) over last year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Tenant Direct Reimbursables	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Tenant Direct Reimbursables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Activity	488	410	3,698	200	363	(2,545)	205	521	418	418	418	418	5,010	0.02
Increase (Decrease) over last year	(488)	(410)	(3,698)	(200)	(363)	2,545	(205)	(521)	(418)	(418)	(418)	(418)	(5,010)	-
Total Gross Income:	75,288	75,288	75,822	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	903,995	4.38
Prior Year Activity	78,215	80,520	79,777	75,524	71,664	62,500	67,079	69,264	73,068	73,068	73,068	73,068	876,815	4.25
Increase (Decrease) over last year	(2,927)	(5,232)	(3,955)	(236)	3,624	12,788	8,209	6,024	2,221	2,221	2,221	2,221	27,180	0.13

Non-Operating Income	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Banking Interest													-	-
Alternative Income													-	-
Total Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) over last year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Idaho Water Center
Rent Summary

Unit	Tenant		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals
101	UI Classrooms	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 3,644	Expense Reimbursement	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	16,264
		Total Rent	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	16,264
102	UI Mailroom	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 210	Expense Reimbursement	78	78	78	78	78	78	78	78	78	78	78	78	937
		Total Rent	78	78	78	78	78	78	78	78	78	78	78	78	937
103	IDWR - Storage	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 500	Expense Reimbursement	130	130	130	130	130	130	130	130	130	130	130	130	1,556
		Total Rent	130	130	130	130	130	130	130	130	130	130	130	130	1,556
104	UI - Hydro Labs	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 9,140	Expense Reimbursement	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	32,541
		Total Rent	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	32,541
105	UI Vacant Retail	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 2,833	Expense Reimbursement	735	735	735	735	735	735	735	735	735	735	735	735	8,818
		Total Rent	735	735	735	735	735	735	735	735	735	735	735	735	8,818
106	IDWR Storage	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 164	Expense Reimbursement	43	43	43	43	43	43	43	43	43	43	43	43	510
		Total Rent	43	43	43	43	43	43	43	43	43	43	43	43	510
107	UI Student Services / Event Center	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 8,521	Expense Reimbursement	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	38,031
		Total Rent	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	38,031
201	CH2MHILL	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 6/30/2010	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage: 17,506	Expense Reimbursement	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	78,132
		Total Rent	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	78,132

Unit	Tenant		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	
J1-X	Xfactor	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 2,843	Expense Reimbursement	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	12,689
			Total Rent	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	12,689
202	UI	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 4,097	Expense Reimbursement	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	18,286
			Total Rent	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	18,286
203	ISU COMPUTER LAB	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 6/30/2010	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 2,460	Expense Reimbursement	915	915	915	915	915	915	915	915	915	915	915	915	10,979
			Total Rent	915	915	915	915	915	915	915	915	915	915	915	915	10,979
204	UI	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 9,256	Expense Reimbursement	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	41,311
			Total Rent	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	41,311
205	UI	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 3,110	Expense Reimbursement	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	13,880
			Total Rent	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	13,880
301	CI(2M)III.L	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 6/30/2010	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 15,780	Expense Reimbursement	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	70,429
			Total Rent	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	70,429
J1-X	X-Factor	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 2,620	Expense Reimbursement	974	974	974	974	974	974	974	974	974	974	974	974	11,693
			Total Rent	974	974	974	974	974	974	974	974	974	974	974	974	11,693
302	UI	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 10,422	Expense Reimbursement	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	46,515
			Total Rent	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	46,515
303	UI	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Square Footage: 564	Expense Reimbursement	210	210	210	210	210	210	210	210	210	210	210	210	2,517
			Total Rent	210	210	210	210	210	210	210	210	210	210	210	210	2,517

Site	Tenant		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	
304	US Forest Service	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	6/30/2099	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	6,395	Expense Reimbursement	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	28,542	
			Total Rent	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	28,542	
305	US Forest Service	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	6/30/2099	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	2,927	Expense Reimbursement	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	13,064	
			Total Rent	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	13,064	
401	CH2MHILL	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	6/30/2010	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	17,415	Expense Reimbursement	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	77,726	
			Total Rent	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	77,726	
01-X	X-Factor	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	1,845	Expense Reimbursement	686	686	686	686	686	686	686	686	686	686	686	8,235	
			Total Rent	686	686	686	686	686	686	686	686	686	686	686	8,235	
402	University of Idaho	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	8,842	Expense Reimbursement	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	39,463	
			Total Rent	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	39,463	
403	US FOREST SERVICE	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	6/30/2099	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	11,106	Expense Reimbursement	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	49,568	
			Total Rent	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	49,568	
501	Idaho Dept. of Water Resources	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	33,256	Expense Reimbursement	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	148,427	
			Total Rent	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	148,427	
01-X	X-Factor	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	435	Expense Reimbursement	162	162	162	162	162	162	162	162	162	162	162	1,941	
			Total Rent	162	162	162	162	162	162	162	162	162	162	162	1,941	
502	CH2M HILL	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-		
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Expiration:	6/30/2010	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	
	Square Footage:	5,403	Expense Reimbursement	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	24,114	
			Total Rent	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	24,114	

Unit	Tenant		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals
600	IDAHO DEPT. OF WATER RES.	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Square Footage: 21,671	Expense Reimbursement	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	96,721
		Total Rent	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	96,721
107	UI Flume	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Square Footage: 869	Expense Reimbursement	225	225	225	225	225	225	225	225	225	225	225	225	2,705
		Total Rent	225	225	225	225	225	225	225	225	225	225	225	225	2,705
201	CH2MHILL-Storage	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 6/30/2010	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Square Footage: 93	Expense Reimbursement	24	24	24	24	24	24	24	24	24	24	24	24	289
		Total Rent	24	24	24	24	24	24	24	24	24	24	24	24	289
403	US Forest Service-Storage	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 6/30/2050	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Square Footage: 1,119	Expense Reimbursement	290	290	290	290	290	290	290	290	290	290	290	290	3,483
		Total Rent	290	290	290	290	290	290	290	290	290	290	290	290	3,483
600	IDWR - Storage	Scheduled Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
		Assumed Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expiration: 7/31/2034	Percentage Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Square Footage: 1,316	Expense Reimbursement	341	341	341	341	341	341	341	341	341	341	341	341	4,096
		Total Rent	341	341	341	341	341	341	341	341	341	341	341	341	4,096

Idaho Water Center
Cash Flow Budget

Operating Income	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Annual
Total Operating Income	75,288	75,288	75,822	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	903,995
Total Recoverable Expenses	72,155	72,442	84,993	75,017	68,496	75,105	79,766	72,641	72,953	74,816	80,926	74,153	903,462
Total Non-Recoverable Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Inc/Exp	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	3,133	2,846	(9,172)	271	6,793	184	(4,477)	2,648	2,335	473	(5,637)	1,135	533

Adjustments to Cash	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Annual
													-
													-
													-
													-
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													-
													-
													-
													-
Total Adjustments to Cash	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Analysis	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Annual
Beginning Cash	-	3,133	5,980	(3,192)	(2,921)	3,872	4,056	(421)	2,227	4,562	5,035	(602)	-
Operating Income	3,133	2,846	(9,172)	271	6,793	184	(4,477)	2,648	2,335	473	(5,637)	1,135	533
Adjustments to Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash	3,133	5,980	(3,192)	(2,921)	3,872	4,056	(421)	2,227	4,562	5,035	(602)	533	533

Idaho Water Center
Expense Summary

Alarm and Security		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Guard Service	Recurring	400	400	2,100	1,800	1,500	1,300	400	1,300	2,300	900	1,500	500	14,400	0.07
	Non-Recurring													-	-
	Total Expenses	400	400	2,100	1,800	1,500	1,300	400	1,300	2,300	900	1,500	500	14,400	0.07
Fire Alarm Monitoring	Recurring													-	-
	Non-Reoccurring					404								404	0.00
	Total Expenses	-	-	-	-	404	-	-	-	-	-	-	-	404	0.00
Fire Alarm Maintenance	Recurring			2,015			2,015			2,015			2,015	8,060	0.04
	Non-Reoccurring	425			425			425			425			1,700	0.01
	Total Expenses	425	-	2,015	425	-	2,015	425	-	2,015	425	-	2,015	9,760	0.05
Fire Sprinkler Maintenance	Recurring			1,439								1,085		2,524	0.01
	Non-Reoccurring	300			300			300			300			1,200	0.01
	Total Expenses	300	-	1,439	300	-	-	300	-	-	300	1,085	-	3,724	0.02
Monitoring Telephone	Recurring	220	220	220	220	220	220	220	220	220	220	220	220	2,640	0.01
	Non-Reoccurring													-	-
	Total Expenses	220	220	220	220	220	220	220	220	220	220	220	220	2,640	0.01
Access Control	Recurring													-	-
	Non-Reoccurring			300			300			300			300	1,200	0.01
	Total Expenses	-	-	300	-	-	300	-	-	300	-	-	300	1,200	0.01
Total Alarm and Security		1,345	620	6,074	2,745	2,124	3,835	1,345	1,520	4,835	1,845	2,805	3,035	32,127	0.16
Prior Year Activity		5,125	2,381	2,789	2,804	3,717	3,194	1,062	3,472	1,631	1,831	3,341	1,631	32,977	0.16
Increase (Decrease) over last Year		(3,780)	(1,761)	3,285	(59)	(1,594)	641	283	(1,952)	3,204	14	(536)	1,404	(850)	(0.00)
Professional Services		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Property Management	Recurring	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	150,954	0.73
	Non-Reoccurring													-	-
	Total Expenses	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	150,954	0.73
Administrative	Recurring	710	710	710	710	710	710	710	710	710	710	710	710	8,520	0.04
	Non-Reoccurring													-	-
	Total Expenses	710	710	710	710	710	710	710	710	710	710	710	710	8,520	0.04
Total Professional Services		13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	13,290	159,474	0.77
Prior Year Activity		13,401	13,396	13,671	13,375	13,500	13,950	12,935	13,921	13,555	13,555	13,555	13,555	162,369	0.79
Increase (Decrease) over last Year		(111)	(106)	(381)	(85)	(210)	(660)	355	(631)	(265)	(265)	(265)	(265)	(2,895)	(0.01)

Grounds Maintenance		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Landscaping	Recurring	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	13,725	0.07
	Non-Recurring	850				850								1,700	0.01
	Total Expenses	1,994	1,144	1,144	1,144	1,994	1,144	1,144	1,144	1,144	1,144	1,144	1,144	15,425	0.07
Snow Removal	Recurring													-	-
	Non-Recurring							1,000	1,000	1,000				3,000	0.01
	Total Expenses	-	-	-	-	-	-	1,000	1,000	1,000	-	-	-	3,000	0.01
Pest Control	Recurring	300			300			300			300			1,200	0.01
	Non-Recurring													-	-
	Total Expenses	300	-	-	300	-	-	300	-	-	300	-	-	1,200	0.01
Total Grounds Maintenance		2,294	1,144	1,144	1,444	1,994	1,144	2,444	2,144	2,144	1,444	1,144	1,144	19,625	0.10
Prior Year Activity		1,033	1,918	741	-	894	1,583	3,271	3,182	1,200	1,800	1,143	1,143	17,908	0.09
Increase (Decrease) over last Year		1,261	(774)	403	1,444	1,100	(439)	(827)	(1,038)	944	(356)	1	1	1,717	0.01

Utilities		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Power	Recurring	15,545	15,545	14,445	12,545	11,545	11,545	11,445	10,545	10,545	14,045	14,045	15,545	157,340	0.76
Gas	Recurring	10	10	10	10	10	10	10	10	10	10	10	10	120	0.00
Trash	Recurring	740	740	740	740	740	740	770	770	770	770	770	770	9,060	0.04
Sewer	Recurring	271	271	271	271	271	271	271	271	271	271	271	271	3,256	0.02
Water	Recurring		2,500		2,100		750		400		500		1,500	7,750	0.04
Geothermal Water	Recurring	888	1,400	1,800	1,900	2,000	4,800	8,700	5,700	3,500	3,400	1,800	1,500	37,388	0.18
Parking Lot Power	Recurring													-	-
Total Utilities		17,454	20,466	17,266	17,566	14,566	18,116	21,196	17,696	15,096	18,996	16,896	19,596	214,914	1.04
Prior Year Activity		19,016	16,686	19,163	15,056	15,942	15,788	15,412	17,345	14,187	18,719	17,898	19,106	204,318	0.99
Increase (Decrease) over last Year		(1,562)	3,780	(1,897)	2,510	(1,376)	2,328	5,784	351	909	277	(1,002)	490	10,596	0.05

Repair and Maintenance		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Electrical	Recurring		400				2,300			400				3,100	0.02
	Non-Reoccurring	250			550			250		300	250		200	1,800	0.01
	Total Expenses	250	400	-	550	-	2,300	250	-	700	250	-	200	4,900	0.02
Plumbing	Recurring													-	-
	Non-Reoccurring	175	175	175	175	175	175	175	175	175	175	175	175	2,100	0.01
	Total Expenses	175	175	175	175	175	175	175	175	175	175	175	175	2,100	0.01
HVAC	Recurring		1,000	898		1,000	898		1,000	898		1,000	898	7,591	0.04
	Non-Reoccurring	1,208	208	208	1,208	208	208	1,208	208	208	1,208	208	208	6,500	0.03
	Total Expenses	1,208	1,208	1,106	1,208	1,208	1,106	1,208	1,208	1,106	1,208	1,208	1,106	14,091	0.07
Lighting	Recurring													-	-
	Non-Reoccurring	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	0.06
	Total Expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	0.06
Painting	Recurring													-	-
	Non-Reoccurring	500			500			500			500			2,000	0.01
	Total Expenses	500	-	-	500	-	-	500	-	-	500	-	-	2,000	0.01
Elevator/Escalator	Recurring	1,768	1,768	1,768	2,668	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	22,112	0.11
	Non-Reoccurring													-	-
	Total Expenses	1,768	1,768	1,768	2,668	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	22,112	0.11
On Site Maintenance	Recurring	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	112,800	0.55
	Non-Reoccurring													-	-
	Total Expenses	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	112,800	0.55
Roof Repairs	Recurring													-	-
	Non-Reoccurring			1,000					1,000					2,000	0.01
	Total Expenses	-	-	1,000	-	-	-	-	1,000	-	-	-	-	2,000	0.01
General Repairs	Recurring	500			500			500			500			2,000	0.01
	Non-Reoccurring	1,000	1,000	1,000	1,000	1,000	1,000	3,500	1,000	1,000	1,000	1,000	1,000	14,500	0.07
	Total Expenses	1,500	1,000	1,000	1,500	1,000	1,000	4,000	1,000	1,000	1,500	1,000	1,000	16,500	0.08
Total Repair and Maintenance		15,801	14,951	15,449	17,001	14,551	16,749	18,301	15,551	15,149	15,801	14,551	14,649	188,503	0.91
Prior Year Activity		16,879	18,420	20,970	13,003	15,386	9,379	12,082	13,737	13,661	12,400	13,943	15,842	175,701	0.85
Increase (Decrease) over last Year		(1,078)	(3,469)	(5,521)	3,998	(835)	7,370	6,219	1,814	1,488	3,401	608	(1,193)	12,802	0.06

Janitorial and Cleaning		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Nightly Janitorial	Recurring	13,945	13,945	13,945	13,945	13,945	13,945	14,363	14,363	14,363	14,363	14,363	14,363	169,848	0.82
	Non-Reoccurring													-	-
	Total Expenses	13,945	13,945	13,945	13,945	13,945	13,945	14,363	14,363	14,363	14,363	14,363	14,363	169,848	0.82
Common Area Janitorial	Recurring	4,077	4,077	4,077	4,077	4,077	4,077	4,127	4,127	4,127	4,127	4,127	4,127	49,221	0.24
	Non-Reoccurring													-	-
	Total Expenses	4,077	4,077	4,077	4,077	4,077	4,077	4,127	4,127	4,127	4,127	4,127	4,127	49,221	0.24
Carpet Cleaning	Recurring				1,000						1,000			2,000	0.01
	Non-Reoccurring													-	-
	Total Expenses	-	-	-	1,000	-	-	-	-	-	1,000	-	-	2,000	0.01
Window Washing	Recurring			9,800				750				9,800		20,350	0.10
	Non-Reoccurring													-	-
	Total Expenses	-	-	9,800	-	-	-	750	-	-	-	9,800	-	20,350	0.10
Total Janitorial and Cleaning		18,022	18,022	27,822	19,022	18,022	18,022	19,240	18,490	18,490	19,490	28,290	18,490	241,419	1.17
Prior Year Activity		18,036	22,199	16,434	26,889	17,979	17,208	18,171	17,898	18,103	18,103	28,103	18,103	237,225	1.15
Increase (Decrease) over last Year		(14)	(4,177)	11,388	(7,867)	43	814	1,069	592	387	1,387	187	387	4,194	0.02

Insurance		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Liability Insurance	Recurring													-	-
Property Insurance	Recurring	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	47,400	0.23
Total Insurance		3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	47,400	0.23
Prior Year Activity		3,953	3,953	3,953	3,942	3,942	3,942	3,942	(812)	4,105	4,105	4,105	4,105	43,235	0.21
Increase (Decrease) over last Year		(3)	(3)	(3)	8	8	8	8	4,762	(155)	(155)	(155)	(155)	4,165	0.02

Total Recoverable Expenses		72,155	72,442	84,993	75,017	68,496	75,105	79,766	72,641	72,953	74,816	80,926	74,153	903,462	4.38
Prior Year Activity		77,444	78,951	77,719	75,068	71,359	65,045	66,875	68,743	66,441	70,512	82,088	73,484	873,729	4.23
Increase (Decrease) over last Year		(5,289)	(6,509)	7,274	(51)	(2,863)	10,060	12,891	3,898	6,512	4,303	(1,162)	669	29,732	0.14

Idaho Water Center
Recurring Expenses

Recoverable Expenses

Alarm and Security	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Guard Service														
Securitas	400	400	2,100	1,800	1,500	1,300	400	1,300	2,300	900	1,500	500	14,400	0.07
Total Guard Service	400	400	2,100	1,800	1,500	1,300	400	1,300	2,300	900	1,500	500	14,400	0.07
Fire Alarm Maintenance														
Allied (Annual Dry Sys Inspctn)			2,015			2,015			2,015			2,015	8,060	0.04
Total Fire Alarm Maintenance			2,015			2,015			2,015			2,015	8,060	0.04
Fire Sprinkler Maintenance														
Debest (Annual Wet Sys Inspctn)			1,439										1,439	0.01
Firexpect (Fire Extingshr Inspctn)											585		585	0.00
Fire Pump Inspection											500		500	0.00
Total Fire Sprinkler Maintenance			1,439								1,085		2,524	0.01
Monitoring Telephone														
Qwest, 208.384.8523	130	130	130	130	130	130	130	130	130	130	130	130	1,560	0.01
Qwest, 208.345.3055	90	90	90	90	90	90	90	90	90	90	90	90	1,080	0.01
Total Monitoring Telephone	220	220	220	220	220	220	220	220	220	220	220	220	2,640	0.01
Professional Services														
Property Management														
On Site Assistant Property Manager	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	22,500	0.11
Building Receptionist	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200	0.15
Property Manager Allocation	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000	0.10
Director Allocation	521	521	521	521	521	521	521	521	521	521	521	521	6,250	0.03
Accounting Allocation	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	17,553	0.09
Management Fee	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	52,451	0.25
Total Property Management	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	12,580	150,954	0.73
Administrative														
Parking Permits (4)	400	400	400	400	400	400	400	400	400	400	400	400	4,800	0.02
Qwest, 208.424.8224	210	210	210	210	210	210	210	210	210	210	210	210	2,520	0.01
Office Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200	0.01
Total Administrative	710	710	710	710	710	710	710	710	710	710	710	710	8,520	0.04

Grounds Maintenance	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Landscaping														
Front Street Pad	151	151	151	151	151	151	151	151	151	151	151	151	1,809	0.01
CCDC Master Association Dues	993	993	993	993	993	993	993	993	993	993	993	993	11,916	0.06
Total Landscaping	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	13,725	0.07
Pest Control														
Capitol Pest Control	300			300			300			300			1,200	0.01
Total Pest Control	300			300			300			300			1,200	0.01
Utilities														
Power														
Idaho Power (M# 009R86987878)	15,500	15,500	14,400	12,500	11,500	11,500	11,400	10,500	10,500	14,000	14,000	15,500	156,800	0.76
Idaho Power (M# 01614468000)	45	45	45	45	45	45	45	45	45	45	45	45	540	0.00
Total Power	15,545	15,545	14,445	12,545	11,545	11,545	11,445	10,545	10,545	14,045	14,045	15,545	157,340	0.76
Gas														
House Meter 1430399-522-0	10	10	10	10	10	10	10	10	10	10	10	10	120	0.00
Total Gas	10	10	10	10	10	10	10	10	10	10	10	10	120	0.00
Trash														
City of Boise Utility (Waste)	700	700	700	700	700	700	730	730	730	730	730	730	8,580	0.04
All About Recycling (Recycling)	40	40	40	40	40	40	40	40	40	40	40	40	480	0.00
Total Trash	740	740	740	740	740	740	770	770	770	770	770	770	9,060	0.04
Sewer														
City of Boise, 566391-01	271	271	271	271	271	271	271	271	271	271	271	271	3,256	0.02
Total Sewer	271	271	271	271	271	271	271	271	271	271	271	271	3,256	0.02
Water														
Domestic Water, 700821129		2,500		2,100		750		400		500		1,500	7,750	0.04
Total Water		2,500		2,100		750		400		500		1,500	7,750	0.04
Geothermal Water														
Geothermal Water (Credit)	888	1,400	1,800	1,900	2,000	4,800	8,700	5,700	3,500	3,400	1,800	1,500	37,388	0.18
Total Geothermal Water	888	1,400	1,800	1,900	2,000	4,800	8,700	5,700	3,500	3,400	1,800	1,500	37,388	0.18
Repair and Maintenance														
Electrical														
Pacific Generator PM		400				2,300			400				3,100	0.02
Total Electrical		400				2,300			400				3,100	0.02
HVAC														
Franc Chiller PM			613			613			613			613	2,453	0.01
Pre-Filter Change (Qrtly)		1,000			1,000			1,000			1,000		4,000	0.02
Siemens Energy Mgmt System			285			285			285			285	1,138	0.01
Total HVAC		1,000	898		1,000	898		1,000	898		1,000	898	7,591	0.04
Elevator/ Escalator														
Thyssen Krupp Elevator PM	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	20,612	0.10
Annual State Certification				900									900	0.00
Soundnet Elevator Monitoring	50	50	50	50	50	50	50	50	50	50	50	50	600	0.00
Total Elevator/ Escalator	1,768	1,768	1,768	2,668	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	22,112	0.11
On Site Maintenance														
Colliers Engineering	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	112,800	0.55
Total On Site Maintenance	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	112,800	0.55
General Repairs														
MFI Well Mntnnc & Monitoring	500			500			500			500			2,000	0.01
Total General Repairs	500			500			500			500			2,000	0.01

Janitorial and Cleaning	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Nightly Janitorial														
Nightly Janitorial Contract	13,945	13,945	13,945	13,945	13,945	13,945	14,363	14,363	14,363	14,363	14,363	14,363	169,848	0.82
total Nightly Janitorial	13,945	13,945	13,945	13,945	13,945	13,945	14,363	14,363	14,363	14,363	14,363	14,363	169,848	0.82
Common Area Janitorial														
Day Porter	2,427	2,427	2,427	2,427	2,427	2,427	2,477	2,477	2,477	2,477	2,477	2,477	29,421	0.14
Cleaning Contingency	150	150	150	150	150	150	150	150	150	150	150	150	1,800	0.01
Cleaning Supplies	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	0.09
total Common Area Janitorial	4,077	4,077	4,077	4,077	4,077	4,077	4,127	4,127	4,127	4,127	4,127	4,127	49,221	0.24
Carpet Cleaning														
Common Area Carpet Cleaning				1,000						1,000			2,000	0.01
total Carpet Cleaning				1,000						1,000			2,000	0.01
Window Washing														
Western Building Maintenance (2x)			8,200								8,200		16,400	0.08
Interior Window Cleaning (2x)			1,600				800				1,600		4,000	0.02
total Window Washing			9,800				750				9,800		20,350	0.10
Insurance														
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Property Insurance														
Travelers (Insured through UI)	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	0.22
CCDC Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2,400	0.01
total Property Insurance	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	47,400	0.23

Idaho Water Center
Non-Reoccurring Expense Worksheet

Recoverable Expenses

Alarm and Security	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Fire Alarm Monitoring														
Simplex Grinnell					404								404	0.00
Total Fire Alarm Monitoring					404								404	0.00
Fire Alarm Maintenance														
Fire / Life Safety Contingency	425			425			425			425			1,700	0.01
Total Fire Alarm Maintenance	425			425			425			425			1,700	0.01
Fire Sprinkler Maintenance														
Fire Sprinkler & Pump Contingency	300			300			300			300			1,200	0.01
Total Fire Sprinkler Maintenance	300			300			300			300			1,200	0.01
Access Control														
Simplex Grinnell (Repairs)			300			300			300			300	1,200	0.01
Total Access Control			300			300			300			300	1,200	0.01
Grounds Maintenance														
Landscaping														
Seasonal Flowers	850				850								1,700	0.01
Total Landscaping	850				850								1,700	0.01
Snow Removal														
Snow Removal/De-Icing-CCDC							1,000	1,000	1,000				3,000	0.01
Total Snow Removal							1,000	1,000	1,000				3,000	0.01

Repair and Maintenance	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Totals	Per Sq Ft
Electrical														
Generator Fuel				300					300				600	0.00
Electrical Parts Contingency	250			250			250			250		200	1,200	0.01
Total Electrical	250			550			250		300	250		200	1,800	0.01
Plumbing														
Plumbing Parts Contingency	175	175	175	175	175	175	175	175	175	175	175	175	2,100	0.01
Total Plumbing	175	175	175	175	175	175	175	175	175	175	175	175	2,100	0.01
HVAC														
HVAC Parts Contingency	1,000			1,000			1,000			1,000			4,000	0.02
Closed Loop Chemical Treatment	208	208	208	208	208	208	208	208	208	208	208	208	2,500	0.01
Total HVAC	1,208	208	208	1,208	208	208	1,208	208	208	1,208	208	208	6,500	0.03
Lighting														
Light Bulb Replacement	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	0.06
Total Lighting	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	0.06
Painting														
Touch Up Painting In Common Areas	500			500			500			500			2,000	0.01
Total Painting	500			500			500			500			2,000	0.01
Roof Repairs														
Annual Roof Inspection and PM			1,000					1,000					2,000	0.01
Total Roof Repairs			1,000					1,000					2,000	0.01
General Repairs														
Well Pump Repair Contingency							2,500						2,500	0.01
General Repair Contingency	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	0.06
Total General Repairs	1,000	1,000	1,000	1,000	1,000	1,000	3,500	1,000	1,000	1,000	1,000	1,000	14,500	0.07

008 Modified NNN Pool 1							
Pool Description Inactive Storage or Vacant Space							
Project Square Footage 206,362							
Square Footage of Tenants in Pool 6,894							
Pooled Expenses Per Square Foot: 3.01							
Modified Account	Gross Amount	CAP Basis	Max Increase	Max Amount	Gross Up SQ FT	Add/Deduct	Billable Amount
Total Recoverable Expenses	873,729.38			873,729.38	206,362		29,188.95
Sightly Janitorial	163,201.00			163,201.00	206,362	Deduct	(5,452.11)
Occupancy Power	37,133.25			37,133.25	206,362	Deduct	(1,240.52)
Repair and Maintenance Contingencies	40,600.00			40,600.00	206,362	Deduct	(1,356.34)
Trash	8,313.00			8,313.00	206,362	Deduct	(277.71)
Carpet Cleaning	2,732.71			2,732.71	206,362	Deduct	(91.29)
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
Total Recoverable Expenses	1,125,709.34						20,770.98

009 Modified NNN Pool 1							
Pool Description Inactive Storage or Vacant Space							
Project Square Footage 206,362							
Square Footage of Tenants in Pool 6,894							
Pooled Expenses Per Square Foot: 3.11							
Modified Account	Gross Amount	CAP Basis	Max Increase	Max Amount	Gross Up SQ FT	Add/Deduct	Billable Amount
Total Recoverable Expenses	903,461.55			903,461.55	206,362		30,182.22
Slightly Janitorial	169,848.00			169,848.00	206,362	Deduct	(5,674.17)
Occupancy Power	39,335.00			39,335.00	206,362	Deduct	(1,314.08)
Repair and Maintenance Contingencies	40,899.96			40,899.96	206,362	Deduct	(1,366.36)
Trash	9,060.00			9,060.00	206,362	Deduct	(302.67)
Carpet Cleaning	2,000.00			2,000.00	206,362	Deduct	(66.81)
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
Total Recoverable Expenses	1,164,604.51						21,458.14

008 Modified NNN Pool 2							
Pool Description		Office Space					
Project Square Footage	206,362						
Square Footage of Tenants in Pool	190,328						
Pool Expenses Per Square Foot:	4.32						
Modified Account	Gross Amount	CAP Basis	Max Increase	Max Amount	Gross Up SQ FT	Add/Deduct	Billable Amount
Total Recoverable Expenses	873,729.38			873,729.38	206,362		805,841.99
Slightly Janitorial	163,201.00			163,201.00	206,362	Deduct	(150,520.54)
Occupancy Power Consumption	37,133.25			37,133.25	206,362	Deduct	(34,248.06)
Repair and Maintenance Contingencies	40,600.00			40,600.00	206,362	Deduct	(37,445.44)
Trash	8,313.00			8,313.00	206,362	Deduct	(7,667.09)
Carpet Cleaning	2,732.71			2,732.71	206,362	Deduct	(2,520.39)
Slightly Janitorial	163,201.00			163,201.00	190,328	Add	163,201.00
Occupancy Power Consumption	37,133.25			37,133.25	199,468	Add	35,431.73
Repair and Maintenance Contingencies	40,600.00			40,600.00	199,468	Add	38,739.63
Trash	8,313.00			8,313.00	199,468	Add	7,932.08
Carpet Cleaning	2,732.71			2,732.71	190,328	Add	2,732.71
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
Total Recoverable Expenses	1,377,689.30						821,477.63

009 Modified NNN Pool 2							
Pool Description		Office Space					
Project Square Footage	206,362						
Square Footage of Tenants in Pool	190,328						
Pool Expenses Per Square Foot:	4.46						
Modified Account	Gross Amount	CAP Basis	Max Increase	Max Amount	Gross Up SQ FT	Add/Deduct	Billable Amount
Total Recoverable Expenses	903,461.55			903,461.55	206,362		833,264.02
Slightly Janitorial	169,848.00			169,848.00	206,362	Deduct	(156,651.08)
Occupancy Power Consumption	39,335.00			39,335.00	206,362	Deduct	(36,278.73)
Repair and Maintenance Contingencies	40,899.96			40,899.96	206,362	Deduct	(37,722.10)
Trash	9,060.00			9,060.00	206,362	Deduct	(8,356.05)
Carpet Cleaning	2,000.00			2,000.00	206,362	Deduct	(1,844.60)
Slightly Janitorial	169,848.00			169,848.00	190,328	Add	169,848.00
Occupancy Power Consumption	39,335.00			39,335.00	199,468	Add	37,532.60
Repair and Maintenance Contingencies	40,899.96			40,899.96	199,468	Add	39,025.85
Trash	9,060.00			9,060.00	199,468	Add	8,644.85
Carpet Cleaning	2,000.00			2,000.00	190,328	Add	2,000.00
	-			-	206,362		-
Total Recoverable Expenses	1,425,747.47						849,462.75

008 Modified NNN Pool 3							
Pool Description		UI Lab Space - No Janitorial					
Project Square Footage	206,362						
Square Footage of Tenants in Pool	9,140						
Modeled Expenses Per Square Foot:	4.08						
Modified Account	Gross Amount	CAP Basis	Max Increase	Max Amount	Gross Up SQ FT	Add/Deduct	Billable Amount
Total Recoverable Expenses	873,729.38			873,729.38	206,362		38,698.44
Slightly Janitorial	163,201.00			163,201.00	206,362	Deduct	(7,228.35)
Occupancy Power Consumption	37,133.25			37,133.25	206,362	Deduct	(1,644.67)
Repair and Maintenance Contingencies	40,600.00			40,600.00	206,362	Deduct	(1,798.22)
Trash	8,313.00			8,313.00	206,362	Deduct	(368.19)
Carpet Cleaning	2,732.71			2,732.71	206,362	Deduct	(121.03)
Occupancy Power Consumption	163,201.00			163,201.00	199,468	Add	7,478.18
Repair and Maintenance Contingencies	40,600.00			40,600.00	199,468	Add	1,860.37
Trash	8,313.00			8,313.00	199,468	Add	380.92
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
Total Recoverable Expenses	1,337,823.34						37,257.43

009 Modified NNN Pool 3							
Pool Description		UI Lab Space - No Janitorial					
Project Square Footage	206,362						
Square Footage of Tenants in Pool	9,140						
Modeled Expenses Per Square Foot:	3.56						
Modified Account	Gross Amount	CAP Basis	Max Increase	Max Amount	Gross Up SQ FT	Add/Deduct	Billable Amount
Total Recoverable Expenses	903,461.55			903,461.55	206,362		40,015.31
Slightly Janitorial	169,848.00			169,848.00	206,362	Deduct	(7,522.75)
Occupancy Power Consumption	39,335.00			39,335.00	206,362	Deduct	(1,742.19)
Repair and Maintenance Contingencies	40,899.96			40,899.96	206,362	Deduct	(1,811.50)
Trash	9,060.00			9,060.00	206,362	Deduct	(401.28)
Carpet Cleaning	2,000.00			2,000.00	206,362	Deduct	(88.58)
Occupancy Power Consumption	39,335.00			39,335.00	199,468	Add	1,802.40
Repair and Maintenance Contingencies	40,899.96			40,899.96	199,468	Add	1,874.11
Trash	9,060.00			9,060.00	199,468	Add	415.15
	-			-	206,362		-
	-			-	206,362		-
	-			-	206,362		-
Total Recoverable Expenses	1,253,899.47						32,540.66

Idaho Water Center
 Budget Year Expense Reimbursement

Suite	Tenant	Sq. Ft.	Expense Pool	2009 Payment	Lease Start	Lease Expiration	Lease												
							Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	
101	UI Classrooms	3,644	NNN Pool 2	4.46	Aug-04	Jul-34	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
102	UI Mailroom	210	NNN Pool 2	4.46	Aug-04	Jul-34	78	78	78	78	78	78	78	78	78	78	78	78	78
103	IDWR - Storage	500	NNN Pool 1	3.11	Aug-04	Jul-34	130	130	130	130	130	130	130	130	130	130	130	130	130
104	UI - Hydro Labs	9,140	NNN Pool 3	3.56	Aug-04	Jul-34	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712	2,712
105	UI Vacant Retail	2,833	NNN Pool 1	3.11	Aug-04	Jul-34	735	735	735	735	735	735	735	735	735	735	735	735	735
106	IDWR Storage	164	NNN Pool 1	3.11	Aug-04	Jul-34	43	43	43	43	43	43	43	43	43	43	43	43	43
107	UI Student Services / Event Center	8,521	NNN Pool 2	4.46	Aug-04	Jul-34	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169
201	CH2MHILL	17,506	NNN Pool 2	4.46	Jul-05	Jun-10	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511	6,511
31-X	X-factor	2,843	NNN Pool 2	4.46	Jan-00	Jul-34	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057
202	UI	4,097	NNN Pool 2	4.46	Aug-04	Jul-34	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
203	ISU COMPUTER LAB	2,460	NNN Pool 2	4.46	Jul-05	Jun-10	915	915	915	915	915	915	915	915	915	915	915	915	915
204	UI	9,256	NNN Pool 2	4.46	Aug-04	Jul-34	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443
205	UI	3,110	NNN Pool 2	4.46	Aug-04	Jul-34	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
301	CH2MHILL	15,780	NNN Pool 2	4.46	Jul-05	Jun-10	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869	5,869
31-X	X-Factor	2,620	NNN Pool 2	4.46	Jan-00	Jul-34	974	974	974	974	974	974	974	974	974	974	974	974	974
302	UI	10,422	NNN Pool 2	4.46	Aug-05	Jul-34	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876
303	UI	564	NNN Pool 2	4.46	Aug-04	Jul-34	210	210	210	210	210	210	210	210	210	210	210	210	210
304	US Forest Service	6,395	NNN Pool 2	4.46	Jul-05	Jun-99	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378	2,378
305	US Forest Service	2,927	NNN Pool 2	4.46	Jul-05	Jun-99	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089
401	CH2MHILL	17,415	NNN Pool 2	4.46	Jul-05	Jun-10	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477	6,477
31-X	X-Factor	1,845	NNN Pool 2	4.46	Jan-00	Jul-34	686	686	686	686	686	686	686	686	686	686	686	686	686
402	University of Idaho	8,842	NNN Pool 2	4.46	Aug-04	Jul-34	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289	3,289
403	US FOREST SERVICE	11,106	NNN Pool 2	4.46	Jul-05	Jun-99	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131
501	Idaho Dept. of Water Resources	33,256	NNN Pool 2	4.46	Aug-04	Jul-34	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369	12,369
31-X	X-Factor	435	NNN Pool 2	4.46	Jan-00	Jul-34	162	162	162	162	162	162	162	162	162	162	162	162	162
502	CH2MHILL	5,403	NNN Pool 2	4.46	Jan-00	Jun-10	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010
600	IDAHO DEPT. OF WATER RESO	21,671	NNN Pool 2	4.46	Aug-04	Jul-34	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060
107	UI Flume	869	NNN Pool 1	3.11	Aug-04	Jul-34	225	225	225	225	225	225	225	225	225	225	225	225	225
201	CH2MHILL-Storage	93	NNN Pool 1	3.11	Jul-05	Jun-10	24	24	24	24	24	24	24	24	24	24	24	24	24
403	US Forest Service-Storage	1,119	NNN Pool 1	3.11	Jul-05	Jun-50	290	290	290	290	290	290	290	290	290	290	290	290	290
600	IDWR - Storage	1,316	NNN Pool 1	3.11	Aug-04	Jul-34	341	341	341	341	341	341	341	341	341	341	341	341	341
							75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288	75,288

daho Water Center
Current Year Expense Reimbursement

Suite	Tenant	Sq. Ft.	Expense Pool	Current NNN Payment	Lease Start	Lease Expiration	Total NNN Payments	Percent Occupancy	Estimated Share	Amount Due
101	UI Classrooms	3,644	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
102	UI Mailroom	210	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
103	IDWR - Storage	500	NNN Pool 1	-	Aug-04	Jul-34	-	100.00%	-	-
104	UI - Hydro Labs	9,140	NNN Pool 3	-	Aug-04	Jul-34	-	100.00%	-	-
105	UI Vacant Retail	2,833	NNN Pool 1	-	Aug-04	Jul-34	-	100.00%	-	-
106	IDWR Storage	164	NNN Pool 1	-	Aug-04	Jul-34	-	100.00%	-	-
107	UI Student Services / Event Center	8,521	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
201	CH2MHILL	17,506	NNN Pool 2	-	Jul-05	Jun-10	-	100.00%	-	-
31-X	Xfactor	2,843	NNN Pool 2	-	Jan-00	Jul-34	-	100.00%	-	-
202	UI	4,097	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
203	ISU COMPUTER LAB	2,460	NNN Pool 2	-	Jul-05	Jun-10	-	100.00%	-	-
204	UI	9,256	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
205	UI	3,110	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
301	CH2MHILL	15,780	NNN Pool 2	-	Jul-05	Jun-10	-	100.00%	-	-
31-X	X-Factor	2,620	NNN Pool 2	-	Jan-00	Jul-34	-	100.00%	-	-
302	UI	10,422	NNN Pool 2	-	Aug-05	Jul-34	-	100.00%	-	-
303	UI	564	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
304	US Forest Service	6,395	NNN Pool 2	2,250.88	Jul-05	Jun-99	27,010.54	100.00%	27,601.56	591.02
305	US Forest Service	2,927	NNN Pool 2	1,030.23	Jul-05	Jun-99	12,362.76	100.00%	12,633.27	270.51
401	CH2MHILL	17,415	NNN Pool 2	-	Jul-05	Jun-10	-	100.00%	-	-
31-X	X-Factor	1,845	NNN Pool 2	-	Jan-00	Jul-34	-	100.00%	-	-
402	University of Idaho	8,842	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
403	US FOREST SERVICE	11,106	NNN Pool 2	3,909.03	Jul-05	Jun-99	46,908.38	100.00%	47,934.78	1,026.40
501	Idaho Dept. of Water Resources	33,256	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
31-X	X-Factor	435	NNN Pool 2	-	Jan-00	Jul-34	-	100.00%	-	-
502	CH2M HILL	5,403	NNN Pool 2	-	Jan-00	Jun-10	-	100.00%	-	-
600	IDAHO DEPT. OF WATER RESOURCES	21,671	NNN Pool 2	-	Aug-04	Jul-34	-	100.00%	-	-
107	UI Flume	869	NNN Pool 1	-	Aug-04	Jul-34	-	100.00%	-	-
201	CH2MHILL-Storage	93	NNN Pool 1	-	Jul-05	Jun-10	-	100.00%	-	-
403	US Forest Service-Storage	1,119	NNN Pool 1	393.86	Jul-05	Jun-50	4,726.32	100.00%	3,371.44	(1,354.87)
600	IDWR - Storage	1,316	NNN Pool 1	-	Aug-04	Jul-34	-	100.00%	-	-
		206,362		7,584			91,008.00		91,541.05	533.05

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

UNIVERSITY OF IDAHO

SUBJECT

Disposal of former fraternity house and ground lease of property to Idaho Alumni Association of Alpha Gamma Rho, Inc.

REFERENCE

December, 2004	Acquisition from Tau Kappa Epsilon approved
October, 2007	Disposal to Alpha Gamma Rho approved

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Policies & Procedures, Section V.I.5.b.1 & 3.

BACKGROUND/DISCUSSION

In 2005, the Regents acquired the former Tau Kappa Epsilon House on Nez Perce drive in Moscow for \$400,102. The acquisition of the vacated house was required by the terms of a 1962 "Site Agreement" between the Regents and the Tau Kappa Iota Corporation. Since acquisition in 2005, the house has remained vacant and secured against unlawful entry. Major capital improvements are required to make the building useable for any purpose beyond storage.

In October 2007 the Regents approved an agreement and transaction structure intended to convey the house (but not the land) to Alpha Gamma Rho (AGR). Although the authorized Purchase and Sale Agreement was executed, AGR was unable to put together an adequate financing package and that agreement was mutually terminated in September 2008.

After AGR failed to put together an adequate financing package to cover the purchase price and the major remodel required, AGR and the University have worked to create a different transaction structure. The parties have sought to create a transaction that gives AGR immediate access to the house, but does not require a private lender to use the highly restricted asset as collateral or require the University to guarantee the financing through required purchase from the lender. Under the proposed transaction, AGR will purchase the existing house, ground lease the property and make improvements to the house in accordance with the generally described terms below.

The attached Purchase and Sale Agreement (Attachment 1, including Exhibits), sets a purchase price of \$398,000 for the existing building. This price reflects the depreciation of the building over the past four years, as well as the in-kind contribution made by AGR members to clean up the building. The purchase structure requires AGR to make an initial payment of \$50,000 (\$10,000 of which already has been paid as an earnest money deposit), and then to make semiannual payments to UI for the balance of the purchase price at a 5% interest

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

rate over the next twenty years. In the event AGR fails to make payment or otherwise defaults, AGR is required to vacate and the house will be returned to UI without reimbursement for past payments.

Under the attached Ground Lease (Ex. C to the Purchase and Sale Agreement), AGR (which is currently leasing another private house near the UI Bookstore), will lease the 0.81 acres of land that the house and grounds occupy, and that the Regents formerly leased to Tau Kappa Iota. The attached Ground Lease requires the fraternity to make substantial improvements to the building for purposes of student housing. The lease prohibits AGR from selling or assigning the house to a third party for uses other than student housing without University consent. In the event that AGR terminates or breaches the lease, the leasehold interest reverts to the Regents. The Regents are not obligated under any circumstances to purchase the house from AGR. Through these mechanisms and through establishment of an annual lease rate, the ground lease effectively assigns operational and financial risks to the fraternity, while providing a rental income that compensates the University for the administrative costs associated with providing its property for private student housing use, while acknowledging the value of providing additional on campus housing for students. The term of the lease is for 40 years with an option to extend for another 40 years.

The attached transactional documents also include a Resale Agreement (Ex. D to the Purchase and Sale Agreement), which addresses the parties rights in the event the University repossess the house. If the University repossesses the house under any circumstances, it may either retain the house for its purposes or sell the house. If the University, in its complete discretion, subsequently sells the house within a specified time period, fifty percent of the net proceeds from the sale, over and above the \$398,000 AGR purchase price, will go to AGR.

As structured, this transaction provides an opportunity for additional and improved University housing, while also resulting in significant improvements to a structure that currently is vacant. The transactional documents protect the University's interest and provide a fair opportunity for AGR to succeed in this new location.

IMPACT

Aside from routine real estate transaction costs, disposal of the building will not impose costs on the University of Idaho, and, in fact, will save the University the costs and risk associated with maintaining a vacant building. The high costs of remodeling and altering the building for university program or administrative use make university occupation undesirable.

ATTACHMENTS

Attachment 1 – Proposed Purchase and Sale Agreement
(Including Exhibits)

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

STAFF COMMENTS AND RECOMMENDATIONS

The 40 year ground lease calls for annual payments of \$1,500 to the University, and AGR is required to obtain liability, property, worker's compensation, and other insurance coverage.

The ground lease allows the University to sell, assign or transfer the property without the consent of the tenant. If the property was sold to an entity with a different tax status as the University, the lease allows for changing the Tax and Rent provisions. If the buyer agrees to be bound to the terms of the ground lease, this would release the Board from further obligations under the lease.

Staff recommends approval.

BOARD ACTION

A motion to approve the sale of improvements and personal property and to approve the ground lease related to the real property owned by the University located at 745 Nez Perce Drive, Moscow, Idaho, to the Idaho Alumni Association of Alpha Gamma Rho, Inc., and to authorize the University's Vice President for Finance and Administration to execute the purchase agreement, ground lease, and related transactional documents in substantial consistency with the drafts submitted as part of this request.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”) is entered into on May _____, 2009, between **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho (“**Seller**”) and **The Idaho Alumni Association of Alpha Gamma Rho, Inc.**, an Idaho non-profit corporation (“**Buyer**”)

1. Purchase.

Seller shall sell and Buyer shall purchase all improvements and personal property (collectively the “**Property**”) (excluding any fire detection or security devices installed on the premises by or at the request of Buyer) situated on that certain real property located at 745 Nez Perce Drive, Moscow, Idaho, and more particularly described as that certain parcel of land within the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows: Commencing at the center quarter corner of Section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said Section 18 bears South 00°04’37” East, 2624.48 feet; Thence North 24°08’37” East, 69.38 feet to the Point of Beginning; Thence South 77°08’30” West 226.60 feet; Thence North 01°50’46” West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12’26” East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13’40” East, 196.38 feet to the Point of Beginning. The Property does not include the land described above, only the improvements upon the land and the personal property located thereon.

2. License For Entry.

Seller grants to Buyer a license to enter upon the Property for all purposes reasonably related to a full and adequate determination of the suitability of the Property, including, without

limitation, the right to conduct evaluations, engineering studies, and environmental tests and audits.

3. Purchase Price.

The purchase price of the Property is the sum of Three Hundred Ninety-Eight Thousand Dollars (\$398,000) ("**Purchase Price**"). The Purchase Price shall be paid as follows:

(a) Buyer has deposited with Seller the sum of Ten Thousand Dollars (\$10,000) pursuant to an Earnest Money Agreement between Buyer and Seller dated April 28, 2009. At closing, as set forth in Section 7, such sum shall be credited toward the Purchase Price in accordance with the terms of the Earnest Money Agreement;

(b) At closing, Buyer shall pay to Seller the sum of Forty Thousand Dollars (\$40,000) in cash or its equivalent; and

(c) The balance of the Purchase Price shall be paid pursuant to the Promissory Note attached hereto as **Exhibit A** and made a part hereof ("**Promissory Note**"). The Promissory Note shall be secured by the Deed of Trust attached hereto as **Exhibit B** and made a part hereof ("**Deed of Trust**"). At closing, Buyer agrees to execute, acknowledge and deliver to Seller, as each may require, the Promissory Note and Deed of Trust.

4. Buyer's Additional Terms and/or Conditions.

Notwithstanding anything to the contrary in this Agreement, Buyer shall not be obligated to purchase the Property unless at or prior to closing each of the following conditions has been met or Buyer has waived said condition in writing. Seller shall cooperate with Buyer to execute any documents necessary or convenient to the performance of these conditions:

(a) There have been no changes to the condition of title to the Property arising by or through Seller. Seller agrees that from the date of execution of this Agreement through closing, Seller will not permit, suffer, do, create or make any encumbrances, liens, reservations,

or impediments of any kind that adversely affect Seller's right, title, or interest in and to the Property;

(b) Buyer and Seller have entered into, and Buyer and Seller agree to enter into, the Ground Lease attached hereto as **Exhibit C** and made a part hereof ("**Ground Lease**") The Ground Lease shall be executed at closing.

(c) Buyer and Seller have entered into, and Buyer and Seller agree to enter into, the Resale Agreement attached hereto as **Exhibit D** and made a part hereof ("**Resale Agreement**"). The Resale Agreement shall be executed at closing.

5. **Seller's Additional Terms and/or Conditions.**

Notwithstanding anything to the contrary in this Agreement, Seller shall not be obligated to sell the Property unless at or prior to closing each of the following conditions has been met or Seller has waived said condition in writing Buyer shall cooperate with Seller to execute any documents necessary or convenient to the performance of these conditions:

(a) Seller has obtained the approval of its governing board, the Regents of the University of Idaho, to this transaction and all agreements associated with or arising out of this transaction.

(b) Buyer and Seller have entered into, and Buyer and Seller agree to enter into, the Ground Lease and Resale Agreement.

(c) There has been no default by Buyer under the Earnest Money Agreement.

6. **Escrow Holder.**

Prior to closing, the parties shall open an escrow with Latah County Title Company, 106 E 2nd St, Moscow ID 83843 ("**Escrow Holder**"). Seller shall deposit into escrow a duly executed and acknowledged Quitclaim Deed ("**Deed**"), attached as **Exhibit E**, and duly executed and acknowledged Bill of Sale ("**Bill of Sale**"), attached as **Exhibit F**, conveying all of Seller's

right, title and interest in the Property to Buyer, together with instructions to deliver and record the Deed and deliver the Bill of Sale when Escrow Holder is in a position to: (a) pay to Seller the portion of the Purchase Price to Seller as set forth in Section 3(b), (b) deliver the fully executed Promissory Note as set forth in Section 3(c) and (c) deliver and record the fully executed and acknowledged Deed of Trust as set forth in Section 3(c)

7. Closing and Termination Date.

(a) The earnest money paid to Seller pursuant to the Earnest Money Agreement shall be applied to the Purchase Price at Closing. Closing shall occur on July 1, 2009 at the offices of Escrow Holder. Closing shall be completed when the Deed to Buyer is recorded which shall be as soon as practicable after deposit of the Purchase Price, less the amount paid to Seller pursuant to the Earnest Money Agreement, with the Escrow Holder. Possession passes to Buyer at closing.

(b) Termination of this Agreement for reasons other than Default as described in Section 15 of this Agreement shall occur only upon (i) the mutual written consent of the Buyer and Seller, (ii) upon written notification by the Buyer to the Seller (which notice shall be given prior to closing) that the terms and conditions of Section 4 of this Agreement have not been met to the satisfaction of the Buyer, or (iii) upon written notification by Seller to Buyer (which notice shall be given prior to closing) that the terms and conditions of Section 5 of this Agreement have not been met to the satisfaction of Seller.

8. Costs.

Buyer shall pay the cost of recording the Deed. Any escrow fees shall be paid equally by both parties. Buyer shall pay all other costs not specifically assigned to Seller in this Agreement.

9. Commissions.

Each party represents and warrants that it has not dealt with or contracted with any broker, agent or finder to act in their behalf in connection with this transaction. Each party agrees, subject to the laws of the State of Idaho, to indemnify, defend and hold harmless the other party from all claims arising from any misrepresentation by the indemnifying party pursuant to this Section 9

10. Seller's Representations And Warranties.

(a) Seller represents and warrants that Seller has authority to enter into this Agreement and to grant the license granted in Section 2.

(b) Seller represents and warrants that execution, delivery and performance of this Agreement have been duly authorized and approved by all actions necessary by Seller, on the part of Seller, and that the this Agreement constitutes valid and binding agreement of Seller in accordance with its terms. The preceding sentence shall not negate Seller's obligation to obtain the approval necessary as described in Section 5(a)

(c) The provisions of this Section 10(c) shall survive closing. Buyer is relying solely upon Buyer's inspections as to the condition of the Property. Except as expressly set forth in this Agreement, Seller and Seller's agents are not making, have not made and expressly disclaim any representations or warranties, express or implied, with respect to any aspect, feature or condition of the Property including, without limitation, the existence of hazardous waste, or the suitability of the Property for Buyer's intended use. Buyer shall independently verify all information and reports regarding any aspect or feature of the Subject Property provided by Seller. Seller does not guaranty the accuracy of any information or reports provided by Seller, it agents, employees or contractors. Buyer is purchasing the Property in "As Is" condition with all faults including both latent and patent defects and Buyer releases Seller

from any and all liability relating to any aspect or condition of the Property, known or unknown, foreseeable or unforeseeable, actual or contingent, arising by statute, common law or otherwise. As used herein "hazardous waste" shall mean any hazardous waste or pollutants, contaminants or hazardous waste as defined by the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and any amendments thereto, the Resource Conservation and Recovery Act and any amendments thereto or any similar state, local or federal law, rule or regulation, including, without limitation, asbestos or asbestos containing materials, PCBs, petroleum and petroleum products and urea-formaldehyde

11. Casualty.

Should the Property be damaged or destroyed by fire or other casualty prior to the time of closing, Buyer, at Buyer's sole option, may terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to the time of closing. Subject to any damaged or destruction by fire or other casualty prior to the time of closing, Seller agrees to maintain Property in its current condition, reasonable wear and tear for a vacant building excepted, through and including the day of closing.

12. Condemnation.

Should any entity having the power of condemnation bring an action or otherwise indicate an intent prior to the time of closing to acquire all or any portion of, or any interest in, the Property, Buyer, at Buyer's sole option, may elect to terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to the time of closing. Seller agrees to provide Buyer, within ten (10) days after Seller's receipt of same but in no event later than the time of closing, written notice of any actual or threatened condemnation proceeding.

13. Successors.

This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

14. Attorneys' Fees.

In the event either party initiates or defends any legal action or proceeding in any way connected with this Agreement, the prevailing party in any such action or proceeding (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

15. Default.

(a) Neither party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days from receipt of written notice from the other party specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless such party, prior to expiration of said thirty (30) day period, has rectified the particulars specified in said notice of default.

(b) In the event of a default, the nondefaulting party may:

(i) Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the nondefaulting party;

(ii) Seek specific performance of this Agreement, and, in addition, recover all damages incurred by the nondefaulting party. The parties declare it to be their intent that this Agreement may be specifically enforced;

(iii) Perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting party or recover said monies from the defaulting party; and

(iv) Pursue all other remedies available at law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting party

16. Notices.

(a) All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Seller: Lloyd E Mues
Vice President for Finance Administration
University of Idaho
PO Box 443168
Moscow ID 83844-3168

Buyer: Idaho Alumni Assoc of Alpha Gamma Rho, Inc.
PO Box 3472
Moscow ID 83843

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

(b) For the purpose of this Agreement, the term “**receipt**” shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to subparagraph (a) above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to subparagraph (a) above, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of nondelivery by the sending party

17. Captions And Headings.

The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

18. Entire Agreement.

This Agreement and the Earnest Money Agreement contain the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

19. Construction.

In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

20. Joint And Several Obligations.

In the event any party hereto is composed of more than one person, the obligations of said party shall be joint and several.

21. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto. Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission, shall be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or electronically transmitted signatures by signing an original document.

22. Time Period Computation.

All time periods in this Agreement shall be deemed to refer to calendar days unless the time period specifically references business days; provided that if the last date on which to perform any act or give any notice under this Agreement shall fall on a Saturday, Sunday or local, state or national holiday, such act or notice shall be deemed timely if performed or given on the next succeeding business day.

23. Survival.

All of the representations and warranties set forth in this Agreement shall constitute continuing representations and warranties, shall be deemed to be true and correct as of the date of closing of Buyer's purchase of the Property from Seller, and shall (along with all indemnification, defense and hold harmless obligations related thereto) survive the closing of Buyer's purchase of the Property from Seller.

24. No Third Party Beneficiary Rights.

This Agreement is not intended to create, nor shall it in any way be interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

EXECUTED as of the date first above written.

BUYER:

Idaho Alumni Association of Alpha Gamma
Rho, Inc.

SELLER:

Board of Regents of the University of Idaho

Glenn Poxleitner, President

Lloyd E. Mues
Vice President, Finance & Administration

Matt Yahvah, Secretary

List of Exhibits

- Exhibit "A" – Promissory Note
- Exhibit "B" – Deed of Trust
- Exhibit "C" – Ground Lease
- Exhibit "D" – Resale Agreement
- Exhibit "E" – Quitclaim Deed
- Exhibit "F" – Bill of Sale

**EXHIBIT A TO PURCHASE AND SALE AGREEMENT
PROMISSORY NOTE**

THIS PROMISSORY NOTE (“**Note**”) is made by The Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation (“**Borrower**”), in favor of The Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho (“**Lender**”) and is effective as of July 1, 2009. Pursuant to the terms of this Note, Borrower promises to pay to Lender, in lawful money of the United States of America, the principal amount of Three Hundred Forty-Eight Thousand and NO/100ths Dollars (\$348,000) plus interest at the rate of five percent (5%) from the date of this Note until paid in full.

1. Payments and Interest. Borrower will pay this Note in forty (40) equal monthly installments of Fourteen Thousand Five Hundred Sixty-Four and 82/100 Dollars (\$14,564 82) each. The first payment shall be due January 1, 2011 and all subsequent payments shall be due and payable on July 1 and January 1 of each calendar year thereafter until paid in full. Final payment for all principal and interest due on the Note shall be due and payable on July 1, 2030. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs and any late charges, then to any unpaid interest, and any remaining amount to principal. Accrued but unpaid interest shall compound and be added to the amount due on January 1 and July 1 of each calendar year. For the purposes of calculating interest, a day shall be calculated as 1/365th of a year. Accrual of interest shall commence on the date of this Note. Borrower will pay Lender by check made payable to “Bursar, University of Idaho”, and mailed to the attention of “General Accounting, University of Idaho, Moscow ID 83844-3166” or at such other place or person as Lender may designate in writing.

2. Late Payment Fee. In the event Borrower fails to pay any installment due under this Note, including final payment upon maturity, if permitted under applicable law, Borrower shall pay to Lender an additional amount of Five Hundred Dollars (\$500). Borrower agrees and acknowledges that the failure to timely pay any amount due under this Note will impose actual damages on Lender which would be extremely difficult or impracticable to ascertain and that the additional fee represents a reasonable estimate of such damages. Borrower expressly agrees and acknowledges that the payment of such amount is not intended as a forfeiture or penalty.

3. Events of Default. Each of the following shall constitute an event of default (“**Event of Default**”) under this Note:

- (a) Borrower fails to make any payment when due under this Note.
- (b) Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in the Deed of Trust securing this Note or in the Ground Lease between Borrower and Lender dated July 1, 2009 or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

(c) Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

(d) The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

(e) Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

(f) If any default is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (i) cures the default within thirty (30) days; or (ii) if the cure requires more than thirty (30) days (other than the failure to pay money), immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

4. Acceleration. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

5. Collection Fees. Lender may hire or pay someone else to help collect the loan if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees, legal expenses and collection costs or fees, whether or not there is a lawsuit, including without limitation all reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

6. Idaho Law Applies. This Note will be governed by, construed and enforced in accordance with the laws of the State of Idaho. This Note has been accepted by Lender in the State of Idaho.

7. Jurisdiction. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Latah County, State of Idaho.

8. Dishonored Check Fee. Borrower will pay a fee to Lender of \$20.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

9. Successors and Assigns. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and Lender's successors and assigns.

10. Prepayment. Borrower may pay all or any portion of the amount owed earlier than it is due provided that such additional payment(s) is made on July 1 or January 1 of any calendar year and, unless the additional payment pays this Note in full, includes an amortization schedule showing when this Note will fully amortize in accordance with its terms taking into effect the additional payment. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full," "without recourse," or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender.

11. Immediately Available Funds All payments made under this Note shall be made in immediately available funds without setoff or counterclaim, and free and clear of and without deduction for or on account of all present and future fees, deductions, withholdings, restrictions or conditions of whatsoever nature, if any, now or hereafter imposed, levied, calculated, withheld or assessed. "Immediately available funds" shall mean funds tendered without conditions or restrictions on release and in a medium which is subject to immediate deposit and/or credit without confirmation, clearance period, waiting or other delay for or restriction on immediate use, or negotiation. Acceptance of any payment made otherwise than in immediately available funds shall not constitute a waiver of the right to require payment in immediately available funds.

12. General Provisions. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE LATE PAYMENT FEE PROVISIONS. BORROWER AGREES TO THE TERMS OF THIS NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

The Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation

Glenn Poxleitner, President

Recording Requested By and
When Recorded Return to:

Lloyd E Mues
Vice President for Finance Administration
University of Idaho
PO Box 443168
Moscow ID 83844-3168

SPACE ABOVE THIS LINE FOR
RECORDER'S USE ONLY

EXHIBIT B TO PURCHASE AND SALE AGREEMENT
DEED OF TRUST
AND FIXTURE FILING WITH ASSIGNMENT OF LEASES AND RENTS

among

The Idaho Alumni Association of Alpha Gamma Rho, Inc , an Idaho non-profit corporation

Grantor

Latah County Title Company

Trustee

and

The Board of Regents of the University of Idaho, a state educational institution and body politic
and corporate organized and existing under the constitution and laws of the State of Idaho
Beneficiary

This Instrument shall be effective as a
UNIFORM COMMERCIAL CODE FINANCING STATEMENT FILED AS A
FIXTURE FILING

By Debtor: The Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation

To Secured Party: The Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho

This "Financing Statement" covers goods described herein by item or type some or all of which are affixed or are to be affixed to the real property described in Schedule A attached hereto.

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

THIS DEED OF TRUST AND FIXTURE FILING WITH ASSIGNMENT OF LEASES AND RENTS ("Deed of Trust") is made July 1, 2009, by The Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation, as "Grantor," whose address is PO Box 3472, Moscow ID 83843; to Latah County Title Company, as "Trustee," whose address is 106 E 2nd St, Moscow ID 83843; for the benefit of The Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho, as "Beneficiary," whose address is PO Box 443168, Moscow ID 83844-3168.

ARTICLE I

1. Granting Clause. Grantor irrevocably grants, bargains, sells and conveys to Trustee and its successors and assigns in trust, with power of sale and with right of entry and possession as provided herein, all Grantor's estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the following (the "Property"):

(a) All buildings, structures, improvements, fixtures, equipment and machinery and personal property now or hereafter attached to or used in connection with the use, occupancy or operation of that certain real property located in Latah County, Idaho, commonly referred to as 745 Nez Perce Drive, Moscow, Idaho, and more specifically described in Schedule A attached hereto and incorporated herein by reference (the "Real Property"), including, but not limited to, heating and incinerating apparatus and equipment, boilers, engines, motors, generating equipment, telephone and other communication systems, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen equipment, refrigerators, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus, gas and electric fixtures, irrigation equipment, carpeting, underpadding, elevators, escalators, partitions, mantles, built-in mirrors, window shades, blinds, screens, storm sash, awnings, furnishings of public spaces, halls and lobbies, and shrubbery and plants. All property mentioned in this subsection (a) shall be referred to herein as the "Improvements".

(b) All rents, issues and profits of the Improvements, all existing and future leases of the Improvements (including extensions, renewals and subleases), all agreements for use and occupancy of the Improvements (all such leases and agreements whether written or oral, are hereafter referred to as the "Leases"), and all guaranties of lessees' performance under the Leases, together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits and other income of any nature now or hereafter due

(including any income of any nature coming due during any redemption period) under the Leases or from or arising out of the Improvements including minimum rents, additional rents, percentage rents, parking or common area maintenance contributions, tax and insurance contributions, deficiency rents, liquidated damages following default in any Lease, all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Improvements, all proceeds payable as a result of exercise of an option to purchase the Improvements, all proceeds derived from the termination or rejection of any Lease in a bankruptcy or other insolvency proceeding, all security deposits or other deposits for the performance of any lessee's obligations under the Leases, and all proceeds from any rights and claims of any kind which Grantor may have against any lessee under the Leases or any occupants of the Improvements (all of the above are hereafter collectively referred to as the "Rents").

2. Financing Statement This Deed of Trust shall also constitute a financing statement filed for record in the real estate records as a fixture filing pursuant to the Uniform Commercial Code

3. Obligations Secured. The following obligations ("Secured Obligations") are secured by this Deed of Trust:

(a) Payment of the sum of up to Three Hundred Forty-Eight Thousand and No/100ths Dollars (\$348,000.00) with interest thereon according to the terms of the Promissory Note of even date herewith, with an original maturity date of July 1, 2030, payable to Beneficiary or order and made by The Idaho Alumni Association of Alpha Gamma Rho, Inc. ("Borrower"), including all renewals, amendments, modifications, extensions and substitutions therefor (the "Note")

(b) Payment of any further sums now or hereafter advanced or loaned by Beneficiary to Grantor or Borrower, or any of its successors or assigns, and payment of every other present and future obligation owing by Grantor or Borrower to Beneficiary of any kind, and all renewals, modifications, and extensions thereof, including any interest, fees, costs, service charges, indemnifications and expenses connected with such obligations, if (i) the promissory note or other written document evidencing the future advance or loan or other obligation specifically states that it is secured by this Deed of Trust, or (ii) the advance, including costs and expenses incurred by Beneficiary, is made pursuant to the Note, this Deed of Trust or any other documents executed by Grantor or Borrower evidencing, securing, or relating to the Note, and/or the Property, whether executed prior to, contemporaneously with, or subsequent to this Deed of Trust (this Deed of Trust, the Note and all such other documents, and all renewals, amendments, modifications or extensions thereof, are hereafter collectively referred to as the "Loan Documents"), together with interest thereon at the rate set forth in the Note, unless otherwise specified in the Loan Documents or agreed in writing. Rent due under the Ground Lease by and between Beneficiary, as Landlord, and Grantor, as Tenant, is not secured by this Deed of Trust

(c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents, as such may be amended.

ARTICLE II

1. Assignment of Rents and Leases. Grantor hereby absolutely and irrevocably assigns to Beneficiary all Grantor's interest in the Rents and Leases. Grantor warrants it has made no prior assignment of the Rents or the Leases and will make no subsequent assignment (other than to Beneficiary) without the prior written consent of Beneficiary. At Beneficiary's request, Grantor shall execute and deliver to Beneficiary a separate assignment of rents containing such terms and conditions as Beneficiary may reasonably require.

(a) Unless otherwise provided in any separate assignment of the Leases and/or the Rents, and so long as Borrower or Grantor is not in default under the Loan Documents, Grantor may collect the Rents as the Rents become due. Grantor shall use the Rents to pay normal operating expenses for the Property. No Rents shall be collected for a period subsequent to the current one month rental period and first or last month's rent. Grantor's right to collect the Rents shall not constitute Beneficiary's consent to the use of cash Property in any bankruptcy proceeding.

(b) If Grantor or Borrower is in default under this Deed of Trust or any other Loan Document, without notice to Grantor, Beneficiary or its agents, or a court appointed receiver, may collect the Rents. In doing so, Beneficiary may (i) evict lessees for nonpayment of rent, (ii) terminate in any lawful manner any tenancy or occupancy, (iii) lease the Property in the name of the then owner on such terms as it may deem best, (iv) institute proceedings against any lessee for past due rent, and (v) do all other acts and things as Beneficiary deems necessary or desirable. The Rents received shall be applied to payment of the costs and expenses of collecting the Rents, including a reasonable fee to Beneficiary, a receiver or an agent, operating expenses for the Property and any sums due or payments required under the Loan Documents, in such order as Beneficiary may determine. Any excess shall be paid to Grantor, however, Beneficiary may withhold from any excess a reasonable amount to pay sums anticipated to become due which exceed the anticipated future Rents. Beneficiary's failure to collect or discontinuing collection at any time shall not in any manner affect the subsequent enforcement by Beneficiary of its rights to collect the Rents. The collection of the Rents by or for Beneficiary shall not cure or waive any default under the Loan Documents. Any Rents paid to Beneficiary or a receiver shall be credited against the amount due from the lessees under the Leases. In the event any lessee under a Lease becomes the subject of any proceeding under the Bankruptcy Code or any other federal, state or local statute which provides for the possible termination or rejection of any Lease assigned hereby, Grantor covenants and agrees that in the event any of the Leases are so rejected, no damages settlement shall be made without the prior written consent of Beneficiary. Grantor hereby expressly authorizes and directs all present and future tenants of the Property to pay any and all Rents due Grantor pursuant to the Leases directly to Beneficiary or such nominee as Beneficiary may direct by written notice delivered to and received by such tenants. Grantor agrees any tenants who make payments directly to Beneficiary or its designee after receipt of

such a notice are hereby expressly relieved of any and all duty, liability or obligation to Grantor in respect of all payments so made.

(c) Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Property or any part thereof, Beneficiary is not and shall not be deemed to be: (i) "a mortgagee in possession" for any purpose; (ii) responsible for performing any of the obligations of the lessor under any Lease; (iii) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or (iv) liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it. In exercising its rights under this Section 1 Beneficiary shall be liable only for the proper application of and accounting for the Rents collected by Beneficiary or its agents.

2. Leases Grantor shall fully comply with all of the terms, conditions and provisions of the Leases so that the same shall not become in default and do all things necessary to preserve the Leases in force. Unless otherwise agreed in writing by Beneficiary, without Beneficiary's prior written consent, Grantor will not enter into any Lease (i) for a term of two (2) years or more, or (ii) containing an option or right to purchase all or any part of the Property in favor of any lessee. With respect to any Lease of the whole or any part of the Property involving an initial term of two (2) years or more, Grantor shall not, without the prior written consent of Beneficiary, (a) permit the assignment or subletting of all or part of the lessee's rights under the Lease unless the right to assign or sublet is expressly reserved by the lessee under the Lease, (b) modify or amend the Lease for a lesser rental or term, or (c) accept surrender of the Lease or terminate the Lease except in accordance with the terms of the Lease providing for termination in the event of a default. Any proceeds or damages resulting from a lessee's default under any Lease, at Beneficiary's option, shall be paid to Beneficiary and applied against sums owed under the Loan Documents even though such sums may not be due and payable. Except for real estate taxes and assessments, without Beneficiary's prior written consent, Grantor shall not permit any lien to be created against the Property which may be or may become prior to any Lease. If the Property is partially condemned or suffers a casualty, Grantor shall promptly repair and restore the Property in order to comply with the Leases.

ARTICLE III

1. Performance of Obligations Grantor shall strictly comply with all material terms and conditions of the Loan Documents, and perform each Secured Obligation for which it is obligated in accordance with its terms. Grantor shall strictly comply with all material terms and conditions of the Ground Lease by and between Beneficiary, as Landlord, and Grantor, as Tenant of even date hereof pursuant to which Beneficiary leases the Real Property.

2. Prohibited Liens.

(a) Subject to Grantor's rights under subsection (b) below, Grantor shall not permit any governmental or statutory liens (including taxes, mechanic's or materialmen's liens)

to be filed against the Property except for real estate taxes and assessments not yet due and liens permitted by the Loan Documents or approved by Beneficiary in writing.

(b) Grantor will have the right to contest in good faith by appropriate legal or administrative proceeding the validity of any prohibited lien, encumbrance or charge so long as (i) no default exists under the Loan Documents, (ii) Grantor first deposits with Beneficiary a bond or other security satisfactory to Beneficiary in the amount reasonably required by Beneficiary, but not more than the amounts specified in Idaho Code Section 45-519, as now or hereafter amended; (iii) Grantor immediately commences its contest of such lien, encumbrance or charge, and continuously pursues the contest in good faith and with due diligence; (iv) foreclosure of the lien, encumbrance or charge is stayed; and (v) Grantor pays any judgment rendered for the lien claimant or other third party within ten (10) days after the entry of the judgment. Grantor will discharge or elect to contest and post an appropriate bond or other security within twenty (20) days of written demand by Beneficiary.

3. Payment of Taxes and Other Encumbrances. Grantor shall pay the real estate taxes and any assessments or ground rents at least seven (7) days prior to delinquency unless otherwise provided for in the reserve account described in Section 15 below. All other encumbrances, charges and liens affecting the Property, including mortgages and deeds of trust, whether prior to or subordinate to the lien of this Deed of Trust, shall be paid when due and shall not be in default. On request Grantor shall furnish evidence of payment of these items.

4. Maintenance; No Waste. Grantor shall protect and preserve the Property and maintain it in good condition and repair. Grantor shall do all acts and take all precautions which, from the character and use of the Property, are reasonable, proper or necessary to so maintain, protect and preserve the Property. Grantor shall not commit or permit any waste of the Property.

5. Compliance with Laws. Grantor shall comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property, including, without limitation, all applicable requirements of the Fair Housing Act of 1968 (as amended) and the Americans With Disabilities Act of 1990 (as the same may be amended from time to time), and shall not commit or permit any act upon or concerning the Property in material violation of any such laws, ordinances, regulations, covenants, conditions, and restrictions. Grantor shall defend, indemnify and hold Beneficiary harmless from and against all liability threatened against or suffered by Beneficiary by reason of a breach by Grantor of the foregoing representations, warranties, covenants and agreements. The foregoing indemnity shall include the cost of all alterations to the Property (including architectural, engineering, legal and accounting costs), all fines, fees and penalties, and all legal and other expenses (including attorneys' fees) incurred in connection with the Property being in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions. If Beneficiary or its designee shall become the owner of or acquire an interest in or rights to the Property by foreclosure or deed in lieu of foreclosure of this Deed of Trust or by other means, the foregoing indemnification obligation shall survive such foreclosure or deed in lieu of foreclosure or other acquisition of the Property. Notwithstanding the preceding sentence, Grantor shall have no obligation to defend, indemnify or hold Beneficiary harmless from any

liability arising from or out of the activities of Beneficiary or its agents with respect to the Property on or after the transfer of the Property to Beneficiary pursuant to foreclosure proceedings or in lieu thereof

6. Impairment of Property Grantor shall not, without Beneficiary's prior written consent, change the present use or the intended use of the Property, change the general nature of the occupancy of the Property, initiate, acquire or permit any change in any public or private restrictions (including without limitation a zoning reclassification) limiting the uses which may be made of the Property, or take or permit any action which would impair the Property or Beneficiary's lien or security interest in the Property.

7. Inspection of Property. Upon written notice, Beneficiary and/or its representatives may enter on to and inspect the Property (including taking and removing soil, groundwater and other samples) at reasonable times after reasonable notice. Subject to the rights of all current tenants, Grantor shall permit Beneficiary and/or its representatives to have access to and perform inspections of the Property and to respond fully and freely to Beneficiary's and/or its representatives requests for information concerning the Property

8. Grantor's Defense of Property. Grantor shall appear in and defend any action or proceeding which may affect the Property or the rights or powers of Beneficiary or Trustee under this Deed of Trust

9. Beneficiary's Right to Protect Property. Beneficiary may commence, appear in, and defend any action or proceeding which may affect the Property or the rights or powers of Beneficiary or Trustee under this Deed of Trust. Beneficiary may pay, purchase, contest or compromise any encumbrance, charge or lien which in its judgment appears to be prior or superior to the lien of this Deed of Trust. If Borrower defaults under the Loan Documents or Grantor fails to do any act required of it under the Loan Documents, Beneficiary, without any obligation to do so and without releasing Grantor from any obligations under the Loan Documents, may make the payment or cause the act to be performed in such manner and to such extent as Beneficiary may deem necessary to protect the Property. Beneficiary is authorized to enter upon the Property for such purposes. In exercising any of these powers Beneficiary may incur such expenses, in its absolute discretion, it deems necessary.

10. Hazardous Substances

(a) Grantor represents and warrants to Beneficiary, to the best of Grantor's knowledge, no hazardous or toxic waste or substances are being stored on the Property nor have any such waste or substances been stored or used in, on, under, over or about the Property or any adjacent property during Grantor's ownership, possession or control of the Property, other than the use or storage of hazardous or toxic waste or substances generally used in the ordinary course of operating, maintaining or developing properties such as the Property, all of which Grantor covenants have and will be used, stored and disposed of in accordance with commercially reasonable practices and with all applicable federal, state and local laws, regulations and ordinances. Grantor shall provide written notice to Beneficiary immediately upon Grantor

becoming aware that the Property or any adjacent property is being or has been contaminated with hazardous or toxic waste or substances. Grantor will not cause nor permit any activities on the Property which directly or indirectly could result in the Property or any other property becoming contaminated with hazardous or toxic waste or substances. For purposes of this Deed of Trust, the term "hazardous or toxic waste or substances" means any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or similar term, and now or hereafter regulated under any applicable federal, state or local statute, regulation, ordinance or requirement, now or hereafter in effect, pertaining to environmental protection, contamination or cleanup

(b) Grantor shall comply, at Grantor's expense, with all statutes, regulations and ordinances which apply to the Property, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction which Grantor is bound by, relating to the use, collection storage, treatment, control, removal or cleanup of hazardous or toxic substances in, on, under, over or about the Property or in, on, under, over or about any adjacent property that becomes contaminated with hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Property. Beneficiary may, but is not obligated to, enter upon the Property to inspect it for compliance and to take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary; and whether or not Grantor has actual knowledge of the existence of hazardous or toxic substances in, on, under, over or about the Property or any adjacent property as of the date hereof, Grantor shall reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary prior to Beneficiary acquiring title to the Property through foreclosure or deed in lieu of foreclosure, in connection with such compliance activities

11. Repayment of Beneficiary's Expenditures Grantor shall pay within ten (10) days after written notice from Beneficiary all sums expended by Beneficiary and all costs and expenses incurred by Beneficiary in taking any actions pursuant to the Loan Documents including reasonable attorneys' fees, accountants' fees, appraisal and inspection fees, and the costs for title reports. If any laws or regulations are passed subsequent to the date of this Deed of Trust which require Beneficiary to incur out-of-pocket expenses in order to maintain, modify, extend or foreclose this Deed of Trust, revise the terms of the Loan Documents or any of the Secured Obligations, Grantor shall reimburse Beneficiary for such expenses within fifteen (15) days after written notice from Beneficiary. Expenditures by Beneficiary shall bear interest from the date of such advance or expenditure at the rate of twelve percent (12%) per annum, shall constitute advances made under this Deed of Trust and shall be secured by and have the same priority as the lien of this Deed of Trust. If Grantor fails to pay any such expenditures, costs and expenses and interest thereon, Beneficiary may, at its option, without foreclosing the lien of this Deed of Trust, commence an independent action against Grantor for the recovery of the expenditures and/or advance any undisbursed proceeds under the Note to pay the expenditures

12. Accelerating Transfers.

(a) "Accelerating Transfer" means any sale, conveyance, encumbrance, transfer of full possessory rights, or other transfer, excluding Leases, of all or any part of the Property or any interest in it, whether voluntary, involuntary, by operation of law or otherwise and whether or not for record or for consideration.

(b) Grantor agrees that Grantor shall not make any Accelerating Transfer without Beneficiary's prior written consent, not to be unreasonably withheld. If any Accelerating Transfer occurs without Beneficiary's prior written consent, Beneficiary in its sole discretion may declare an immediate default and all sums secured by this Deed of Trust to be immediately due and payable, and Beneficiary may invoke any rights and remedies provided herein.

13. Release of Parties or Property. Without affecting the obligations of any party under the Loan Documents and without affecting the lien of this Deed of Trust, Beneficiary and/or Trustee may, without notice (a) release all or any Grantor and/or any other party now or hereafter liable for any of the Secured Obligations (including guarantors), (b) release all or any part of the Property, (c) subordinate the lien of this Deed of Trust, (d) take and/or release any other security for or guarantees of the Secured Obligations, (e) grant an extension of time for performance of the Secured Obligations, (f) modify, waive, forbear, delay or fail to enforce any of the Secured Obligations, (g) sell or otherwise realize on any other security or guaranty prior to, contemporaneously with or subsequent to a sale of all or any part of the Property, and (h) make advances pursuant to the Loan Documents including advances in excess of the Note amount.

14. Status of Grantor. Grantor's exact legal name is correctly set forth at the end of this Deed of Trust. Grantor will not cause or permit any change to be made in his name or identity unless the Grantor shall have notified Beneficiary in writing of such change at least fifteen (15) days prior to the effective date of such change, and shall have first taken all action required by Beneficiary for the purpose of further perfecting or protecting the lien and security interest of Beneficiary in the Property.

ARTICLE IV

1. Insurance.

(a) Grantor shall maintain such insurance on the Property as is commercially reasonable, with premiums prepaid, providing replacement cost coverage and insuring against loss by fire and such other risks covered by extended coverage insurance. Grantor also shall maintain commercial general public liability insurance. All insurance shall be with companies satisfactory to Beneficiary and in such amounts as is commercially reasonable, with lender's loss payable clauses in favor of and in form satisfactory to Beneficiary. At least thirty (30) days prior to the expiration of the term of any insurance policy, Grantor shall furnish Beneficiary with written evidence of renewal or issuance of a satisfactory replacement policy. If requested Grantor shall deliver copies of all policies to Beneficiary. Each policy of insurance shall provide Beneficiary with no less than thirty (30) days prior written notice of any cancellation, expiration, non-renewal or modification.

(b) In the event of foreclosure of this Deed of Trust all interest of Grantor in any insurance policies pertaining to the Property and in any claims against the policies and in any proceeds due under the policies shall pass to Beneficiary.

(c) If under the terms of any Lease the lessee is required to maintain insurance of the type required by the Loan Documents and if the insurance is maintained for the benefit of both the lessor and Beneficiary, Beneficiary will accept such policies provided all of the requirements of Beneficiary and the Loan Documents are met. In the event the lessee fails to maintain such insurance, Grantor shall promptly obtain such policies as are required by the Loan Documents.

(d) If Grantor fails to maintain commercially reasonable insurance required of it, or fails to pay any premiums with respect to such insurance, Beneficiary may obtain such replacement insurance as it deems necessary or desirable, or pay the necessary premium on behalf of Grantor, and any sums expended by Beneficiary in so doing shall be added to the principal balance of the Note and bear interest at the rate of twelve percent (12%) per annum.

2. Damages and Condemnation and Insurance Proceeds

(a) Grantor shall be entitled to (i) all awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it; (ii) all other awards, claims and causes of action, arising out of any warranty affecting all or any part of the Property, or for damage or injury to or decrease in value of all or part of the Property or any interest in it; (iii) all proceeds of any insurance policies payable because of loss sustained to all or part of the Property; and (iv) all interest which may accrue on any of the foregoing.

(b) Grantor shall immediately notify Beneficiary in writing if: (i) any damage occurs or any injury or loss is sustained in the amount of \$25,000 or more to all or part of the Property, or any action or proceeding relating to any such damage, injury or loss is commenced; or (ii) any offer is made, or any action or proceeding is commenced, which relates to any actual or proposed condemnation or taking of all or part of the Property. If Beneficiary chooses, it may require Borrower to reduce the principal amount outstanding under the Note in an amount equal to the insurance proceeds or award offer, in an amount up to the amount outstanding under the Note.

ARTICLE V

1. Default; Remedies.

(a) Grantor will be in default under this Deed of Trust upon the occurrence of any one or more of the following events: (i) subject to the right to cure as set forth below, any payment is not made when due under the Note or any other Secured Obligation, this Deed of Trust or any other Loan Document; (ii) subject to the right to cure as set forth below, there is a default under, a breach of, or failure to materially perform any other covenant, agreement or

obligation to be performed under the Note or any other Secured Obligation, this Deed of Trust or any other Loan; (iii) any representation or warranty contained in this Deed of Trust or any other Loan Document, proves to be false or misleading in any material respect, and as a result Beneficiary reasonably believes that Grantor's financial condition or Grantor's ability to pay its debts as they become due will thereby be materially impaired; (iv) Grantor defaults in any material respect under any lease or other contract or agreement relating to the Property, and such default is not cured within the applicable cure period, if any; (v) Grantor, or Borrower, is in default with respect to any other loan or business or financial accommodation from Beneficiary to Grantor; (vi) Grantor, or Borrower files a petition or action for relief under any bankruptcy, reorganization or insolvency laws or makes an assignment for the benefit of creditors; or (vii) an involuntary petition is filed against Grantor or Borrower under any bankruptcy, reorganization or other insolvency laws, or a custodian, receiver or trustee is appointed to take possession, custody or control of the Property, and such petition or appointment is not set aside, withdrawn or dismissed within thirty (30) days from the date of filing or appointment.

(b) In the event of a default Beneficiary may declare the Secured Obligations, evidenced by the Note or any other Loan Document, immediately due and payable after notice as set forth in Section 2 below, and/or exercise its rights and remedies under the Loan Documents and applicable law including foreclosure of this Deed of Trust judicially as a mortgage or non-judicially pursuant to the power of sale. Beneficiary's exercise of any of its rights and remedies shall not constitute a waiver or cure of a default. Beneficiary's failure to enforce any default shall not constitute a waiver of the default or any subsequent default. In the event of foreclosure, the cost of the title premium for the trustee's sale guarantee (or equivalent title policy or report) shall be paid for by Grantor. If the Loan Documents are referred to an attorney for enforcement or preservation of Beneficiary's rights or remedies, whether or not suit is filed or any proceedings are commenced, Grantor shall pay all Beneficiary's reasonable costs and expenses including Trustee's and attorneys' fees (including reasonable attorneys' fees for any appeal, bankruptcy proceeding or any other proceeding), accountants' fees, appraisal and inspection fees and cost of title report.

2. Notice and Opportunity to Cure Notwithstanding any other provision of this Deed of Trust, Beneficiary shall not accelerate the maturity of one or more of the Secured Obligations or exercise any of its other remedies under any of the Loan Documents (a) because of a monetary default (defined below) by Grantor or Borrower unless Grantor fails to cure the default within fifteen (15) days of the date on which Beneficiary mails or delivers written notice of the default to Grantor, or (b) because of a nonmonetary default (defined below) by Grantor or Borrower unless Grantor fails to cure the default within thirty (30) days of the date on which Beneficiary mails or delivers written notice of the default to Grantor. For purposes of this Deed of Trust, the term "monetary default" means a failure by Grantor or Borrower to make any payment required of it pursuant to the Note or any other Loan Document, and the term "nonmonetary default" means a failure by Grantor or Borrower or any other person or entity to perform any obligation contained in the Note or any other Loan Document, other than the obligation to make payments provided for in the Note or any other Loan Document. If a nonmonetary default is capable of being cured and the cure cannot reasonably be completed within the thirty (30) day cure period,

the cure period shall be extended up to ninety (90) days so long as Grantor or Borrower has commenced action to cure within the thirty (30) day cure period, and in Beneficiary's opinion, Grantor or Borrower is proceeding to cure the default with due diligence. None of the foregoing shall be construed to obligate Beneficiary to forebear in any other manner from exercising its remedies and Beneficiary may pursue any other rights or remedies which Beneficiary may have because of a default.

3. Nonjudicial Foreclosure In the event of a default, Beneficiary may elect to foreclose by exercise of the power of sale granted in this Deed of Trust and, in doing so, to deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Grantor's interest in the Improvements to be sold (the "Notice of Default"), together with this Deed of Trust and the Note and such receipts or other evidence of expenditures made by Beneficiary and secured by this Deed of Trust as Trustee may require.

4. Judicial Foreclosure In the event of a default, Beneficiary may commence an action to judicially foreclose this Deed of Trust as a mortgage. The Improvements may be sold at one or more sales, as a whole or in such parcels or lots, with such elements of real property, and in such manner or order as the Beneficiary, in its sole discretion, may elect. Beneficiary will be entitled to possession of the Property during any redemption period allowed under the laws of the State of Idaho. However, if Grantor remains in possession of the Property after it has been sold, Grantor will become a tenant at will of the purchaser of the Property and will pay a reasonable rental for the use thereof while the same is in Grantor's possession. During any redemption period, the purchaser may make such repairs and alterations to the Property as may be reasonably necessary for its proper operation, care, preservation or protection; pay any Impositions which become due; insure the Property against loss by casualty and itself against liability arising from its ownership and use of the Improvements; pay liens not extinguished by the foreclosure; and pay any other amounts relating to the Property as they become due. Any sums so paid, together with interest thereon from the date of the expenditure at the rate allowed under Idaho law during the period of redemption, will be included in the amount required to be paid to redeem the Property.

5. Cumulative Remedies. To the fullest extent allowed by law, all Beneficiary's and Trustee's rights and remedies specified in the Loan Documents (including this Deed of Trust) are cumulative, not mutually exclusive and not in substitution for any rights or remedies available at law or in equity. Without waiving its rights in the Property, Beneficiary may proceed against Grantor or may proceed against any other security or guaranty for the Secured Obligations, in such order and manner as Beneficiary may elect. The commencement of proceedings to enforce a particular remedy shall not preclude the discontinuance of the proceedings and the commencement of proceedings to enforce a different remedy.

6. Entry After a default, Beneficiary, in person, by agent or by court appointed receiver, may enter, take possession of, manage and operate all or any part of the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents;

collecting and receiving any payment of money owing to Grantor; completing any unfinished construction; and/or contracting for and making repairs and alterations. Grantor hereby irrevocably constitutes and appoints Beneficiary as its attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures. Although the foregoing power of attorney is effective immediately, Beneficiary shall not exercise the power until the occurrence of a default.

7. Appointment of Receiver In the event of a default, Grantor consents to, and Beneficiary, to the fullest extent permitted by applicable law, shall be entitled, without notice, bond or regard to the adequacy of the Property, to the appointment of a receiver for the Property. The receiver shall have, in addition to all the rights and powers customarily given to and exercised by a receiver, all the rights and powers granted to Beneficiary by the Loan Documents. The receiver shall be entitled to receive a reasonable fee for management of the Property. If Grantor is an occupant of the Property, Beneficiary has the right to require Grantor to pay rent at fair market rates and the right to remove Grantor from Property if Grantor fails to pay rent.

8. Sale of Property After Default. Following a default, in furtherance of the foreclosure of this Deed of Trust, either judicially or non-judicially, the Property may be sold (at trustee's sale, sheriff's sale or otherwise) separately or as a whole, and in any order, at the option of Beneficiary. In the event of a trustee's sale, Grantor, and the holder of any subordinate liens or security interest with actual or constructive notice hereof, waive any equitable, statutory or other right they may have to require marshaling of assets in connection with the exercises of any of the remedies permitted by applicable law or provided herein, or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust or foreclosure in the inverse order of alienation

9. Foreclosure of Lessee's Rights; Subordination. Beneficiary shall have the right, at its option, to foreclose this Deed of Trust subject to the rights of any lessees of the Property. Beneficiary's failure to foreclose against any lessee shall not be asserted as a claim against Beneficiary or as a defense against any claim by Beneficiary in any action or proceeding. Beneficiary at any time may subordinate this Deed of Trust to any or all of the Leases except that Beneficiary shall retain its priority claim to any condemnation or insurance proceeds

10. Repairs During Redemption In the event of a judicial foreclosure the purchaser during any redemption period may make such repairs and alterations to the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring of the Property. Any sums so paid, together with interest from the date of the expenditure at the rate provided in the judgment, shall be added to the amount required to be paid for redemption of the Property.

ARTICLE VI

1. Power of Attorney. Grantor hereby irrevocably constitutes and appoints Beneficiary and any officer or agent of Beneficiary, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor or in

Grantor's own name to execute in Grantor's name any such document and to otherwise carry out the purposes of this paragraph, to the extent that Grantor's authorization above is not sufficient. To the extent permitted by law, Grantor hereby ratifies and affirms all acts said attorneys-in-fact have lawfully done or caused to be done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable.

2. Reconveyance After Payment. Upon written request of Beneficiary stating that all obligations secured by this Deed of Trust have been paid, Trustee shall reconvey, without warranty, the Property then subject to the lien of this Deed of Trust. Grantor shall pay any costs, trustee's fees and recording fees incurred in so reconveying the Property

3. Nonwaiver of Terms and Conditions. Time is of the essence with respect to performance of the obligations under the Loan Documents. Beneficiary's or Grantor's failure to require prompt enforcement of any such obligation shall not constitute a waiver of the obligation or any subsequent required performance of the obligation. No term or condition of this Deed of Trust or any other Loan Documents may be waived, modified or amended except by a written agreement signed by Grantor and Beneficiary. Any waiver of any term or condition of the Loan Documents shall apply only to the time and occasion specified in the waiver and shall not constitute a waiver of the term or condition at any subsequent time or occasion

4. Right of Subrogation. Beneficiary is subrogated to the rights, whether legal or equitable, of all beneficiaries, mortgagees, lienholders and owners directly or indirectly paid off or satisfied in whole or in part by any proceeds advanced by Beneficiary under the Loan Documents, regardless of whether such parties assigned or released of record their rights or liens upon payment.

5. Statement of Amount Owning. Beneficiary within fifteen (15) days after request by Grantor will furnish Beneficiary a written statement of the amount due under the Loan Documents, any offsets or defenses against the amount claimed by Beneficiary, and such other factual matters as Grantor may reasonably request.

6. Payment of New Taxes. If any federal, state or local law is passed subsequent to the date of this Deed of Trust which requires Beneficiary to pay any tax because of this Deed of Trust or the sums due under the Loan Documents (excluding income taxes), then Grantor shall pay to Beneficiary on demand any such taxes if it is lawful for Grantor to pay them, or, in the alternative Grantor may repay all sums due under the Loan Documents within thirty (30) days of such demand.

7. Notices. Except for any notice required under applicable law to be given in another manner, all notices, certificates, requests, demands and other communications provided for hereunder or under any other Loan Document shall be in writing and shall be (a) personally delivered, or (b) sent by overnight courier of national reputation (c) by United States mail or, (d) by facsimile transmission with conformation, in each case addressed to the party to whom notice is being given at its address as set forth above or, as to each party, at such other address as may

hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (a) the date received if personally delivered, (b) the first business day after the date sent if sent by overnight courier, or (c) three (3) business days after the date sent if sent by United States mail.

8. Controlling Document. In the event of a conflict or inconsistency between the terms and conditions of this Deed of Trust and the terms and conditions of any other of the Loan Documents, the terms and conditions of this Deed of Trust shall prevail.

9. Invalidity of Terms and Conditions. If any term or condition of this Deed of Trust is found to be invalid, the invalidity shall not affect any other term or condition of the Deed of Trust and the Deed of Trust shall be construed as if not containing the invalid term or condition.

10. Legislation Affecting Beneficiary's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Deed of Trust unenforceable according to its terms, Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust and may invoke any remedies permitted herein.

11. Rules of Construction. This Deed of Trust shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited partnerships, limited liability companies and other forms of entities. This Deed of Trust inures to the benefit of, and binds all parties named herein and their successors and assigns. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Deed of Trust.

12. Applicable Law. The Loan Documents shall be governed by and construed in accordance with the laws of the State of Idaho without regard to conflicts of laws rules.

13. Definitions. Any term used in this Deed of Trust and used or defined in the Idaho Uniform Commercial Code, as in effect from time to time (the "UCC"), and not otherwise defined in this Deed of Trust or the Loan Documents shall have the meaning given to that term in the UCC.

14. Hypothecation Deed of Trust - Agreement of Borrower. Borrower (defined above), by its execution of this Deed of Trust, agrees that it shall be subject to, bound by, and personally obligated to pay, observe and perform, jointly and severally with Grantor, each and every of the terms, covenants, and conditions of this Deed of Trust as if Borrower had executed this Deed of Trust as Grantor; provided that any limitation of liability on the part of or applicable to Grantor shall not be applicable to or for the benefit of Borrower, it being understood that Borrower's obligations to Beneficiary under this Deed of Trust or the Loan Documents or otherwise are without limit to liability except as may be expressly and specifically set forth in a separate written agreement signed by Beneficiary.

GRANTOR:

The Idaho Alumni Association of Alpha Gamma Rho, Inc.

Glenn Poxleitner, President

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of May, 2009, before me, _____, a Notary Public in and for said State, personally appeared Glenn Poxleitner, known or identified to me to be the President of The Idaho Alumni Association of Alpha Gamma Rho, Inc., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Notary Public for Idaho
Residing at _____
My commission expires _____

REQUEST FOR FULL RECONVEYANCE
To be used only when all obligations have been paid
under the Note and this Deed of Trust

TO: TRUSTEE

The undersigned is the legal owner and holder of the Note and all other indebtedness secured by the within Deed of Trust Said Note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said Note above mentioned and all other evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Board of Regents of the University of Idaho

Lloyd E Mues
Vice President, Finance & Administration

Dated _____, 2009.

Mail reconveyance to: Idaho Alumni Association of Alpha Gamma Rho, Inc
PO Box 3472,
Moscow ID 83843

SCHEDULE A**LEGAL DESCRIPTION**

Property is described as the real property located in the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows: Commencing at the center quarter corner of Section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said Section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the Point of Beginning; Thence South 77°08'30" West 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the Point of Beginning.

EXHIBIT C TO PURCHASE AND SALE AGREEMENT GROUND LEASE

THIS GROUND LEASE (“**Ground Lease**”) is made as of the 1st day of July, 2009, by and between **Idaho Alumni Association of Alpha Gamma Rho, Inc.**, an Idaho non-profit corporation, and **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the state of Idaho.

1. Definitions. The following terms as used in this Ground Lease shall have the meanings hereinafter set forth:

1.1 “Landlord”: The Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho

1.2 “Leased Premises”: That certain real property located in the City of Moscow, County of Latah, State of Idaho, as more particularly described in **Schedule I** attached hereto and incorporated herein by this reference together with all easements, rights and appurtenances thereto but excluding all buildings and improvements located thereon

1.3 “Lienholder”: Any mortgagee under a mortgage, trustee or beneficiary under a deed of trust, or other secured party under any other form of financing constituting a lien on the Leased Premises.

1.4 “Tenant”: Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation

2. Term.

2.1 Initial Term. Landlord leases and Tenant rents the Leased Premises for a term of forty (40) consecutive years commencing on July 1, 2009, and terminating on June 30, 2049.

2.2 Option Term. Tenant shall have one option to extend the term of this Ground Lease to June 30, 2089. To be eligible for such option term, the following conditions must be met (a) Tenant shall deliver to Landlord written notice of Tenant's election to exercise the extension option on or before February 1, 2049; (b) Tenant shall not be in default of this Ground Lease, after application of all notice and cure periods, both at the time of extension and upon commencement of the option term; and (c) at any time after July 1, 2029 but prior to commencement of the option term, Tenant shall have completed such remodeling, alteration, or improvement of Tenant's building on the Leased Premises (which may be completed in phases) of sufficient magnitude to extend the useful life of Tenant's building to June 30, 2089. In the event Landlord concludes the remodeling, alteration, or improvement of Tenant's building is insufficient to demonstrate the proposed work will effectively extend the useful life of the building to June 30, 2089, Landlord shall identify its concerns relating to the insufficiency in writing and submit those written concerns to Tenant. Tenant shall then provide Landlord with its plans to address Landlord's concerns. All plans will be evaluated in accordance with the procedures in Section 5.2 of this Ground Lease and the standard established in this Section 2.2.

2.3 Tenant's Early Termination Option. Upon at least one year's prior written notice to Landlord, Tenant may at any time during the initial or option term terminate this Ground Lease, so long as Leased Premises and any existing improvements on Leased

Premises are surrendered to Landlord in a condition free of any liens, conditions or encumbrances at the time of early termination. Surrender of Tenant's property interests to Landlord by this early termination option shall be subject to Section 16.2 of this Ground Lease.

3. Rent.

3.1 Amount. Tenant shall pay during the initial term of this Ground Lease from and after July 1, 2009 an annual rent in the amount of One Thousand Five Hundred Dollars (\$1,500) per year and, in the event Tenant exercises its option term as provided in Section 2.2 of this Lease, the amount of Two Thousand Five Hundred Dollars (\$2,500) per year during the Option Term ("**Annual Rent**"). Any other amounts due and payable to Landlord from Tenant under this Ground Lease shall be considered rent.

3.2 Delivery and Date of Rent Payments. Annual Rent to Landlord shall be made payable to "Bursar, University of Idaho", and mailed to the attention of "General Accounting, University of Idaho, Moscow ID 83844-3166" or such different address as Landlord shall provide to Tenant by written notice. The initial Annual Rent shall be payable and received on or before July 1, 2009, and each subsequent years' Annual Rent shall be payable and received on or before July 1 of each subsequent year during the terms of this Ground Lease.

4. Tenant's Use. Tenant may only use the Leased Premises for the housing of and related services to students enrolled, intending to enroll in the next enrollment period, or planning to continue a course of study beginning as of the next enrollment period at the University of Idaho and which are active members of the Alpha Gamma Rho Fraternity. Notwithstanding the foregoing sentence, house directors, resident advisors, caretakers, janitors,

and other personnel of a character and number necessarily and customarily involved in the housing of students shall be permitted to occupy the Leased Premises. No tents, trailers, or shacks shall be permitted on the Leased Premises. Parking shall only be permitted on the Leased Premises in parking areas developed with, and accessible from, paved surfaces of asphalt or concrete. Parking desired by Tenant's occupants or other personnel that is off the Leased Premises, but on adjoining UI property or nearby public or private streets shall be permitted in accordance with the Landlord's "Campus Parking Regulations" as they exist at the time of Ground Lease and as those regulations may be amended from time to time. After remodeling of the student housing building as described in Section 5.1 (Remodeling) and issuance of a "certificate of occupancy" therefor, Tenant shall operate the Leased Premises for the housing of University of Idaho students and active members of Alpha Gamma Rho Fraternity and shall not permit the improvements on the Leased Premises to be vacated or abandoned, except during university observed holidays or breaks, university closures and cessations of use caused by casualty, condemnation or remodel. Furthermore, Tenant shall use its best efforts to rent one-hundred percent (100%) of the rooms designated for housing to active members of the Alpha Gamma Rho Fraternity on the Leased Premises during all periods of operation. Failure to have at least twenty members residing on the premises at any given time during spring or fall academic sessions (except in instances of casualty, condemnation or approved remodel or reconstruction requiring temporary cessation of use), may be deemed a Default and subject to the provisions of Article 14 (Default) of this Ground Lease.

5. Remodeling, Alterations and Improvements.

5.1 Initial Remodeling. Tenant, at Tenant's sole cost and expense, shall commence initial remodeling of the Tenant's building on the Leased Premises, according to

plans and specifications approved by Landlord (pursuant to Section 5.2 below), on or before August 1, 2009. The Tenant's building shall receive a certificate of occupancy for use as multi-tenant housing from the City of Moscow by no later than June 1, 2010

5.2 Approval Procedure. Before any construction, alteration (including, without limitation, color changes and landscaping) or improvement (including, without limitation parking areas and signs; provided that temporary signs and decorations associated with special events of the students shall be permitted without Landlord's approval but subject to campus regulations) to any building, structure, grounds or any other improvement on or to be located on the Leased Premises is commenced, Tenant shall obtain Landlord's prior written approval from the respective directors of University of Idaho Facilities' Architectural and Engineering Services and, if applicable, Information Technology Services (or functional equivalent of either at the time of construction, alteration or improvement planning). Such approval shall not be unreasonably withheld. Tenant and Landlord hereby agree that Landlord may reasonably withhold approval of any proposed construction, alteration or improvement in order to preserve the architectural character of the campus and neighborhood located on Landlord's nearby property, and that it is reasonable for the Landlord to withhold approval for construction and alterations that are inconsistent with the architectural style existing in similarly used buildings in the neighborhood at the time of Tenant's submission. It shall not be reasonable for Landlord to withhold approval in order to initiate an architectural style not existing in similarly used buildings in the neighborhood at the time of Tenant's submission. When obtaining Landlord's approval, sufficient information shall be sent to Landlord to enable Landlord to make a reasonable decision as to the proposal. Failure of Tenant to receive approval from University of Idaho's Information Technology Services

("ITS"), shall not singularly constitute Landlord's denial of approval to proposed construction, so long as Tenant acknowledges in writing to Landlord that Tenant's failure to receive approval from ITS may result in ITS functions being unavailable for Tenant's improvements to Leased Premises and that certain standards, as specified by ITS, may be required for any installation of information technology infrastructure.

5.3 Diligent Completion. Once any construction, alteration or improvement is commenced, the same shall be continuously and diligently pursued to completion.

5.4 Liens. Except as otherwise permitted in Section 20 (Mortgage) and the lien of Landlord's Deed of Trust, Tenant shall keep the Leased Premises and all improvements thereon free from any liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant or to the Leased Premises. Any work performed, materials furnished or obligations incurred shall be at Tenant's sole request and not at the instance of or as agent for Landlord. Tenant shall, within thirty (30) days after any lien is recorded against the Leased Premises, cause such lien or claim of lien to be released of record or transferred to bond in accordance with Idaho law. If Tenant fails to cause such lien or claim of lien to be released of record or transferred to bond, Landlord shall have the right, at Tenant's expense, to transfer said lien to bond.

5.5 Construction Requirements. Tenant shall comply with and shall require all contractors and subcontractors to comply with all applicable federal, state and local laws, rules and regulations when performing any work on or delivering materials for the Leased Premises and any building, structure or improvement on or serving the Leased Premises, including but not limited to any construction during initial remodeling. All construction shall comply with all applicable federal, state and local laws, rules and regulations and shall

comply with the Landlord's design standards as determined by the University of Idaho Facilities' Architectural and Engineering Services. In the event Tenant intends to be eligible for connection to Landlord's telecommunications and network infrastructure, Tenant shall also comply with Landlord's relevant infrastructure standards as defined by ITS at the time of construction. All construction staging shall occur on the Leased Premises, unless a separate license agreement is granted by Landlord specifying the precise location that staging may occur on the Landlord's nearby property.

6. Maintenance and Restoration of the Leased Premises.

6.1 Maintenance and Repair by Tenant. Tenant shall, at Tenant's sole cost and expense, maintain, repair and replace (except as otherwise permitted in Section 6.3) as necessary in good working condition, reasonable wear and tear excepted, all buildings, structures, and improvements (including but not limited to parking areas) on the Leased Premises and maintain, repair and replace as necessary all above and below ground utilities, exclusively serving Tenant's property on the Leased Premises and the extension from the Tenant's property on the Leased Premises to such utility's connection at the main line serving the Tenant's property. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in a good, clean and attractive condition, free from waste and in compliance with all laws, rules, regulations and ordinances, reasonable wear and tear excepted. Tenant shall regularly sweep all paved surfaces and keep the same free of snow and ice. All landscaping on the Leased Premises shall be regularly watered and maintained (including replacement of dead or damaged plants) and Tenant shall replace and maintain such landscaping so as to enhance the overall appearance of the surrounding neighborhood. Any planned changes to landscaping beyond maintenance and replacement of existing plants

or materials with the same species or materials, shall be submitted in writing for approval to the Director of the University of Idaho Landscape and Exterior Services (or functional equivalent at the time of the proposed landscaping).

6.2 Maintenance and Repair by Landlord. Landlord shall not be responsible for any maintenance, repair or replacement of the Leased Premises or any building, structure, landscaping, or improvement (including, without limitation, any utility) on the Leased Premises unless such maintenance, repair or replacement is required by Section 7 4 or because of the willful or negligent act or omission of Landlord. Landlord has no obligation to provide fire or police protection for the Leased Premises. In the event Tenant shall fail to complete its obligations under Section 6.1 (Maintenance and Repair by Tenant), after notice and an opportunity to cure as provided for in Article 14 (Default), Landlord may perform the same at Tenant's expense and Tenant shall reimburse Landlord for all costs incurred by Landlord within fifteen (15) days after receipt of an invoice for the expenses.

6.3 Restoration.

(a) In the event any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, Tenant may terminate this Ground Lease by delivering written notice to Landlord within thirty (30) days after the occurrence of such casualty. This Ground Lease shall terminate once Tenant has removed the improvements on the Leased Premises, capped all utilities exclusively serving Tenant's property, graded the Leased Premises in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, installed an automatic sprinkler system for that portion of the Leased Premises formerly occupied by Tenant's property and which is equivalent to and ties in with

Landlord's sprinkler system for the remainder of the Leased Premises, and covered that portion of the Leased Premises formerly occupied by Tenant's property with sod of an equivalent type used by Landlord on the remaining portion of the leased premises (hydro-seeding shall not be permitted). Tenant shall complete its obligation set forth in the preceding sentence within sixty (60) days after Tenant has delivered the lease termination to Landlord. In the event Tenant should fail to complete those obligations within such sixty (60) day period, Landlord may perform such obligations at Tenant's expense. In the event Landlord incurs any expenses in performing such obligations, Landlord, in Landlord's sole discretion, shall be entitled to so much of the insurance proceeds payable on account of such casualty as is necessary to reimburse Landlord for Landlord's expenses, and/or to receive payment directly from Tenant if the casualty is caused by an uninsured event.

(b) In the event Tenant does not elect to terminate this Ground Lease after any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, this Ground Lease shall continue in full force and effect, without abatement in Annual Rent, and Tenant shall pursue repair or restoration of the casualty within forty-five (45) days after the casualty, subject to Landlord's approval pursuant to Section 5.2 (Approval Procedure), and shall thereafter diligently pursue the repair or restoration to completion. Any repair or restoration made by Tenant shall return the building to a similar or improved size, function and quality as existed prior to the casualty unless otherwise approved by Landlord in writing.

7. Landlord's Title.

7.1 Fee Title. Landlord covenants that Landlord is the holder of fee simple title to the Leased Premises and that Landlord has full right and authority to enter into this Ground Lease.

7.2 Quiet Enjoyment. Landlord covenants that so long as Tenant is not in default under this Ground Lease, Tenant shall have quiet and peaceful possession of the Leased Premises without unreasonable interference from Landlord.

7.3 Delivery of Leased Premises. Prior to this Ground Lease, Landlord has given Tenant ample opportunity to inspect and test the condition of the Leased Premises. Therefore, Tenant takes possession of the Leased Premises in its "AS-IS" condition with all faults, including both latent and patent defects, and Tenant releases Landlord from any and all liability to Tenant relating to any aspect or condition of the Leased Premises, known or unknown, foreseeable or unforeseeable, actual or contingent, arising by statute, common law or otherwise EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, LANDLORD AND LANDLORD'S AGENTS ARE NOT MAKING, HAVE NOT MADE AND EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY ASPECT, FEATURE OR CONDITION OF THE LEASED PREMISES INCLUDING, WITHOUT LIMITATION, THE EXISTENCE OF HAZARDOUS WASTE, OR THE SUITABILITY OF LEASED PREMISES FOR TENANT'S INTENDED USE TENANT IS RELYING SOLELY UPON TENANT'S INSPECTIONS AS TO THE CONDITION OF LEASED PREMISES. However, Landlord will make available for Tenant those reports, data and inspections Landlord is aware of related to the purposes of this section and which are in the possession of the Landlord's Real Estate Office at the time of Landlord's signature to this Ground Lease.

7.4 Landlord's Reservations. At Landlord's sole expense, or as separately agreed to by the affected parties, Landlord reserves the right to install public or private utilities, communication lines and cables and any other services for the benefit of Landlord or

Landlord's surrounding properties on, over, under or through those portions of the Leased Premises dedicated for public utility lines or otherwise not covered by any building or structure; provided that the installation, operation, repair and replacement of such services does not unreasonably interfere with Tenant's use of the Leased Premises and Landlord repairs any damage done to the Leased Premises caused by the installation, operation, repair and replacement of such services. Landlord reserves the rights-of-way for all utilities communication lines and cables and any other services currently existing on, over, under or through the Leased Premises

8. Taxes and Assessments. At the present time, because of Landlord's tax status, there are no taxes levied against the Leased Premises. Should property taxes be levied or assessed against the Leased Premises, Tenant agrees to pay prior to delinquency all taxes and assessments, if any, levied or assessed against the Leased Premises or Tenant's personal property thereon during the term of this Ground Lease. In the event any taxes or assessments levied or assessed against the Leased Premises during the term of this Ground Lease may be legally paid in installments, Tenant may pay such taxes or assessments in installments.

9. Utilities. Tenant agrees to pay all charges for electricity, gas, heat, sewer, water, telecommunication infrastructure system, television cable, waste disposal and all other utility services provided for the exclusive use of the Leased Premises during the term of this Ground Lease. Landlord shall not be liable for any interruption in utilities furnished to the Leased Premises, nor does Landlord warrant that any of the utilities mentioned above are available from various utility providers including the Landlord. In the event Landlord provides such services, Tenant shall make separate arrangements with the appropriate university service department and shall pay separately for such services as directed by that department. These service charges are

not included in Annual Rent and provision of services is not an obligation of Landlord under the terms of this Ground Lease.

10. Indemnification and Insurance.

10.1 Tenant's Indemnity. Tenant hereby waives as to Landlord, releases Landlord and agrees to indemnify, defend and hold harmless Landlord from and against any and all liability, claims, damages, expenses (including attorneys' fees and attorneys' fees on any appeal), judgments, proceedings and causes of action, for injury to or death of any person or damage to or destruction of any property occurring on the Leased Premises during Tenant's tenancy or arising out of Tenant's use or occupancy of the Leased Premises unless caused by a willful or negligent act taken by Landlord on the Leased Premises.

10.2 Liability Insurance. Tenant, at Tenant's sole cost and expense, shall provide and maintain commercial general liability insurance (Occurrence Basis) with broad form coverage endorsement covering its obligations under this Article 10 and insuring it against claims for personal injury, bodily injury or death, and property damage or destruction. Such insurance shall be written with an insurer licensed to do business in the state of Idaho, shall name Landlord as additional insured on ISO Form CG 2026 1185, and contain a waiver of subrogation endorsement in favor of Landlord. The initial limits of liability of all such insurance shall be not less than \$1,000,000 for personal injury or bodily injury or death of any one person, \$1,000,000 for personal injury or bodily injury or death of more than one person in one occurrence and \$500,000 with respect to damage to or destruction of property; or, in lieu of such coverage, a combined single limit (covering personal injury, bodily injury or death and property damage or destruction) with a limit of not less than \$2,000,000 per occurrence.

10.3 Property Insurance. Tenant, at Tenant's sole cost and expense, shall purchase and maintain Causes of Loss-Special Form (formerly "all risk") Property Insurance (including demolition and increased cost of construction) insuring one hundred percent (100%) of the replacement cost of all improvements, buildings, structures, furniture, fixtures, and equipment located on the Leased Premises. The insurance shall name Landlord as a loss payee, as Landlord's interests may appear under the terms of this Ground Lease, and contain a waiver of subrogation in favor of Landlord.

10.4 Workers' Compensation Insurance. Tenant, at Tenant's sole cost and expense, shall carry Workers' Compensation Insurance as required by Idaho law. No "alternative" forms or self insurance coverage will be allowed.

10.5 Auto Insurance. For any vehicles owned by Tenant, Tenant, at Tenant's sole cost and expense, shall carry Commercial Business Automobile Liability Insurance (Occurrence Basis) with a \$1,000,000 combined single limit coverage. Such insurance shall be endorsed with a waiver of subrogation endorsement in favor of Landlord and include coverage for hired and non-owned vehicles and owned vehicles.

10.6 Insurance Requirements. For all insurance which Tenant is required to maintain hereunder, Tenant shall furnish Landlord with certificates evidencing the insurance. All policies shall be obtained from an insurer licensed to do business in the State of Idaho, with a Best's Rating of "A" or higher and a Financial Size Category of "VIII" or higher. The policies of insurance shall provide that the insurance represented by the certificates shall not be cancelled, materially changed or nonrenewed without the giving of thirty (30) days' prior written notice to the holders of the insurance and the holders of the certificates. No policy will contain a deductible or self-insured retention in excess of \$10,000 without Landlord's

prior written approval. If requested by Landlord, Tenant will promptly deliver to Landlord a certified copy of any insurance policies required by this Lease. If the forms of policies, endorsement, certificates, or evidence of insurance required by this Article 10 are superseded or no longer available or the rating service of insurers is no longer available or modified, Landlord will have the right to require other equivalent or better forms. Furthermore, Landlord shall have the right to adjust the dollar amounts required by this Article 10 from time to time in a reasonable manner. Failure of Landlord to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Landlord to identify a deficiency from evidence that is provided shall not be construed as a waiver of Tenant's obligation to maintain such insurance. By requiring insurance herein, Landlord does not represent that coverage and limits will necessarily be adequate to protect Tenant, and such coverage and limits shall not be deemed as a limitation on Tenant's liability under the indemnities granted to Landlord in this Ground Lease.

10.7 Noncontribution. The insurance carried by Tenant hereunder shall be primary and not contributory with any other insurance that is maintained by Landlord.

10.8 Blanket Policy. All insurance which Tenant is required to maintain hereunder may be provided under a blanket policy provided such policy otherwise complies with the requirements of this Ground Lease and is endorsed with an Aggregate Limits of Insurance (Per Location) endorsement.

10.9 Net Worth. Tenant agrees to maintain a net worth of at least Two Hundred Fifty Thousand Dollars (\$250,000) during the term of this Ground Lease, but such net worth shall in no way limit Tenant's liabilities under this Ground Lease. Such net worth may be obtained through a letter of credit, provided that the letter of credit is not cancelled or

materially modified without thirty (30) days prior written notice to Landlord. Tenant's net worth shall be determined in accordance with generally accepted accounting principles, based on Tenant's most current balance sheet, which balance sheet shall be based on information not older than Tenant's prior fiscal year. On or before May 1 of each year during the term of this Ground Lease, Tenant shall provide Landlord with a statement certified to Landlord by Tenant's certified public accountant showing Tenant's current net worth. Except as required by applicable disclosure requirements, Landlord shall keep such statement confidential.

11. Condemnation.

11.1 Termination Right. In the event of a taking of, or damage to, any portion of, interest in or access to the Leased Premises, or any easements, rights or appurtenances thereto by eminent domain or any transfer in lieu thereof or by any other governmental action, which taking or damage materially and adversely affects Tenant's use of the Leased Premises, Tenant may terminate this Ground Lease as of the date of such taking or damage by written notice to Landlord within three (3) months after the taking or damage deprives Tenant of possession of any such portion of, interest in or access to the Leased Premises, or any easements, rights or appurtenances thereto. In no event will a taking or condemnation of all or any portion of the Leased Premises constitute a default by Landlord under this Ground Lease, including, without limitation, Landlord's covenant of quiet enjoyment. Tenant shall not be entitled to any awards or payments made in the condemnation proceedings as compensation for the loss of its leasehold interests in the Leased Premises. Tenant shall only be entitled to any and all awards or payments made in the condemnation proceedings with respect to any damage to tenant's owned property located on the Leased Premises together

with all additions, alterations and improvements thereto, and Tenant's trade fixtures and equipment.

12. Assignment and Subletting. Tenant may not assign this Ground Lease or sublet (other than subletting to individual o students enrolled, intending to enroll in the next enrollment period, or planning to continue a course of study beginning as of the next enrollment period at the University of Idaho and which are active members of the Alpha Gamma Rho Fraternity) the whole or any part of the Leased Premises or any improvements thereon without the prior written approval of Landlord, which approval Landlord may grant or withhold in Landlord's sole and absolute discretion. If Tenant assigns this Ground Lease, Tenant shall remain primarily liable to Landlord for the full performance of Tenant's obligations. Immediately upon any assignment or subletting of any portion of the Leased Premises, Tenant shall provide Landlord with a complete and accurate copy of the assignment or sublease document. No approval of any assignment or subletting by Landlord shall waive Landlord's right to approve any subsequent assignment or subletting. Should Tenant sublet the Leased Premises for an annual rent in excess of the Annual Rent (other than subletting to individual University of Idaho students), Tenant shall pay the excess annual rent amount to Landlord when received.

13. Compliance With All Laws and Landlord Rules. During the term of this Ground Lease, Tenant's obligations and performance under this Ground Lease shall be consistent with all Landlord regulations and policies and comply with all applicable codes, laws, orders, statutes and regulations of any federal, state, county and municipal authorities that have jurisdiction over the Leased Premises.

14. Default.

14.1 Default Defined. A party shall be deemed to be in default of this Ground Lease only upon the expiration of thirty (30) days (ten [10] days in the event of failure to pay money) from receipt of written notice from the other party specifying the particulars in which such party has failed to perform the obligations of this Ground Lease unless such party, prior to the expiration of said thirty (30) days (ten [10] days in the event of failure to pay money), has rectified the particulars specified in said notice of default. However, such party shall not be deemed to be in default if such failure (except a failure to pay money) cannot be rectified within said thirty (30) day period and such party is using good faith and its best efforts to rectify the particulars specified in the notice of default and is diligently pursuing the remedy

14.2 Landlord's Remedies. In the event of a default by Tenant, after application of the notice and cure provisions in Section 14.1, Landlord may (i) terminate this Ground Lease and re-enter the Leased Premises, (ii) perform or cure any obligation or duty of Tenant under this Ground Lease and any expense incurred by Landlord shall be due and payable by Tenant within fifteen (15) days after receipt of an invoice for the expenses, or (iii) re-enter the Leased Premises and any improvements thereon without terminating this Ground Lease and sublet the whole or any part thereof for the account of Tenant upon terms and conditions as Landlord, in Landlord's sole and absolute discretion, deems desirable. In the event of sub-item (iii), (a) Landlord shall have the right to collect any rent which may thereafter become due and payable under such sublease and to apply the same first, to the payment of any expenses incurred by Landlord in dispossessing Tenant and in subletting the Leased Premises, and second, to the payment of the Annual Rent herein reserved and to the fulfillment of Tenant's other covenants hereunder, and (b) Tenant shall be liable for amounts

equal to the several installments of Annual Rent as they would under the terms of this Ground Lease become due, less any amounts actually received by Landlord and applied on account of rent as aforesaid.

14.3 Non-Waiver. The failure of a party to insist upon strict performance of any of the terms, covenants, conditions or agreements contained herein shall not be deemed a waiver of any rights or remedies that said party may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of the terms, covenants, conditions or agreements contained herein.

14.4 Remedies Cumulative. In addition to the remedies set forth in this Ground Lease, Landlord and Tenant shall have all other remedies provided by law or statute to the same extent as if fully set forth herein word for word. No remedy herein conferred upon, or reserved to Landlord or Tenant shall exclude any other remedy herein or by law provided, but each shall be cumulative.

14.5 Cross Default. An Event of Default under the Promissory Note made by Tenant for the benefit of Landlord of even date hereof and/or a default under the Deed of Trust made by Tenant for the benefit of Landlord of even date hereof shall constitute a default under this Ground Lease.

15. Notices.

15.1 Addresses. All notices given pursuant to this Ground Lease shall be in writing and shall be given by personal delivery, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the person and address

designated below All notices to Landlord or Tenant shall be sent to the person and address set forth below:

Landlord:	Vice President for Finance and Administration University of Idaho Moscow, ID 83844-3145
Tenant:	Idaho Alumni Assoc of Alpha Gamma Rho, Inc. PO Box 3472 Moscow ID 83843

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party All notices given pursuant to this Ground Lease shall be deemed given upon receipt

15.2 Receipt. For the purpose of this Ground Lease, the term “receipt” shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to Section 15.1 as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to Section 15.1, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (a) the date of the attempted delivery or refusal to accept delivery, (b) the date of the postmark on the return receipt, or (c) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

15.3 Additional Notices. Landlord and Tenant agree that a copy of all notices given hereunder shall also be given to such other persons and addresses as Landlord or Tenant may designate in writing to the other party.

16. End of Term.

16.1 Holdover. If the Tenant shall hold over following the expiration of the term of this Ground Lease, such holding over shall be on a month-to-month tenancy under the terms of this Ground Lease

16.2 Surrender. Tenant agrees that upon termination of this Ground Lease, Tenant shall surrender Leased Premises to Landlord as provided by this Section. Prior to the end of the term Tenant may (i) remove the improvements on the Leased Premises, cap all utilities exclusively serving Tenant's property, grade the Leased Premises in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties or create hazards at the site, and cover that portion of Leased Premises that is without lawn or adequate landscaping with sod of an equivalent type used by Landlord elsewhere on Landlord's nearby property. This option to undertake such removal shall only be available to Tenant in the event Tenant is not in default and when such action is preceded by written notice to Landlord provided on or before February 1 of the year in which Tenant seeks to surrender Leased Premises. All removal or demolition work described above in this section shall be initiated after June 1 and be completed prior to August 15 of the year in which notice of such surrender is given by Tenant, but in no event after expiration of the term of this Ground Lease, unless another schedule is approved in writing by Landlord. Or (ii), if Tenant chooses not to proceed with demolition or removal of improvements as provided above, Tenant shall surrender the Leased Premises, including any and all improvements thereon, to Landlord in good condition, reasonable wear and tear excepted, and broom clean. Tenant shall, prior to the date of termination of the Lease, remove from the Leased Premises Tenant's personal property not affixed to the Leased Premises from the Leased Premises and shall repair any damage to the improvements on the Leased Premises caused by such removal. Tenant's failure to remove any of Tenant's personal property shall be deemed an abandonment thereof, whereby title shall become vested in Landlord without further action taken or notice provided. Except as provided by this Section 16.2, Tenant shall not remove

from the Leased Premises any improvements, fixtures or equipment affixed to the Leased Premises, unless removal is requested by Landlord in writing prior to the date of termination. Upon termination of this Ground Lease, Landlord may file the Quit Claim Deed attached hereto as Exhibit A and made a part hereof. Tenant agrees to execute and deliver the Quit Claim Deed to Landlord simultaneously with execution of this Ground Lease.

16.3 Survival. The obligations of Landlord and Tenant as set forth in this Section 16 (End of Term) and in Section 10 (Indemnification and Insurance) shall survive termination of this Ground Lease.

17. Estoppel Certificates.

17.1 Certificates. Each party agrees, upon receipt of written request from the other party and provided the requested party do so truthfully, to certify in writing to a prospective assignee, sublessee, purchaser or Lienholder of the requesting party (i) that this Ground Lease is in full force and effect, (ii) that this Ground Lease has not been amended (or, if it has, identifying all such amendments), (iii) that this Ground Lease has not been assigned by the requested party (or, if it has, identifying all such assignments), (iv) that, to the requested party's knowledge, the requesting party is not in default of any of the terms, covenants, conditions or agreements contained in this Ground Lease (or, if the requesting party is in default, specifying the nature of such default), and (v) such additional facts within the requested party's knowledge as may be reasonably required by the requesting party.

17.2 Waiver. Any certificate issued pursuant to Section 17.1 (Certificates) shall act as a waiver of any claim by the party furnishing it against any such prospective purchaser or Lienholder (but not against the requesting party) to the extent such claim is based upon facts contrary to those contained in the certificate and to the extent such claim is

asserted against a bona fide purchaser or encumbrancer for value without knowledge of facts to the contrary of those contained in the certificate and who has acted in reasonable reliance upon such certificate.

18. Attorneys' Fees. In the event either party to this Ground Lease initiates or defends any legal action or proceeding with the other party in any way connected with this Ground Lease, the prevailing party in any such legal action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover from the losing party in any such legal action or proceeding its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal). In the event either party to this Ground Lease initiates or defends any legal action or proceeding with a third party because of the violation of any term, covenant, condition or agreement contained in this Ground Lease by the other party to this Ground Lease, then the party so litigating shall be entitled to recover its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal) incurred in connection with such litigation from the other party to this Ground Lease. All such costs and attorneys' fees shall be deemed to have accrued on commencement of any such legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

19. Recordation of Ground Lease. A memorandum of this Ground Lease acceptable to Landlord and Tenant may be recorded in Latah County, Idaho by Tenant and at Tenant's sole cost. If a memorandum of this Ground Lease is requested by Tenant, Tenant shall execute, acknowledge and deliver to Landlord a Termination of Ground Lease in a form acceptable to Landlord which Landlord may record upon termination of this Ground Lease. A copy of the recorded document or the original document with recording information shall be

returned to Landlord at the address given in Section 15 (Notices), but to the attention of the "Real Estate Officer". A memorandum of any subsequent amendment to this Ground Lease (as provided by Section 23.11 of this Ground Lease) acceptable to Landlord and Tenant may also be recorded by Tenant in accordance with the provisions in this Section 19.

20. Mortgage.

20.1 Permitted Encumbrances. At any time after payment in full of Tenant's debt to Landlord pursuant to the Promissory Note and Deed of Trust between the parties, Tenant or any assignee or subtenant of Tenant may place a mortgage or deed of trust on any improvements constructed on the Leased Premises and on Tenant's interest in the Leased Premises. Such mortgage or deed of trust shall not encumber Landlord's fee title to the Leased Premises.

20.2 Notices to Lienholder. In the event Tenant is in default under this Ground Lease as defined in Article 14 (Default), Landlord agrees to give written notice of such default to the Lienholder under any such mortgage or deed of trust, provided the name and address of such Lienholder has been furnished to Landlord by Tenant. Landlord shall not terminate this Ground Lease, re-enter the Leased Premises, or exercise any other remedy available at law which would dispossess Tenant of the Leased Premises, provided said Lienholder has cured said default within the time allowed Tenant for same hereunder or within thirty (30) days (ten [10] days in the event of a failure to pay money) after receipt of said notice of default by said Lienholder, whichever is greater.

20.3 Attornment. Landlord further agrees that, should said Lienholder or its designee acquire Tenant's interest in the improvements constructed on the Leased Premises through a foreclosure of such mortgage or deed of trust or any transfer in lieu thereof, said

Lienholder or its designee shall have the right to attorn to Landlord, provided said Lienholder or its designee cures all defaults of Tenant under this Ground Lease existing at the time of such attornment, which are within the power of said Lienholder or its designee to cure, and Landlord will accept such attornment, and said Lienholder or its designee and Landlord shall have the same rights and obligations toward one another which they would have had had this Ground Lease been entered into with Landlord, as Landlord, and said Lienholder or its designee, as Tenant. Landlord agrees to execute any documents reasonably requested by said Lienholder and acceptable to Landlord, in Landlord's sole discretion, in connection with Landlord's obligations under this Article 20.

20.4 Subordination. This Ground Lease, at Landlord's option, shall at all times be subject and subordinate to all and any mortgage, deed of trust or other financing placed on Landlord's fee title interest in the Leased Premises and all extensions, modifications, consolidations, renewals and replacements thereof. Tenant agrees that upon written request by Landlord, Tenant will execute, acknowledge and deliver any and all instruments requested by Landlord which are necessary or proper to effect the subordination of this Ground Lease to any mortgage, deed of trust or financing placed by Landlord on the Leased Premises. Should fee title to the Leased Premises be acquired by any Lienholder in connection with any proceeding under the terms of any such mortgage, deed of trust or financing arrangement, this Ground Lease shall continue in full force and effect, and Tenant hereby agrees to attorn to such Lienholder. Any prospective Lienholder requesting subordination by Tenant shall enter into a nondisturbance agreement assuring Tenant that so long as Tenant is in compliance with the terms and conditions of this Ground Lease, Tenant's right to continue in possession of the Leased Premises shall not be interfered with.

21. **Landlord's Right of Entry.** After obtaining Tenant's consent, which shall not be unreasonably withheld or delayed, Landlord and Landlord's agents may enter the Leased Premises and any improvements thereon to (i) inspect the general condition and state of repair of the Leased Premises and any improvements thereon, (ii) show the Leased Premises and any improvements thereon to such persons as Landlord deems reasonably necessary, or (iii) for any other purpose Landlord deems reasonably necessary. In the event of an emergency arising within the Leased Premises or any improvements thereon which endangers property or persons, the consent requirement is waived by Tenant.

22. **Conveyance by Landlord.** Landlord may sell, assign or otherwise transfer the Leased Premises without the consent of Tenant. Landlord and Tenant agree that the sale of the property to a buyer not in an equivalent tax status with the University, would materially affect the parties' rights under the Ground Lease and each party hereby agrees that prior to any sale to such an entity, Landlord and Tenant will, in good faith, renegotiate paragraph 8, Taxes, and paragraph 3, Rent, prior to such sale. If Landlord should sell or transfer Landlord's interest in the Leased Premises, then effective with the date of the sale or transfer, Landlord's successor in interest shall be fully responsible for all of the terms and conditions expressed in this Ground Lease. If the successor in interest agrees in writing to be bound by all of the terms and conditions in this Ground Lease, then the Board of Regents of the University of Idaho shall be released and discharged from any and all further obligations and responsibilities under this Ground Lease (except those already accrued).

23. General Provisions.

23.1 Successors and Assigns. All of the provisions contained in this Ground Lease shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

23.2 Partial Invalidity. If any term, covenant, condition or agreement of this Ground Lease or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Ground Lease or the application of such term, covenant, condition or agreement to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition or agreement of this Ground Lease shall be valid and shall be enforced to the extent permitted by law.

23.3 Headings. The captions and headings in this Ground Lease are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

23.4 Entire Agreement. This Ground Lease contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Ground Lease shall be construed as a whole and not strictly for or against any party.

23.5 Gender. In construing the provisions of this Ground Lease and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

23.6 Authority. Each individual executing this Ground Lease on behalf of either party represents and warrants that he or she is duly authorized to execute and deliver

this Ground Lease on behalf of said party, in accordance with all agreements of such party and that this Ground Lease is binding upon said party in accordance with the terms hereof.

23.7 Venue. This Ground Lease shall be governed by the laws of the State of Idaho. All legal proceedings under this Ground Lease shall be instituted in the courts of the County of Latah, State of Idaho, and each party agrees to submit to the jurisdiction of such courts.

23.8 Joint and Several Liability. In the event any party hereto is composed of more than one person, the obligations of said party shall be joint and several.

23.9 Relationship. The provisions of this Ground Lease are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the parties.

23.10 Third Party Beneficiary. This Ground Lease is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

23.11 Amendment. No amendment, modification, release, discharge, or waiver of any provisions hereof shall be of any force, effect, or value unless in writing and signed by Landlord and Tenant.

[Signature Page Follows]

EXECUTED as of the date first above written.

LANDLORD:

TENANT:

**The Regents of the University of Idaho,
a state educational institution and body
politic and corporate organized and
existing under the constitution and laws of
the state of Idaho**

**Idaho Alumni Association of Alpha
Gamma Rho, Inc., an Idaho non-profit
corporation**

By: _____
Lloyd E Mues
Vice President,
Finance and Administration

By: _____
Glenn Poxleitner
President

ATTEST:

By: _____
Matt Yahvah
Secretary

List of Exhibits & Schedules:

Exhibit A – Quit Claim Deed
Schedule I – Description of Leased Premises

**EXHIBIT A TO GROUND LEASE
QUITCLAIM DEED FOR IMPROVEMENTS
[EXCLUDING REAL PROPERTY]**

THIS QUITCLAIM DEED FOR IMPROVEMENTS is made by THE IDAHO ALUMNI ASSOCIATION OF ALPHA GAMMA RHO, INC., an Idaho non-profit corporation herein referred to as "**Grantor**," to and for the benefit of THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and Constitution of the State of Idaho, whose address is Moscow, Idaho 83844-3168, herein referred to as "**Grantee**":

Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE, and QUITCLAIM, unto Grantee and its successors and assigns forever, all of Grantor's right title, and interest in and to the real and personal property improvements located on that certain real property located in the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho and more particularly described as follows:

Commencing at the center quarter corner of section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the **Point of Beginning**; Thence South 77°08'30" West, 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the **Point of Beginning**.

THIS CONVEYANCE DOES NOT INCLUDE THE LAND DESCRIBED ABOVE, ONLY THE REAL AND PERSONAL PROPERTY IMPROVEMENTS LOCATED UPON SUCH PROPERTY.

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, as well as in law as in equity of the Grantor in or to the said improvements, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging

[Signature Page Follows]

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR:

The Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation

By: _____
Glenn Poxleitner, President

STATE OF IDAHO)
) ss
County of Latah)

On this _____ day of May, 2009, before me, _____, a Notary Public in and for said State, personally appeared Glenn Poxleitner, known or identified to me to be the President of The Idaho Alumni Association of Alpha Gamma Rho, Inc., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Notary Public for Idaho
Residing at
My commission expires

Schedule I

Property is described as the real property located in the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows: Commencing at the center quarter corner of Section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said Section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the Point of Beginning; Thence South 77°08'30" West 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the Point of Beginning.

**EXHIBIT D TO PURCHASE AND SALE AGREEMENT
RESALE AGREEMENT**

THIS RESALE AGREEMENT ("**Agreement**") is entered into on July 1, 2009, between **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho ("**Regents**") and **The Idaho Alumni Association of Alpha Gamma Rho, Inc.**, an Idaho non-profit corporation ("**AGR**")

1. **BACKGROUND.** Regents and AGR have entered into the following documents: a Ground Lease ("**Lease**") for the real property commonly known as 745 Nez Perce Drive, Moscow, Idaho (the "**Property**"), and a Purchase and Sale Agreement dated May ____, 2009 ("**Purchase Agreement**") for the purchase and sale of all improvements located upon the Property ("**Improvements**"). AGR is paying for the Improvements in part pursuant to a Promissory Note dated July 1, 2009 ("**Note**") which Note is secured by a Deed of Trust dated July 1, 2009 ("**Deed of Trust**"). In the event of a default under the Lease, Note and/or Deed of Trust, the Regents may repossess the Improvements. AGR expects to expend significant funds to improve the Improvements which expenditure will likely increase the value of the Improvements substantially. As an inducement to AGR to expend such funds on the Improvements, the Regents are willing to enter into this Agreement.

2. **RESALE.** In the event the Regents retake possession of the Improvements as a result of a default under the Lease, Note or Deed of Trust, by foreclosure or otherwise, and the Regents subsequently resell the Improvements to a buyer which is not a governmental or quasi-governmental agency within Twenty-four (24) months after the Regents retake possession of the Improvements, within sixty (60) days after receipt of the sale proceeds the Regents will pay to AGR the one-half (1/2) of the net proceeds actually received by the Regents from the sale of the Improvements. For purposes of the preceding sentence, net proceeds shall mean the proceeds actually received by the Regents over Three Hundred and Ninety-Eight Thousand Dollars less the following: (a) attorney fees, closing costs, title insurance premiums, prorations, marketing costs, commissions or similar costs or expenses incurred by the Regents and associated with or arising out of the resale of the Improvements; (b) costs or expenses incurred by the Regents and associated with or arising out of the repossession or foreclosure of the Improvements, including, without limitation court costs, attorney fees, foreclosure costs, title insurance premiums, and advertising expenses; (c) any amounts due from AGR to the Regents; and (d) costs or expenses incurred by the Regents and associated with or arising out of the maintenance, repair, operation or possession of the Improvements from the date the Regents retake ownership of the Improvements to the date ownership of the Improvements is conveyed, including, without limitation, taxes, utilities, and insurance. In the event the proceeds paid to the Regents upon the sale of the Improvements are paid over time, the net proceeds shall mean only the payments actually received by the Regents and applied to principal and shall not include interest, points or escrow fees. Furthermore, the Regents shall pay AGR's share of the net proceeds in installments as received within sixty (60) days after receipt and only once the proceeds exceed the sum or Four Hundred Thousand Dollars plus amounts described in subsections (a) through (d) inclusive of this Section 2.

3. CONFIDENTIALITY. AGR agrees to keep confidential the terms of this Agreement. AGR agrees to use its best efforts to prevent and protect the terms of this Agreement from disclosure to any person other than AGR's employees, officers, directors and attorneys have a need for disclosure in connection with the consummation of the transactions contemplated by the Lease and Purchase Agreement. AGR agrees to take all steps reasonably necessary to protect the secrecy of the terms of this Agreement and to prevent such terms from falling into the public domain or into the possession of unauthorized persons. AGR shall not be liable under this Section 3 if the terms of this Agreement become publicly known by or through the Regents

4. GENERAL PROVISIONS.

(a) The laws of Idaho, without giving effect to its choice of law principles, govern all matters arising under or relating to this Agreement, including all tort claims.

(b) If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential provisions of this Agreement for each party remain valid, binding and enforceable

(c) The parties may amend this Agreement only by a written agreement of the parties that identifies itself as an amendment to this Agreement.

(d) This Agreement is the complete and final expression of the parties' agreement related to the subject matter of this Agreement, and all prior discussions, understandings, memoranda or other agreements are merged herein.

(e) This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

(f) In the event either party initiates or defends any legal action or proceeding in any way connected with this Agreement, the prevailing party in any such action or proceeding (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment

AGR:

Idaho Alumni Association of Alpha Gamma Rho, Inc

REGENTS:

Board of Regents of the University of Idaho

Glenn Poxleitner, President

Lloyd E. Mues
Vice President, Finance & Administration

**EXHIBIT E TO PURCHASE AND SALE AGREEMENT
QUITCLAIM DEED FOR IMPROVEMENTS
[EXCLUDING REAL PROPERTY]**

THIS QUITCLAIM DEED FOR IMPROVEMENTS is made this 1st day of July, 2009, by THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and Constitution of the State of Idaho, herein referred to as "**Grantor**," to and for the benefit of THE IDAHO ALUMNI ASSOCIATION OF ALPHA GAMMA RHO, INC , an Idaho non-profit corporation, whose address is PO Box 3472, Moscow ID 83843 herein referred to as "**Grantee**":

Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE, and QUITCLAIM, unto Grantee and its successors and assigns forever, all of Grantor's right title, and interest in and to the real and personal property improvements located on that certain real property located in the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho and more particularly described as follows:

Commencing at the center quarter corner of section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the **Point of Beginning**; Thence South 77°08'30" West, 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the **Point of Beginning**.

THIS CONVEYANCE DOES NOT INCLUDE THE LAND DESCRIBED ABOVE, ONLY THE REAL AND PERSONAL PROPERTY IMPROVEMENTS LOCATED UPON SUCH PROPERTY.

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, as well as in law as in equity of the Grantor in or to the said improvements, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging.

[Signature Page Follows]

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR:

Board of Regents of the University of Idaho

By: _____
Lloyd E Mues, Vice President,
Finance & Administration
University of Idaho

STATE OF IDAHO)
) ss.
County of Latah)

On this ____ day of _____, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd E. Mues, known to me to be the Vice President for Finance & Administration of the University of Idaho, the University that executed the instrument, and acknowledged to me that he executed the same for and on behalf of the Board of Regents of the University of Idaho.

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

Notary Public for Idaho
Residing at
My Commission Expires:

**EXHIBIT F TO PURCHASE AND SALE AGREEMENT
BILL OF SALE**

THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and Constitution of the State of Idaho, (“**Seller**”) in consideration of Ten Dollars (\$10 00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, paid to Seller by THE IDAHO ALUMNI ASSOCIATION OF ALPHA GAMMA RHO, INC., an Idaho non-profit corporation herein referred to as (“**Buyer**”), hereby sells, transfers, delivers and conveys to Buyer the following:

All real and personal property improvements located upon that certain real property commonly known as 745 Nez Perce Drive, Moscow, Idaho (collectively “**Goods**”)

SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, RELATING TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR PRESENT OR FUTURE CONDITION OF THE GOODS, (B) THE COMPLIANCE OF OR WITH ANY LAWS OF ANY APPLICABLE GOVERNMENTAL ENTITY, (C) **THE LIABILITY, MERCHANTABILITY, MARKETABILITY, OR PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE GOODS**, (D) ANY MAINTENANCE, OPERATIONS, REPAIRS OR REPLACEMENTS TO ANY GOODS MADE OR NOT MADE, OR (E) ANY OTHER MATTER WITH RESPECT TO THE GOODS EXCEPT AS SET FORTH IN THIS BILL OF SALE.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale this 1st day of July, 2009.

**SELLER:
BOARD OF REGENTS OF THE UNIVERSITY
OF IDAHO**

Lloyd E Mues
Vice President, Finance & Administration

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

UNIVERSITY OF IDAHO

SUBJECT

Authorization to proceed with Paradise Creek Ecosystem Restoration Project

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections, V.I. and V.K.

BACKGROUND/DISCUSSION

This is a request for authorization to proceed with the Paradise Creek Ecosystem Restoration Project (Project), which will relocate and restore certain reaches of Paradise Creek located on the campus of the University of Idaho. This Project is a beneficiary of stimulus funding and will be funded and managed by the U.S. Army Corps of Engineers, Walla Walla District (Corps).

This request is based upon concepts developed and documented in the University's Long Range Campus Development Plan (LRCDP), the North Campus Neighborhood Master Plan, and a Detailed Project Assessment and Environmental Analysis, dated January, 2007, and prepared by the Corps. The Project is a cooperative effort between the Corps and the University.

Project Description and Goals:

The Project area encompasses three different segments of Paradise Creek, shown in the attached map as the primary and secondary areas (Attachment 1).

The primary section of Paradise Creek that is slated for this Project is on the north side of campus. This section of the creek was rerouted in the early 1900s and covered by Paradise Creek Street in the 1960s. The creek now enters a fully enclosed concrete channel, approximately 1,100 feet in length, at Line Street, and resurfaces west of Rayburn Street. Within the covered portion of the channel, 17 storm water collection pipes discharge directly into the creek carrying untreated runoff and spring water from approximately 126 acres of the campus. This covered channel does not support a 100 year flood event; consequently, severe flooding of University and adjacent property occurred in 1996 and 1997. Further, the covered channel does not make a positive contribution to the aquatic and riparian ecosystem of Paradise Creek. Stream velocities in this channel do not allow for sediments to fall out of the flow, thus contributing negatively to the ability of the community to meet state and federal water quality standards for Paradise Creek

The proposed Project includes diverting the creek in this section just upstream of Line Street and constructing approximately 2,100 feet of new channel routed north along the east side of Line Street to Third Street and then north and west adjacent to State Highway 8. This new alignment is close to the location of the

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

creek over one hundred years ago – as documented in aerial sketches from 1897. The new channel would then tie into the existing creek channel. The new channel segment would include gentle channel meanders and riparian vegetation, improving the habitat and aesthetics of the creek and enhancing its ability to provide water quality treatment. An access and maintenance path will be placed at the edge of the riparian zone.

The Project also includes riparian habitat improvements for two additional reaches of Paradise Creek that flow through University lands both upstream and downstream of the main project site. These are designated on the map as secondary areas. This portion of the Project will be completed as allowed by available funding.

This Project falls under the auspices of Section 206 of the 1996 Water Resources Development Act, and has strong support from the City of Moscow, community groups such as the Palouse Clearwater Environmental Institute, and the research community. When completed, the Project, through its combination of new channel construction and riparian habitat improvements, will restore the creek to a more natural condition, provide a naturalized greenbelt transition linking the University of Idaho to the City of Moscow, support research efforts and student learning opportunities, and will help improve the overall water quality of Paradise Creek.

Project Costs and Funding:

The Project is authorized under a federal funds matching program, for which the federal share will be 65% of the total project cost with a match of 35% from the Sponsoring Agency, the University of Idaho. The Project is scoped such that the University will provide its match with land commitments and “in kind” contributions.

The total costs of the Project, with the value of the land committed to the Project serving as the majority of the University’s contribution, are estimated to be:

Corps (federal) Share, 65%:	\$4,349,000
University (sponsor) Share, 35%:	<u>\$2,342,000</u>
Total Estimated Project Cost:	\$6,691,000

Of the University’s 35% share, a credit of \$89,000 is projected for “in kind” contributions, and an additional credit of \$80,000 is counted by the Corps and required as our contribution as the Sponsoring Agency. The majority of the University’s contribution is the contributed use of the land, which is committed indefinitely but remains in Regents ownership, and is valued at \$2,173,000. The table below details the University’s contribution to the Project:

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

University Contributions to the Project:	
Value of Land Commitment:	\$ 2,173,000
Required in-kind contribution:	\$ 80,000
Additional in-kind contribution:	\$ <u>89,000</u>
Total:	\$ 2,342,000

The Corps already has completed an initial assessment and feasibility study for the Project at a cost of \$486,000, which was funded by a FY 06 federal earmark allocation of \$195,000, and an allocation by the Corps of \$291,000 from targeted "Section 206" funds. Of the remainder of the Corp's 65% share, \$50,000 is from a FY 08 Federal Earmark of \$50,000, and \$3,813,000 is from a recent FY 09 allocation of American Recovery and Reinvestment Act of 2009 (stimulus) Funds. The table below details the federal contribution in the Project.

Federal Contributions the Project:	
Previously Expended, Feasibility Phase:	
Federal FY 06 Earmark Allocation:	\$ 195,000
Section 206 Funds Allocation:	\$ <u>291,000</u>
Subtotal:	\$ 486,000
Available Funds, Design and Construction Phase:	
Federal FY 08 Earmark Allocation:	\$ 50,000
Federal FY 09 Stimulus Funds:	\$ <u>3,813,000</u>
Subtotal:	\$ 3,863,000
Total:	\$ 4,349,000

Project Partnership Agreement:

The attached Project Partnership Agreement (Agreement) details the obligations of each party, the cost share arrangements described above, the long term commitment of Regents' property along Paradise Creek for the purposes of the Project, maintenance obligations for the Project, and various contractual rights and responsibilities intended to ensure the continued environmental benefits from the Project. (Attachment 2). Under the Agreement, the Corps will provide the funding, manage the Project, engage all necessary contractors to complete the Project, and provide general Project oversight. The University will commit its designated land, and provide in kind contributions, which may include real estate coordination, participation in contractor review and selection, construction site inspection and reporting, landscape planning, planting and maintenance, and other activities associated with the Project. The Agreement remains in effect for so long as the Project is authorized under federal law, and commits the University to maintain, repair, and restore the Project for so long as it remains authorized. This long term obligation is consistent with the long term best use of the committed University land, as identified by the University in its Long Range Campus Development Plan.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

IMPACT

The impact to the University is the value of the long-term land commitment \$2,173,000 and the in-kind contribution estimated at \$169,000 (including the required contributions credited at \$80,000 and the additional planned contributions valued at \$89,000). The immediate fiscal impact of the Project funding is \$3,863,000, all of which is provided through the Corps, and which will be held and managed by the Corps. This is considered an economic stimulus Project by the Corps, and is anticipated to provide economic stimulus to the community through jobs and other construction related expenditures. Because the project is funded with stimulus funds, the Corps is directed to initiate the Project as soon as possible, and to commit funds through Project contractual commitments no later than September 30, 2009.

ATTACHMENTS

Attachment 1 – Map of Project Area	Page 5
Attachment 2 – Proposed Project Partnership Agreement	Page 7
Attachment 3 – Capital Project Tracking Sheet	Page 39

STAFF COMMENTS AND RECOMMENDATIONS

Total project costs are estimated to be \$6,691,000 with funding as follows:

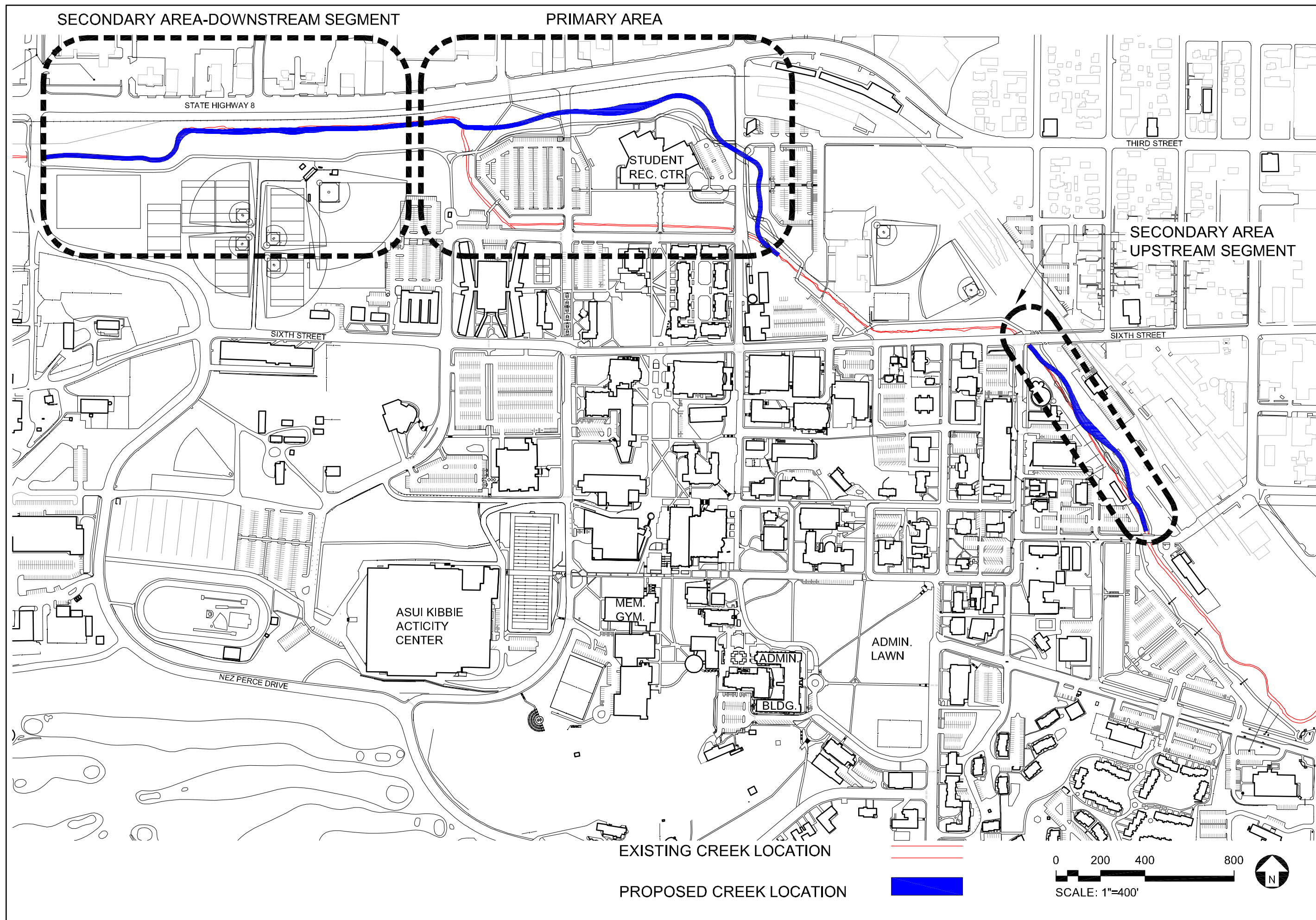
University of Idaho:	
In-kind contribution	\$169,000
Long-term land commitment	\$2,173,000
Army Corps of Engineers	
Previously Expended, Feasibility Phase	\$486,000
Federal FY 08 Earmark Allocation	\$50,000
Federal FY 09 Stimulus Funds	<u>\$3,813,000</u>
Total Project Costs	<u>\$6,691,000</u>

The project area is currently open land that's purposefully been left vacant in anticipation of this project and includes mowed turf areas, taller grasses/weeds, some trees, the old rail bed, etc. The new creek will tunnel under Line Street, and in other stretches, the current creek bed will be widened. Staff recommends approval.

BOARD ACTION

A motion to approve the Paradise Creek Ecosystem Restoration Project at a cost not to exceed \$6,691,000, of which the total commitment by the University of Idaho shall not exceed \$2,342,000, comprised of \$169,000 of in-kind contributions and the long-term land commitment of \$2,173,000, and to approve the agreement between the University of Idaho and the Department of the Army Corps of Engineers in substantial conformance to the form submitted to the Board in Attachment 2, and to authorize the University Vice President for Finance to execute all other necessary and requisite agreements to complete the Project as described herein.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



University of Idaho

Architectural & Engineering Services

Moscow, Idaho 83844-2281

(208) 885-7250

PARADISE CREEK ECOSYSTEM RESTORATION

SITE MAP

ISSUE DATE: 05/21/2009

DRAWN BY: BC

CAD FILE NAME: Creek.dwg

ARCHIVE FILE NO.:

PROJECT NUMBER: RP

PROJECT NUMBER:

PRINCIPAL ARCHITECT: LARRY CHINN

SHEET NUMBER

A1

1 OF 1

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PROJECT PARTNERSHIP AGREEMENT
 BETWEEN
 THE DEPARTMENT OF THE ARMY
 AND
 THE UNIVERSITY OF IDAHO
 FOR
 CONSTRUCTION
 OF THE
 PARADISE CREEK ECOSYSTEM RESTORATION, MOSCOW, IDAHO

THIS AGREEMENT is entered into this _____ day of _____, 2009, by and between the Department of the Army (hereinafter the “Government”), represented by the US Army Engineer, Walla Walla District, and The Board of Regents of University of Idaho (hereinafter the “Non-Federal Sponsor”), represented by the University of Idaho Vice President for Finance and Administration.

WITNESSETH, THAT:

WHEREAS, design and construction of the Paradise Creek Ecosystem Restoration, Moscow, Idaho for aquatic ecosystem restoration (hereinafter the “*Project*”, as defined in Article I.A. of this Agreement) at Moscow, Idaho was approved by Northwestern Division on March 5, 2009 pursuant to the authority contained in Section 206 of the Water Resources Development Act of 1996, Public Law 104-303, as amended (33 U.S.C. 2330; hereinafter “Section 206”);

WHEREAS, Section 206 provides that \$50,000,000 in Federal funds are authorized to be appropriated for each *fiscal year* to carry out projects pursuant to Section 206 and no more than \$5,000,000 in Federal funds may be allotted for a project at any single locality;

WHEREAS, the Government and the Non-Federal Sponsor desire to enter into a Project Partnership Agreement (hereinafter the “Agreement”) for construction of the *Project*;

WHEREAS, Section 206 of the Water Resources Development Act of 1996, Public Law 104-303, as amended (33 U.S.C. 2330) specifies the cost-sharing requirements applicable to the *Project*;

WHEREAS, the Non-Federal Sponsor desires to perform certain work (hereinafter the “*non-Federal work*” as defined in Article I.N. of this Agreement) which is a part of the *Project* and receive credit toward the amount of its required contributions for the *Project* for the costs of such work;

WHEREAS, Section 221 of the Flood Control Act of 1970, Public Law 91-611, as amended (42 U.S.C. 1962d-5b), and Section 103(j) of the Water Resources Development

Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2213(j)), provide, *inter alia*, that the Secretary of the Army shall not commence construction of any water resources project, or separable element thereof, until each non-Federal interest has entered into a written agreement to furnish its required cooperation for the project or separable element;

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform as hereinafter set forth and intend to cooperate in cost-sharing and financing of the *Project* in accordance with the terms of this Agreement; and

WHEREAS, the Government and the Non-Federal Sponsor, in connection with this Agreement, desire to foster a partnering strategy and a working relationship between the Government and the Non-Federal Sponsor through a mutually developed formal strategy of commitment and communication embodied herein, which creates an environment where trust and teamwork prevent disputes, foster a cooperative bond between the Government and the Non-Federal Sponsor, and facilitate the successful implementation of the *Project*.

NOW, THEREFORE, the Government and the Non-Federal Sponsor agree as follows:

ARTICLE I - DEFINITIONS

A. The term “*Project*” shall mean ecosystem restoration of Paradise Creek as generally described in the Paradise Creek Ecosystem Restoration Detailed Project Report dated January 2007 and approved by the Commander, Walla Walla District on January 2007.

B. The term “*total project costs*” shall mean the sum of all costs incurred by the Non-Federal Sponsor and the Government in accordance with the terms of this Agreement directly related to design and construction of the *Project* and the *pre-Agreement planning and design costs* incurred by the Government. Subject to the provisions of this Agreement, the term shall include, but is not necessarily limited to: the Government’s *pre-Agreement planning and design costs* and the Government’s design costs incurred after the effective date of this Agreement; the Government’s cost of preparation of environmental compliance documentation in accordance with Article II.A.2. of this Agreement; the Government’s engineering and design costs during construction; the Non-Federal Sponsor’s and the Government’s costs of investigations to identify the existence and extent of hazardous substances in accordance with Article XIV.A. of this Agreement; the Government’s costs of historic preservation activities in accordance with Article XVII.A. and Article XVII.C.1. of this Agreement; the Government’s actual construction costs; the costs of the *non-Federal work* determined in accordance with Article II.B.4. of this Agreement; the Government’s supervision and administration costs; the Non-Federal Sponsor’s and the Government’s costs of participation in the Project Coordination Team in accordance with Article V of this Agreement; the Government’s costs of contract dispute settlements or awards; the value of lands, easements, rights-of-way, *relocations*, and improvements required on lands, easements, and rights-of-way to enable the disposal of

dredged or excavated material for which the Government affords credit in accordance with Article IV of this Agreement or for which reimbursement by the Government is required pursuant to Article II.B.3. of this Agreement; and the Non-Federal Sponsor's and the Government's costs of audit in accordance with Article X.B. and Article X.C. of this Agreement. The term does not include any costs for operation, maintenance, repair, rehabilitation, or replacement of the *Project*; any costs of *betterments* under Article II.H.2. of this Agreement; any costs of dispute resolution under Article VII of this Agreement; the Government's costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement; or the Non-Federal Sponsor's costs of negotiating this Agreement.

C. The term "*period of design and construction*" shall mean the time from the effective date of this Agreement to the date that construction of the *Project* is complete, as determined by the Government, or the date that this Agreement is terminated in accordance with Article XIII or Article XIV.C. of this Agreement, whichever is earlier.

D. The term "*financial obligations for design and construction*" shall mean the financial obligations of the Government and the costs for the *non-Federal work*, as determined by the Government, that result or would result in costs that are or would be included in *total project costs* except for obligations pertaining to the provision of lands, easements, and rights-of-way, the performance of *relocations*, and the construction of improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material.

E. The term "*non-Federal proportionate share*" shall mean the ratio of sum of the costs included in *total project costs* for the *non-Federal work*, as determined by the Government, and the Non-Federal Sponsor's total contribution of funds required by Article II.B.2. and Article II.C.2. of this Agreement to *financial obligations for design and construction*, as projected by the Government.

F. The term "*highway*" shall mean any highway, roadway, street, or way, including any bridge thereof, that is owned by a public entity.

G. The term "*relocation*" shall mean providing a functionally equivalent facility to the owner of a utility, cemetery, *highway*, railroad, or public facility when such action is authorized in accordance with applicable legal principles of just compensation. Providing a functionally equivalent facility may take the form of alteration, lowering, raising, or replacement and attendant demolition of the affected facility or part thereof.

H. The term "*functional portion of the Project*" shall mean a portion of the *Project* for which construction has been completed and that can function independently, as determined by the U.S. Army Engineer, Walla Walla District (hereinafter the "District Engineer") in writing, although the remainder of the *Project* is not complete.

I. The term "*betterment*" shall mean a difference in the design or construction of an element of the *Project* that results from the application of standards that the Government

determines exceed those that the Government would otherwise apply to the design or construction of that element. The term does not include any construction for features not included in the *Project* as defined in paragraph A. of this Article.

J. The term “*Federal program funds*” shall mean funds provided by a Federal agency, other than the Department of the Army, plus any non-Federal contribution required as a matching share therefor.

K. The term “*Section 206 Project Limit*” shall mean the \$5,000,000 statutory limitation on the Government’s financial participation in the planning, design, and construction of the *Project* as specified in Section 206 of the Water Resources Development Act of 1996, Public Law 104-303, as amended (33 U.S.C. 2330).

L. The term “*Section 206 Annual Program Limit*” shall mean the statutory limitation on the Government’s annual appropriations for planning, design, and construction of all projects implemented pursuant to Section 206 of the Water Resources Development Act of 1996, Public Law 104-303, as amended (33 U.S.C. 2330). As of the effective date of this Agreement, such limitation is \$50,000,000.

M. The term “*fiscal year*” shall mean one year beginning on October 1 and ending on September 30.

N. The term “*non-Federal work*” shall mean the in-kind work and outside services obtained by the Non-Federal Sponsor associated with the *Project*. Services may include but are not limited to real estate appraisal, legal, security, excavation, design, construction, landscape, and engineering services. In-kind work may include but is not limited to *Project* and real estate coordination, contractor review and selection, contract preparation and review, construction site inspection and reporting, landscape planning, planting and maintenance, and other activities associated with construction of such work performed by the Non-Federal Sponsor after the effective date of this Agreement. The term does not include the construction of *betterments* or the provision of lands, easements, rights-of-way, *relocations*, or the construction of improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that are associated with the non-Federal work.

O. The term “*pre-Agreement planning and design costs*” shall mean all costs that were incurred by the Government prior to the effective date of this Agreement for planning and design of the *Project*.

ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR

A. The Government, subject to receiving funds appropriated by the Congress of the United States (hereinafter the “Congress”) and using those funds and funds provided by the

Non-Federal Sponsor, expeditiously shall design and construct the *Project*, except for the *non-Federal work*, applying those procedures usually applied to Federal projects, in accordance with Federal laws, regulations, and policies. The Non-Federal Sponsor expeditiously shall perform the *non-Federal work* in accordance with applicable Federal laws, regulations, and policies.

1. The Government shall not issue the solicitation for the first contract for design of the *Project* or commence design of the *Project* using the Government's own forces until the Non-Federal Sponsor has confirmed in writing its willingness to proceed with the *Project*.

2. The Government shall afford the Non-Federal Sponsor the opportunity to review and comment on the solicitations for all Government contracts for construction, including relevant plans and specifications, prior to the Government's issuance of such solicitations. To the extent possible, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on all proposed contract modifications, including change orders. In any instance where providing the Non-Federal Sponsor with notification of a contract modification is not possible prior to execution of the contract modification, the Government shall provide such notification in writing at the earliest date possible. To the extent possible, the Government also shall afford the Non-Federal Sponsor the opportunity to review and comment on all contract claims prior to resolution thereof. The Government shall consider in good faith the comments of the Non-Federal Sponsor, but the contents of solicitations, award of contracts or commencement of construction using the Government's own forces, execution of contract modifications, resolution of contract claims, and performance of all work on the *Project*, except for the *non-Federal work*, shall be exclusively within the control of the Government.

3. At the time the District Engineer furnishes the contractor with the Government's Written Notice of Acceptance of Completed Work for each contract awarded by the Government for the *Project*, the District Engineer shall furnish a copy thereof to the Non-Federal Sponsor.

4. The Non-Federal Sponsor shall afford the Government the opportunity to review and comment on the solicitations for all contracts for the *non-Federal work*, including relevant plans and specifications, prior to the Non-Federal Sponsor's issuance of such solicitations. To the extent possible, the Non-Federal Sponsor shall afford the Government the opportunity to review and comment on all proposed contract modifications, including change orders. In any instance where providing the Government with notification of a contract modification is not possible prior to execution of the contract modification, the Non-Federal Sponsor shall provide such notification in writing at the earliest date possible. To the extent possible, the Non-Federal Sponsor also shall afford the Government the opportunity to review and comment on all contract claims prior to resolution thereof. The Non-Federal Sponsor shall consider in good faith the comments of the Government but, except as otherwise required in paragraph B.4. of this Article, the contents of solicitations, award of contracts or commencement of construction using the Non-Federal Sponsor's own forces, execution of contract

modifications, resolution of contract claims, and performance of all work on the *non-Federal work* shall be exclusively within the control of the Non-Federal Sponsor.

5. At the time the Non-Federal Sponsor furnishes a contractor with a notice of acceptance of completed work for each contract awarded by the Non-Federal Sponsor for the *non-Federal work*, the Non-Federal Sponsor shall furnish a copy thereof to the Government.

6. Notwithstanding paragraph A.2. and paragraph A.4. of this Article, if the award of any contract for design or construction of the Project, or continuation of design or construction of the Project using the Government's or the Non-Federal Sponsor's own forces, would result in total project costs exceeding \$6,691,000, the Government and the Non-Federal Sponsor agree to defer award of that contract, award of all remaining contracts for design or construction of the Project, and continuation of design or construction of the Project using the Government's or the Non-Federal Sponsor's own forces until such time as the Government and the Non-Federal Sponsor agree in writing to proceed with further contract awards for the Project or the continuation of design or construction of the Project using the Government's or the Non-Federal Sponsor's own forces, but in no event shall the award of contracts or the continuation of design or construction of the Project using the Government's or the Non-Federal Sponsor's own forces be deferred for more than three years. Notwithstanding this general provision for deferral, in the event the Assistant Secretary of the Army (Civil Works) makes a written determination that the award of such contract or contracts or continuation of design or construction of the Project using the Government's own forces must proceed in order to comply with law or to protect human life or property from imminent and substantial harm, the Government, after consultation with the Non-Federal Sponsor, may award a contract or contracts, or continue with design or construction of the Project using the Government's own forces.

B. The Non-Federal Sponsor shall contribute 35 percent of *total project costs* in accordance with the provisions of this paragraph.

1. In accordance with Article III of this Agreement, the Non-Federal Sponsor shall provide all lands, easements, and rights-of-way, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material, shall perform or ensure performance of all *relocations*, and shall construct improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that the Government determines to be required or to be necessary for construction, operation, and maintenance of the *Project*.

2. The Non-Federal Sponsor shall provide funds in accordance with Article VI.B. of this Agreement in the amount necessary to meet the Non-Federal Sponsor's required share of 35 percent of *total project costs* if the Government projects at any time that the collective value of the following contributions will be less than such required share: (a) the value of the Non-Federal Sponsor's contributions under paragraph B.1. of this Article that is included in *total project costs* as determined in accordance with Article IV of this

Agreement; and (b) the value of the Non-Federal Sponsor's contributions under Article V, Article X, and Article XIV.A. of this Agreement.

3. The Government, subject to the availability of funds and as limited by paragraph B.6. of this Article, the *Section 206 Project Limit*, and the *Section 206 Annual Program Limit*, shall refund or reimburse to the Non-Federal Sponsor any contributions in excess of 35 percent of *total project costs* if the Government determines at any time that the collective value of the following contributions has exceeded 35 percent of *total project costs*: (a) the value of the Non-Federal Sponsor's contributions under paragraph B.1. of this Article that is included in *total project costs* as determined in accordance with Article IV of this Agreement; (b) the value of the Non-Federal Sponsor's contributions under paragraph B.2. of this Article; and (c) the value of the Non-Federal Sponsor's contributions under Article V, Article X, and Article XIV.A. of this Agreement.

4. The Government shall determine and include in *total project costs* any costs incurred by the Non-Federal Sponsor for *non-Federal work*, subject to the conditions and limitations of this paragraph. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the amount of costs to be included in *total project costs* for *non-Federal work*.

a. The Non-Federal Sponsor shall not commence construction of the *non-Federal work* until the designs, detailed plans and specifications, and arrangements for the prosecution of such work have been approved by the Government. Changes proposed by the Non-Federal Sponsor to approved designs and plans and specifications also must be approved by the Government in advance of the related construction. Upon completion of the *non-Federal work*, the Non-Federal Sponsor shall furnish to the Government a copy of all final as-built drawings for the construction portion of such work.

b. *Non-Federal work* shall be subject to an on-site inspection and certification by the Government that the work was accomplished in a satisfactory manner and in accordance with the provisions of this Agreement and is suitable for inclusion in the *Project*.

c. The Non-Federal Sponsor's costs for *non-Federal work* that may be eligible for inclusion in *total project costs* pursuant to this Agreement shall be subject to an audit in accordance with Article X.C. of this Agreement to determine the reasonableness, allocability and allowability of such costs.

d. The Non-Federal Sponsor's costs for *non-Federal work* that may be eligible for inclusion in *total project costs* pursuant to this Agreement are not subject to interest charges, nor are they subject to adjustment to reflect changes in price levels between the time the *non-Federal work* is completed and the time the costs are included in *total project costs*.

e. The Government shall not include in *total project costs* any costs for *non-Federal work* paid by the Non-Federal Sponsor using *Federal program funds* unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

f. The Government shall not include in *total project costs* any costs for *non-Federal work* in excess of the Government's estimate of the costs of the *non-Federal work* if the work had been accomplished by the Government.

g. In the performance of the construction portion of the *non-Federal work*, the Non-Federal Sponsor must comply with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Costs for the construction portion of *non-Federal work* may be excluded from *total project costs* by the Government, in whole or in part, as a result of the Non-Federal Sponsor's failure to comply with its obligations under these laws.

5. The Government, in accordance with this paragraph, shall afford credit toward the Non-Federal Sponsor's contribution of funds required under paragraph B.2. of this Article for the costs of the *non-Federal work* determined in accordance with paragraph B.4. of this Article. However, the maximum amount of credit that can be afforded for the *non-Federal work* shall not exceed the lesser of the following amounts as determined by the Government: the Non-Federal Sponsor's contribution of funds required under paragraph B.2. of this Article or the costs of the *non-Federal work* determined in accordance with paragraph B.4. of this Article.

6. Notwithstanding any other provision of this Agreement, the Non-Federal Sponsor shall not be entitled to reimbursement of any costs of *non-Federal work* determined in accordance with paragraph B.4. of this Article and included in *total project costs* that exceed the amount of credit afforded for the *non-Federal work* determined in accordance with paragraph B.5. of this Article and the Non-Federal Sponsor shall be responsible for 100 percent of all costs of *non-Federal work* included in *total project costs* that exceed the amount of credit afforded.

C. Notwithstanding any other provision of this Agreement, Federal financial participation in the *Project* is limited by the following provisions of this paragraph.

1. In the event the Government projects that the amount of Federal funds the Government will make available to the *Project* through the then-current *fiscal year*, or the amount of Federal funds the Government will make available for the *Project* through the upcoming *fiscal year*, is not sufficient to meet the Federal share of *total project costs* and the Federal share of costs for data recovery activities associated with historic

preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement that the Government projects to be incurred through the then-current or upcoming *fiscal year*, as applicable, the Government shall notify the Non-Federal Sponsor in writing of such insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available to the *Project* will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the *Project*, future performance under this Agreement shall be suspended and the parties shall proceed in accordance with Article XIII.B. of this Agreement.

2. In accordance with Section 206 of the Water Resources Development Act of 1996, Public Law 104-303, as amended (33 U.S.C. 2330), the Government's total financial obligations for planning, design, and construction of the *Project* (except for costs incurred on behalf of the Non-Federal Sponsor in accordance with paragraph H. of this Article) shall not exceed the *Section 206 Project Limit*. Notwithstanding any other provision of this Agreement, the Non-Federal Sponsor shall be responsible for all costs in excess of this limit and shall pay any such costs in accordance with Article VI.B. of this Agreement.

3. If the Government determines that the total amount of Federal funds provided by Congress for all projects implemented pursuant to Section 206 has reached the *Section 206 Annual Program Limit*, and the Government projects that the Federal funds the Government will make available to the *Project* within the *Section 206 Annual Program Limit* will not be sufficient to meet the Federal share of *total project costs* and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement, the Government shall notify the Non-Federal Sponsor in writing of such insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available to the *Project* will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the *Project* within the *Section 206 Annual Program Limit*, future performance under this Agreement shall be suspended and the parties shall proceed in accordance with Article XIII.B. of this Agreement.

D. When the District Engineer determines the entire *Project*, or a *functional portion of the Project*, is complete, the District Engineer shall so notify the Non-Federal Sponsor in writing and furnish the Non-Federal Sponsor with a final Operation, Maintenance, Repair, Rehabilitation, and Replacement Manual (hereinafter the "OMRR&R Manual") or, if the final OMRR&R Manual is not available, an interim OMRR&R Manual for the entire *Project* or such completed portion. Upon such notification, the Government also shall furnish to the Non-Federal Sponsor a copy of all final as-built drawings for the portion of the *Project* for which the Government awarded a construction contract, or the Government constructed using its own forces, if such drawings are available. Not later than 6 months after such notification by the Government that the entire *Project* is complete, the Government shall furnish the Non-Federal Sponsor with all final as-built drawings for the portion of the *Project* for which the Government awarded a construction contract, or the Government constructed using its own forces, and also shall furnish the Non-Federal Sponsor with the final OMRR&R

Manual for the entire *Project*. In the event all final as-built drawings for the portion of the *Project* for which the Government awarded a construction contract, or the Government constructed using its own forces, or the final OMRR&R Manual for the entire *Project* cannot be completed within the 6 month period, the Government shall provide written notice to the Non-Federal Sponsor, and the Government and the Non-Federal Sponsor shall negotiate an acceptable completion date for furnishing such documents. Further, after completion of all contracts for the *Project*, copies of all of the Government's and Non-Federal Sponsor's Written Notices of Acceptance of Completed Work for all contracts for the *Project* that have not been provided to the other party previously shall be provided to the Non-Federal Sponsor and/or the Government, as appropriate.

E. Upon notification from the District Engineer in accordance with paragraph D. of this Article, the Non-Federal Sponsor shall operate, maintain, repair, rehabilitate, and replace the entire *Project*, or the *functional portion of the Project* as the case may be, in accordance with Article VIII of this Agreement.

F. Upon conclusion of the *period of design and construction*, the Government shall conduct an accounting, in accordance with Article VI.C. of this Agreement, and furnish the results to the Non-Federal Sponsor.

G. The Non-Federal Sponsor shall not use *Federal program funds* to meet any of its obligations for the *Project* under this Agreement unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

H. The Non-Federal Sponsor may request the Government to perform or provide, on behalf of the Non-Federal Sponsor, one or more of the services (hereinafter the "additional work") described in this paragraph. Such requests shall be in writing and shall describe the additional work requested to be performed or provided. If in its sole discretion the Government elects to perform or provide the requested additional work or any portion thereof, it shall so notify the Non-Federal Sponsor in a writing that sets forth any applicable terms and conditions, which must be consistent with this Agreement. In the event of conflict between such a writing and this Agreement, this Agreement shall control. The Non-Federal Sponsor shall be solely responsible for all costs of the additional work performed or provided by the Government under this paragraph and shall pay all such costs in accordance with Article VI.D. of this Agreement.

1. Acquisition of lands, easements, and rights-of-way; performance of *relocations*; or construction of improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material for the *Project*. Notwithstanding acquisition of lands, easements, and rights-of-way, performance of *relocations*, or construction of improvements by the Government, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for any costs of cleanup and response in accordance with Article XIV.C. of this Agreement.

2. Inclusion of *betterments* in the design or construction of the *Project*. In the event the Government elects to include any such *betterments*, the Government shall allocate the costs of the *Project* features that include *betterments* between *total project costs* and the costs of the *betterments*.

I. The Non-Federal Sponsor shall prevent obstructions or encroachments on the *Project* (including prescribing and enforcing regulations to prevent such obstructions or encroachments) such as any new developments on *Project* lands, easements, and rights-of-way or the addition of facilities which might reduce the outputs produced by the *Project*, hinder operation and maintenance of the *Project*, or interfere with the *Project's* proper function.

J. The Non-Federal Sponsor shall not use the *Project*, or the lands, easements, and rights-of-way required pursuant to Article III of this Agreement, as a wetlands bank or mitigation credit for any other project.

ARTICLE III - LANDS, EASEMENTS, RIGHTS-OF-WAY,
RELOCATIONS, DISPOSAL AREA IMPROVEMENTS, AND
COMPLIANCE WITH PUBLIC LAW 91-646, AS AMENDED

A. The Government, after consultation with the Non-Federal Sponsor, shall determine the lands, easements, and rights-of-way required for construction, operation, and maintenance of the *Project*, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of the lands, easements, and rights-of-way that the Government determines the Non-Federal Sponsor must provide, in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with acquisition of such lands, easements, and rights-of-way. Prior to the issuance of the solicitation for each Government contract for construction of the *Project*, or prior to the Government initiating construction of a portion of the *Project* using the Government's own forces, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way the Government determines the Non-Federal Sponsor must provide for that work and shall provide the Government with authorization for entry thereto. Furthermore, prior to the end of *period of design construction*, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way required for construction, operation, and maintenance of the *Project*, as set forth in such descriptions, and shall provide the Government with authorization for entry thereto. The Non-Federal Sponsor shall ensure that lands, easements, and rights-of-way that the Government determines to be required for the *Project* and that were provided by the Non-Federal Sponsor are retained in public ownership, for uses compatible with the authorized purposes of the *Project*.

B. The Government, after consultation with the Non-Federal Sponsor, shall determine the *relocations* necessary for construction, operation, and maintenance of the

Project, including those necessary to enable the borrowing of material or the disposal of dredged or excavated material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of such *relocations* in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with such *relocations*. Prior to the issuance of the solicitation for each Government contract for construction of the *Project*, or prior to the Government initiating construction of a portion of the *Project* using the Government's own forces, the Non-Federal Sponsor shall prepare or ensure the preparation of plans and specifications for, and perform or ensure the performance of, all *relocations* the Government determines to be necessary for that work. Furthermore, prior to the end of the *period of design and construction*, the Non-Federal Sponsor shall perform or ensure performance of all *relocations* as set forth in such descriptions.

C. The Government, after consultation with the Non-Federal Sponsor, shall determine the improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material associated with construction, operation, and maintenance of the *Project*. Such improvements may include, but are not necessarily limited to, retaining dikes, wasteweirs, bulkheads, embankments, monitoring features, stilling basins, and de-watering pumps and pipes. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of such improvements in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with construction of such improvements. Prior to the issuance of the solicitation for each Government contract for construction of the *Project*, or prior to the Government initiating construction of a portion of the *Project* using the Government's own forces, the Non-Federal Sponsor shall prepare plans and specifications for all improvements the Government determines to be required for the disposal of dredged or excavated material under that contract, submit such plans and specifications to the Government for approval, and provide such improvements in accordance with the approved plans and specifications. Furthermore, prior to the end of the *period of design and construction*, the Non-Federal Sponsor shall provide all improvements set forth in such descriptions.

D. The Non-Federal Sponsor shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655), and the Uniform Regulations contained in 49 C.F.R. Part 24, in acquiring lands, easements, and rights-of-way required for construction, operation, and maintenance of the *Project*, including those required for *relocations*, the borrowing of material, or the disposal of dredged or excavated material, and shall inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

ARTICLE IV - CREDIT FOR VALUE OF LANDS, EASEMENTS, RIGHTS-OF-WAY, RELOCATIONS, AND DISPOSAL AREA IMPROVEMENTS

A. Except as provided otherwise in this Article, the Government shall include in *total project costs* and afford credit toward the Non-Federal Sponsor's share of *total project costs* for the value of the lands, easements, and rights-of-way that the Non-Federal Sponsor must provide pursuant to Article III.A. of this Agreement; for the value of the *relocations* that the Non-Federal Sponsor must perform or for which it must ensure performance pursuant to Article III.B. of this Agreement; and for the value of the improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that the Non-Federal Sponsor must provide pursuant to Article III.C. of this Agreement. However, no amount shall be included in *total project costs*, no credit shall be afforded, and no reimbursement shall be provided for the value of any lands, easements, rights-of-way, *relocations*, or improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that have been provided previously as an item of cooperation for another Federal project. In addition, no amount shall be included in *total project costs*, no credit shall be afforded, and no reimbursement shall be provided for the value of lands, easements, rights-of-way, *relocations*, or improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that were acquired or performed using *Federal program funds* unless the Federal agency providing the Federal portion of such funds verifies in writing that affording credit for the value of such items is expressly authorized by Federal law. Finally, no amount shall be included in *total project costs*, no credit shall be afforded pursuant to this Article, and no reimbursement shall be provided to the Non-Federal Sponsor, for any value of lands, easements, rights-of-way, *relocations*, or improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that exceeds 35 percent of *total project costs*.]

B. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the value of any contribution provided pursuant to Article III.A., Article III.B., or Article III.C. of this Agreement. Upon receipt of such documents, the Government in a timely manner shall determine the value of such contributions for the purpose of including in *total project costs* such value that does not exceed 35 percent of *total project costs* and for determining the amount of credit to be afforded in accordance with the provisions of this Agreement

C. For the purposes of determining the value to be included in *total project costs* and the amount of credit to be afforded in accordance with this Article and except as otherwise provided in paragraph G. of this Article, the value of lands, easements, and rights-of-way, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material, shall be the fair market value of the real property interests, plus certain incidental costs of acquiring those interests, as determined in accordance with the provisions of this paragraph.

1. Date of Valuation. The fair market value of lands, easements, or rights-of-way owned by the Non-Federal Sponsor on the effective date of this Agreement shall be the fair market value of such real property interests as of the date the Non-Federal Sponsor provides the Government with authorization for entry thereto. However, for lands, easements, or rights-of-way owned by the Non-Federal Sponsor on the effective date of this

Agreement that are required for the *non-Federal work*, fair market value shall be the value of such real property interests as of the date the Non-Federal Sponsor awarded the first construction contract for the *non-Federal work*, or, if the Non-Federal Sponsor performed the construction with its own forces, the date that the Non-Federal Sponsor began construction of the *non-Federal work*. The fair market value of lands, easements, or rights-of-way acquired by the Non-Federal Sponsor after the effective date of this Agreement shall be the fair market value of such real property interests at the time the interests are acquired.

2. General Valuation Procedure. Except as provided in paragraph C.3 or paragraph C.5. of this Article, the fair market value of lands, easements, or rights-of-way shall be determined in accordance with the provisions of this paragraph.

a. The Non-Federal Sponsor shall obtain, for each real property interest, an appraisal that is prepared by a qualified appraiser who is acceptable to the Non-Federal Sponsor and the Government. The Non-Federal Sponsor shall provide the Government with the appraisal no later than 6 months after the Non-Federal Sponsor provides the Government with an authorization for entry for such real property interest. The appraisal must be prepared in accordance with the applicable rules of just compensation, as specified by the Government. The fair market value shall be the amount set forth in the Non-Federal Sponsor's appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor's appraisal, the Non-Federal Sponsor may obtain a second appraisal, and the fair market value shall be the amount set forth in the Non-Federal Sponsor's second appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor's second appraisal, the Non-Federal Sponsor chooses not to obtain a second appraisal, or the Non-Federal Sponsor does not provide the first appraisal as required in this paragraph, the Government shall obtain an appraisal, and the fair market value shall be the amount set forth in the Government's appraisal, if such appraisal is approved by the Non-Federal Sponsor. In the event the Non-Federal Sponsor does not approve the Government's appraisal, the Government, after consultation with the Non-Federal Sponsor, shall consider the Government's and the Non-Federal Sponsor's appraisals and determine an amount based thereon, which shall be deemed to be the fair market value.

b. Where the amount paid or proposed to be paid by the Non-Federal Sponsor for the real property interest exceeds the amount determined pursuant to paragraph C.2.a. of this Article, the Government, at the request of the Non-Federal Sponsor, shall consider all factors relevant to determining fair market value and, in its sole discretion, after consultation with the Non-Federal Sponsor, may approve in writing an amount greater than the amount determined pursuant to paragraph C.2.a. of this Article, but not to exceed the amount actually paid or proposed to be paid. If the Government approves such an amount, the fair market value shall be the lesser of the approved amount or the amount paid by the Non-Federal Sponsor, but no less than the amount determined pursuant to paragraph C.2.a. of this Article.

3. Eminent Domain Valuation Procedure. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted after the effective date of this

Agreement, the Non-Federal Sponsor, prior to instituting such proceedings, shall submit to the Government notification in writing of its intent to institute such proceedings and an appraisal of the specific real property interests to be acquired in such proceedings. The Government shall have 60 calendar days after receipt of such a notice and appraisal within which to review the appraisal, if not previously approved by the Government in writing.

a. If the Government previously has approved the appraisal in writing, or if the Government provides written approval of, or takes no action on, the appraisal within such 60 day period, the Non-Federal Sponsor shall use the amount set forth in such appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

b. If the Government provides written disapproval of the appraisal, including the reasons for disapproval, within such 60 day period, the Government and the Non-Federal Sponsor shall consult in good faith to promptly resolve the issues or areas of disagreement that are identified in the Government's written disapproval. If, after such good faith consultation, the Government and the Non-Federal Sponsor agree as to an appropriate amount, then the Non-Federal Sponsor shall use that amount as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. If, after such good faith consultation, the Government and the Non-Federal Sponsor cannot agree as to an appropriate amount, then the Non-Federal Sponsor may use the amount set forth in its appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

c. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted in accordance with paragraph C.3. of this Article, fair market value shall be either the amount of the court award for the real property interests taken, to the extent the Government determined such interests are required for construction, operation, and maintenance of the *Project*, or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

4. Incidental Costs. For lands, easements, or rights-of-way acquired by the Non-Federal Sponsor within a five year period preceding the effective date of this Agreement, or at any time after the effective date of this Agreement, the value of the interest shall include the documented incidental costs of acquiring the interest, as determined by the Government, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. In the event the Government modifies its determination made pursuant to Article III.A. of this Agreement, the Government shall afford credit for the documented incidental costs associated with preparing to acquire the lands, easements, or rights-of-way identified in the original determination, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. Such incidental costs shall include, but not necessarily be limited to, closing and title costs, appraisal costs, survey costs, attorney's fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits provided in accordance with Article III.D. of this Agreement, and other payments by the Non-Federal Sponsor for items that are

generally recognized as compensable, and required to be paid, by applicable state law due to the acquisition of a real property interest in accordance with Article III of this Agreement. The value of the interests provided by the Non-Federal Sponsor in accordance with Article III.A. of this Agreement also shall include the documented costs of obtaining appraisals pursuant to paragraph C.2. of this Article, as determined by the Government, and subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

5. Waiver of Appraisal. Except as required by paragraph C.3 of this Article, the Government may waive the requirement for an appraisal pursuant to this paragraph if it determines that an appraisal is unnecessary because the valuation is uncomplicated and that the estimated fair market value of the real property interest is \$10,000 or less based upon a review of available data. In such event, the Government and the Non-Federal Sponsor must agree in writing to the value of such real property interest in an amount not in excess of \$10,000.

D. After consultation with the Non-Federal Sponsor, the Government shall determine the value of *relocations* in accordance with the provisions of this paragraph.

1. For a *relocation* other than a *highway*, the value shall be only that portion of *relocation* costs that the Government determines is necessary to provide a functionally equivalent facility, reduced by depreciation, as applicable, and by the salvage value of any removed items.

2. For a *relocation* of a *highway*, the value shall be only that portion of *relocation* costs that would be necessary to accomplish the *relocation* in accordance with the design standard that the State of Idaho would apply under similar conditions of geography and traffic load, reduced by the salvage value of any removed items.

3. *Relocation* costs shall include, but not necessarily be limited to, actual costs of performing the *relocation*; planning, engineering and design costs; supervision and administration costs; and documented incidental costs associated with performance of the *relocation*, as determined by the Government. *Relocation* costs shall not include any costs due to *betterments*, as determined by the Government, nor any additional cost of using new material when suitable used material is available. *Relocation* costs shall be subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

E. The value of the improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material shall be the costs of the improvements, as determined by the Government, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. Such costs shall include, but not necessarily be limited to, actual costs of providing the improvements; planning, engineering and design costs; supervision and administration costs; and documented incidental costs associated with providing the improvements, but shall not include any costs due to *betterments*, as determined by the Government.

F. Any credit afforded under the terms of this Agreement for the value of *relocations*, or improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material, performed within the *Project* boundaries is subject to satisfactory compliance with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Notwithstanding any other provision of this Agreement, credit may be withheld, in whole or in part, as a result of the Non-Federal Sponsor's failure to comply with its obligations under these laws.

G. Where the Government, on behalf of the Non-Federal Sponsor pursuant to Article II.H.1. of this Agreement, acquires lands, easements, or rights-of-way, performs *relocations*, or constructs improvements required on lands, easements, or rights-of-way to enable the disposal of dredged or excavated material, the value to be included in *total project costs* and the amount of credit to be afforded in accordance with this Article shall be the costs of such work performed or provided by the Government that are paid by the Non-Federal Sponsor in accordance with Article VI.D. of this Agreement. In addition, the value to be included in *total project costs* and the amount of such credit to be afforded in accordance with this Article shall include the documented costs incurred by the Non-Federal Sponsor in accordance with the terms and conditions agreed upon in writing pursuant to Article II.H.1. of this Agreement subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

ARTICLE V - PROJECT COORDINATION TEAM

A. To provide for consistent and effective communication, the Non-Federal Sponsor and the Government, not later than 30 calendar days after the effective date of this Agreement, shall appoint named senior representatives to a Project Coordination Team. Thereafter, the Project Coordination Team shall meet regularly until the end of the *period of design and construction*. The Government's Project Manager and a counterpart named by the Non-Federal Sponsor shall co-chair the Project Coordination Team.

B. The Government's Project Manager and the Non-Federal Sponsor's counterpart shall keep the Project Coordination Team informed of the progress of design and construction and of significant pending issues and actions, and shall seek the views of the Project Coordination Team on matters that the Project Coordination Team generally oversees.

C. Until the end of the *period of design and construction*, the Project Coordination Team shall generally oversee the *Project*, including matters related to: design, completion of all necessary environmental coordination and documentation; plans and specifications; scheduling; real property and *relocation* requirements; real property acquisition; contract awards and modifications; contract costs; the application of and compliance with 40

U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)) for *relocations*, improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material, and the construction portion of the *non-Federal work*; the investigations to identify the existence and extent of hazardous substances in accordance with Article XIV.A. of this Agreement; historic preservation activities in accordance with Article XVII of this Agreement; the Government's cost projections; the performance of and scheduling for the *non-Federal work*; final inspection of the entire *Project* or *functional portions of the Project*; preparation of the proposed OMRR&R Manual; anticipated requirements and needed capabilities for performance of operation, maintenance, repair, rehabilitation, and replacement of the *Project* including issuance of permits; and other matters related to the *Project*. This oversight of the *Project* shall be consistent with a project management plan developed by the Government after consultation with the Non-Federal Sponsor.

D. The Project Coordination Team may make recommendations to the District Engineer on matters related to the *Project* that the Project Coordination Team generally oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider the recommendations of the Project Coordination Team. The Government, having the legal authority and responsibility for design and construction of the *Project* except for the *non-Federal work*, has the discretion to accept or reject, in whole or in part, the Project Coordination Team's recommendations. On matters related to the *non-Federal work*, that the Project Coordination Team generally oversees, the Project Coordination Team may make recommendations to the Non-Federal Sponsor including suggestions to avoid potential sources of dispute. The Non-Federal Sponsor in good faith shall consider the recommendations of the Project Coordination Team. The Non-Federal Sponsor, having the legal authority and responsibility for design and construction of the *non-Federal work*, has the discretion to accept or reject, in whole or in part, the Project Coordination Team's recommendations except as otherwise required by the provisions of this Agreement, including compliance with applicable Federal, State, or local laws or regulations.

E. The Non-Federal Sponsor's costs of participation in the Project Coordination Team shall be included in *total project costs* and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. The Government's costs of participation in the Project Coordination Team shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

ARTICLE VI - METHOD OF PAYMENT

A. In accordance with the provisions of this paragraph, the Government shall maintain current records and provide to the Non-Federal Sponsor current projections of costs, financial obligations, contributions provided by the parties, the value included in

total project costs for lands, easements, rights-of-way, *relocations*, and improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material determined in accordance with Article IV of this Agreement, the costs included in *total project costs* for the *non-Federal work* determined in accordance with Article II.B.4. of this Agreement, and the credit to be afforded for the *non-Federal work* pursuant to Article II.B.5. of this Agreement.

1. As of the effective date of this Agreement, *total project costs* are projected to be \$6,691,000; the Non-Federal Sponsor's contribution of funds required by Article II.B.2. of this Agreement is projected to be \$89,000; the costs included in *total project costs* for the *non-Federal work* determined in accordance with Article II.B.4. of this Agreement are projected to be \$89,000; the credit to be afforded for the non-federal work pursuant to Article II.B.5 of this Agreement is projected to be \$89,000; the Non-Federal Sponsor's contribution of funds required by Article II.C.2. of this Agreement is projected to be \$0. The *non-Federal proportionate share* is projected to be 4 percent; the Non-Federal Sponsor's contribution of funds required by Article XVII.C.4. of this Agreement is projected to be \$0; the value included in *total project costs* for lands, easements, rights-of-way, *relocations*, and improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material determined in accordance with Article IV of this Agreement is projected to be \$2,173,000; and the Government's total financial obligations for the additional work to be incurred and the Non-Federal Sponsor's contribution of funds for such costs required by Article II.H. of this Agreement are projected to be \$0. These amounts and percentage are estimates subject to adjustment by the Government, after consultation with the Non-Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

2. By September 30, 2009 and by each quarterly anniversary thereof until the conclusion of the *period of design and construction* and resolution of all relevant claims and appeals and eminent domain proceedings,, the Government shall provide the Non-Federal Sponsor with a report setting forth all contributions provided to date and the current projections of the following: *total project costs*; the Non-Federal Sponsor's total contribution of funds required by Article II.B.2. of this Agreement; the costs included in *total project costs* for the *non-Federal work* determined in accordance with Article II.B.4. of this Agreement; the credit to be afforded for the *non-Federal work* pursuant to Article II.B.5. of this Agreement; the Non-Federal Sponsor's contribution of funds required by Article II.C.2. of this Agreement; the *non-Federal proportionate share*; the Non-Federal Sponsor's total contribution of funds required by Article XVII.C.4. of this Agreement; the value included in *total project costs* for lands, easements, rights-of-way, *relocations*, and improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material determined in accordance with Article IV of this Agreement; and the Government's total financial obligations for additional work incurred and the Non-Federal Sponsor's contribution of funds for such costs required by Article II.H. of this Agreement.

B. The Non-Federal Sponsor shall provide the contributions of funds required by Article II.B.2., Article II.C.2., and Article XVII.C.4. of this Agreement in accordance with the provisions of this paragraph.

1. Not less than **thirty** calendar days prior to the scheduled date for issuance of the solicitation for the first contract for design of the *Project* or commencement of design of the *Project* using the Government's own forces, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and the funds the Government determines to be required from the Non-Federal Sponsor, after consideration of any credit the Government projects will be afforded for the *non-Federal work* pursuant to Article II.B.5. of this Agreement, to meet its projected share under Article II.B.2., Article II.C.2., and Article XVII.C.4. of this Agreement. Not later than such scheduled date, the Non-Federal Sponsor shall provide the Government with the full amount of such required funds by delivering a check payable to "FAO, USAED, USACE-NWW" to the District Engineer, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by presenting the Government with an irrevocable letter of credit acceptable to the Government for such required funds, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

2. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary, after consideration of any credit the Government projects will be afforded for the *non-Federal work* pursuant to Article II.B.5. of this Agreement, to cover: (a) the *non-Federal proportionate share of financial obligations for design and construction* incurred prior to the commencement of the *period of design and construction*; (b) the *non-Federal proportionate share of financial obligations for design and construction as financial obligations for construction* are incurred; and (c) the Non-Federal Sponsor's share of financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement as those financial obligations are incurred. If at any time the Government determines that additional funds will be needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor's share of such financial obligations, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within **60** calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article.

C. Upon conclusion of the *period of design and construction* and resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. If outstanding relevant claims and appeals or eminent domain proceedings prevent a final accounting from being conducted in a timely manner, the Government shall conduct an interim accounting and furnish the Non-Federal Sponsor with written notice of the results

of such interim accounting. Once all outstanding relevant claims and appeals and eminent domain proceedings are resolved, the Government shall amend the interim accounting to complete the final accounting and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. The interim or final accounting, as applicable, shall determine *total project costs* and the costs of any data recovery activities associated with historic preservation. In addition, for each set of costs, the interim or final accounting, as applicable, shall determine each party's required share thereof, and each party's total contributions thereto as of the date of such accounting.

D. The Non-Federal Sponsor shall provide the contribution of funds required by Article II.H. of this Agreement for additional work in accordance with the provisions of this paragraph.

1. Not less than 30 calendar days prior to the scheduled date for the first financial obligation for additional work, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and of the full amount of funds the Government determines to be required from the Non-Federal Sponsor to cover the costs of the additional work. No later than 30 calendar days prior to the Government incurring any financial obligation for additional work, the Non-Federal Sponsor shall provide the Government with the full amount of the funds required to cover the costs of such additional work through any of the payment mechanisms specified in paragraph B.1. of this Article.

2. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary to cover the Government's financial obligations for such additional work as they are incurred. If at any time the Government determines that the Non-Federal Sponsor must provide additional funds to pay for such additional work, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within **30** calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article.

3. At the time the Government conducts the interim or final accounting, as applicable, the Government shall conduct an accounting of the Government's financial obligations incurred for additional work and furnish the Non-Federal Sponsor with written notice of the results of such accounting. If outstanding relevant claims and appeals or eminent domain proceedings prevent a final accounting of such financial obligations for additional work from being conducted in a timely manner, the Government shall conduct an interim accounting of such financial obligations for additional work and furnish the Non-Federal Sponsor with written notice of the results of such interim accounting. Once all outstanding relevant claims and appeals and eminent domain proceedings are resolved, the Government shall amend the interim accounting of such financial obligations for additional work to complete the final accounting of such financial obligations for additional work and furnish the Non-Federal Sponsor with

written notice of the results of such final accounting. Such interim or final accounting, as applicable, shall determine the Government's total financial obligations for additional work and the Non-Federal Sponsor's contribution of funds provided thereto as of the date of such accounting.

a. Should the interim or final accounting, as applicable, show that the Government's total financial obligations for additional work exceed the total contribution of funds provided by the Non-Federal Sponsor for such additional work, the Non-Federal Sponsor, no later than 90 calendar days after receipt of written notice from the Government, shall make a payment to the Government in an amount equal to the difference by delivering a check payable to "FAO, USAED, USACE-NWW" to the District Engineer or by providing an Electronic Funds Transfer in accordance with procedures established by the Government.

b. Should the interim or final accounting, as applicable, show that the total contribution of funds provided by the Non-Federal Sponsor for additional work exceeds the Government's total financial obligations for such additional work, the Government, subject to the availability of funds, shall refund the excess amount to the Non-Federal Sponsor within 90 calendar days of the date of completion of such accounting. In the event the Non-Federal Sponsor is due a refund and funds are not available to refund the excess amount to the Non-Federal Sponsor, the Government shall seek such appropriations as are necessary to make the refund.

ARTICLE VII - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VIII - OPERATION, MAINTENANCE, REPAIR, REHABILITATION, AND REPLACEMENT (OMRR&R)

A. Upon receipt of the notification from the District Engineer in accordance with Article II.D. of this Agreement and for so long as the *Project* remains authorized, the Non-Federal Sponsor, pursuant to Article II.E. of this Agreement, shall operate, maintain, repair, rehabilitate, and replace the entire *Project* or *functional portion of the Project*, at no cost to the Government. The Non-Federal Sponsor shall conduct its operation, maintenance, repair, rehabilitation, and replacement responsibilities in a manner compatible with the *Project's* authorized purposes and in accordance with applicable Federal and State laws as provided in Article XI of this Agreement and specific directions

prescribed by the Government in the interim or final OMRR&R Manual and any subsequent amendments thereto.

B. The Non-Federal Sponsor hereby gives the Government a right to enter, at reasonable times and in a reasonable manner, upon property that the Non-Federal Sponsor now or hereafter owns or controls for access to the *Project* for the purpose of inspection and, if necessary, for the purpose of completing, operating, maintaining, repairing, rehabilitating, or replacing the *Project*. If an inspection shows that the Non-Federal Sponsor for any reason is failing to perform its obligations under this Agreement, the Government shall send a written notice describing the non-performance to the Non-Federal Sponsor. If, after 30 calendar days from receipt of such written notice by the Government, the Non-Federal Sponsor continues to fail to perform, then the Government shall have the right to enter, at reasonable times and in a reasonable manner, upon property that the Non-Federal Sponsor now or hereafter owns or controls for the purpose of completing, operating, maintaining, repairing, rehabilitating, or replacing the *Project*. No completion, operation, maintenance, repair, rehabilitation, or replacement by the Government shall relieve the Non-Federal Sponsor of responsibility to meet the Non-Federal Sponsor's obligations as set forth in this Agreement, or to preclude the Government from pursuing any other remedy at law or equity to ensure faithful performance pursuant to this Agreement.

ARTICLE IX – HOLD AND SAVE

The Non-Federal Sponsor shall hold and save the Government free from all damages arising from design, construction, operation, maintenance, repair, rehabilitation, and replacement of the *Project* and any *betterments*, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE X - MAINTENANCE OF RECORDS AND AUDIT

A. Not later than 60 calendar days after the effective date of this Agreement, the Government and the Non-Federal Sponsor shall develop procedures for keeping books, records, documents, or other evidence pertaining to costs and expenses incurred pursuant to this Agreement. These procedures shall incorporate, and apply as appropriate, the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 C.F.R. Section 33.20. The Government and the Non-Federal Sponsor shall maintain such books, records, documents, or other evidence in accordance with these procedures and for a minimum of three years after completion of the accounting for which such books, records, documents, or other evidence were required. To the extent permitted under applicable Federal laws and regulations, the Government and the Non-Federal Sponsor shall each allow the other to inspect such books, records, documents, or other evidence.

B. In accordance with 32 C.F.R. Section 33.26, the Non-Federal Sponsor is responsible for complying with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by Office of Management and Budget (OMB) Circular No. A-133 and Department of Defense Directive 7600.10. Upon request of the Non-Federal Sponsor

and to the extent permitted under applicable Federal laws and regulations, the Government shall provide to the Non-Federal Sponsor and independent auditors any information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The costs of any non-Federal audits performed in accordance with this paragraph shall be allocated in accordance with the provisions of OMB Circulars A-87 and A-133, and such costs as are allocated to the *Project* shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

C. In accordance with 31 U.S.C. 7503, the Government may conduct audits in addition to any audit that the Non-Federal Sponsor is required to conduct under the Single Audit Act Amendments of 1996. Any such Government audits shall be conducted in accordance with Government Auditing Standards and the cost principles in OMB Circular No. A-122 and other applicable cost principles and regulations. The costs of Government audits performed in accordance with this paragraph shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

ARTICLE XI - FEDERAL AND STATE LAWS

In the exercise of their respective rights and obligations under this Agreement, the Non-Federal Sponsor and the Government shall comply with all applicable Federal and State laws and regulations, including, but not limited to: Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d) and Department of Defense Directive 5500.11 issued pursuant thereto; Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army"; and all applicable Federal labor standards requirements including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)).

ARTICLE XII - RELATIONSHIP OF PARTIES

A. In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other.

B. In the exercise of its rights and obligations under this Agreement, neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights the other party may have to seek relief or redress against that contractor either pursuant to any cause of action that the other party may have or for violation of any law.

ARTICLE XIII - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsor fails to fulfill its obligations under this Agreement, the Assistant Secretary of the Army (Civil Works) shall terminate this Agreement or suspend future performance under this Agreement unless he determines that continuation of work on the *Project* is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with the *Project*.

B. In the event future performance under this Agreement is suspended pursuant to Article II.C. of this Agreement, such suspension shall remain in effect until such time the Government notifies the Non-Federal Sponsor in writing that sufficient Federal funds are available to meet the Federal share of *total project costs* and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement the Government projects to be incurred through the then-current or upcoming *fiscal year*, or the Government or the Non-Federal Sponsor elects to terminate this Agreement.

C. In the event that the Government and the Non-Federal Sponsor determine to suspend future performance under this Agreement in accordance with Article XIV.C. of this Agreement, such suspension shall remain in effect until the Government and the Non-Federal Sponsor agree to proceed or to terminate this Agreement. In the event that the Government suspends future performance under this Agreement in accordance with Article XIV.C. of this Agreement due to failure to reach agreement with the Non-Federal Sponsor on whether to proceed or to terminate this Agreement, or the failure of the Non-Federal Sponsor to provide funds to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsor's responsibilities under Article XIV.C. of this Agreement, such suspension shall remain in effect until: 1) the Government and Non-Federal Sponsor reach agreement on how to proceed or to terminate this Agreement; 2) the Non-Federal Sponsor provides funds necessary to pay for cleanup and response costs and otherwise discharges its responsibilities under Article XIV.C. of this Agreement; 3) the Government continues work on the *Project*; or 4) the Government terminates this Agreement in accordance with the provisions of Article XIV.C. of this Agreement.

D. In the event that this Agreement is terminated pursuant to this Article or Article XIV.C. of this Agreement, both parties shall conclude their activities relating to the *Project* and conduct an accounting in accordance with Article VI.C. of this Agreement. To provide for this eventuality, the Government may reserve a percentage of total Federal funds made available for the *Project* and an equal percentage of the total funds contributed by the Non-Federal Sponsor in accordance with Article II.B.2., Article II.C.2., and Article XVII.C.4. of this Agreement as a contingency to pay costs of termination, including any costs of resolution of contract claims and contract modifications.

E. Any termination of this Agreement or suspension of future performance under this Agreement in accordance with this Article or Article II.C. or Article XIV.C. of this Agreement shall not relieve the parties of liability for any obligation previously incurred. Any delinquent payment owed by the Non-Federal Sponsor shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the

average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.

ARTICLE XIV - HAZARDOUS SUBSTANCES

A. After execution of this Agreement and upon direction by the District Engineer, the Non-Federal Sponsor shall perform, or ensure performance of, any investigations for hazardous substances that the Government or the Non-Federal Sponsor determines to be necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601-9675; hereinafter “CERCLA”), that may exist in, on, or under lands, easements, and rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the *Project*. However, for lands, easements, and rights-of-way that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the District Engineer provides the Non-Federal Sponsor with prior specific written direction, in which case the Non-Federal Sponsor shall perform such investigations in accordance with such written direction.

1. All actual costs incurred by the Non-Federal Sponsor for such investigations for hazardous substances shall be included in *total project costs* and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

2. All actual costs incurred by the Government for such investigations for hazardous substances shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

B. In the event it is discovered through any investigation for hazardous substances or other means that hazardous substances regulated under CERCLA exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the *Project*, the Non-Federal Sponsor and the Government, in addition to providing any other notice required by applicable law, shall provide prompt written notice to each other, and the Non-Federal Sponsor shall not proceed with the acquisition of the real property interests until the parties agree that the Non-Federal Sponsor should proceed.

C. The Government and the Non-Federal Sponsor shall determine whether to initiate construction of the *Project*, or, if already in construction, whether to continue with construction of the *Project*, suspend future performance under this Agreement, or terminate this Agreement for the convenience of the Government, in any case where hazardous substances regulated under CERCLA are found to exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the *Project*.

Should the Government and the Non-Federal Sponsor determine to initiate or continue with construction of the *Project* after considering any liability that may arise under CERCLA, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for the costs of cleanup and response, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall not be considered a part of *total project costs*. In the event the Non-Federal Sponsor does not reach agreement with the Government on whether to proceed or to terminate this Agreement under this paragraph, or fails to provide any funds necessary to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsor's responsibilities under this paragraph upon direction by the Government, the Government, in its sole discretion, may either terminate this Agreement for the convenience of the Government, suspend future performance under this Agreement, or continue work on the *Project*.

D. The Non-Federal Sponsor and the Government shall consult with each other in accordance with Article V of this Agreement in an effort to ensure that responsible parties bear any necessary cleanup and response costs as defined in CERCLA. Any decision made pursuant to paragraph C. of this Article shall not relieve any third party from any liability that may arise under CERCLA.

E. As between the Government and the Non-Federal Sponsor, the Non-Federal Sponsor shall be considered the operator of the *Project* for purposes of CERCLA liability. To the maximum extent practicable, the Non-Federal Sponsor shall operate, maintain, repair, rehabilitate, and replace the *Project* in a manner that will not cause liability to arise under CERCLA.

ARTICLE XV - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or sent by telegram or mailed by first-class, registered, or certified mail, as follows:

If to the Non-Federal Sponsor: Vice President for Finance and Administration –
Paradise Creek Restoration Project

University of Idaho
PO Box 443168
Moscow, ID 83844-3168

If to the Government: Project Manager – Paradise Creek Restoration Project

Army Corps of Engineers, Walla Walla District
District Engineer
201 North Third Avenue

Walla Walla, WA 99362

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at the earlier of such time as it is actually received or seven calendar days after it is mailed.

ARTICLE XVI - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE XVII - HISTORIC PRESERVATION

A. Except as provided in paragraph B. below, the Government shall perform any identification, survey, or evaluation of historic properties that it determines is necessary for the *Project*. Any costs incurred by the Government for such work shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

B. In the event that the Government determines that any identification, survey, or evaluation of historic properties is required for construction of the *non-Federal work*, and if the Government and the Non-Federal Sponsor agree in writing that the Non-Federal Sponsor should perform such identification, survey, or evaluation of historic properties, the Non-Federal Sponsor shall perform such identification, survey, or evaluation in accordance with this paragraph and other written directions of the Government.

1. The Non-Federal Sponsor shall ensure that its studies are conducted by qualified archaeologists, historians, architectural historians and historic architects, as appropriate, who meet, at a minimum, the Secretary of the Interior's Professional Qualifications Standards. The Non-Federal Sponsor shall submit study plans and reports to the Government for review and approval and the Non-Federal Sponsor shall be responsible for resolving any deficiencies identified by the Government.

2. Any costs of identification, survey, or evaluation of historic properties incurred by the Non-Federal Sponsor pursuant to this paragraph shall be included in the costs for *non-Federal work* subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

C. Except as provided in paragraph C.2. below, the Government, as it determines necessary for the *Project*, shall perform or ensure the performance of any mitigation activities or actions for historic properties or that are otherwise associated with historic preservation including data recovery activities.

1. Any costs incurred by the Government for such mitigation activities, except for data recovery activities associated with historic preservation, shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

2. In the event that the Government determines that mitigation activities or actions other than data recovery activities associated with historic preservation are required for construction of the *non-Federal work*, and if the Government and the Non-Federal Sponsor agree in writing that the Non-Federal Sponsor should perform such activities or actions, the Non-Federal Sponsor shall perform such activities or actions in accordance with the written directions of the Government. The Non-Federal Sponsor shall perform the agreed upon activities or actions prior to construction of the *non-Federal work*. Any costs incurred by the Non-Federal Sponsor in accordance with the provisions of this paragraph shall be included in the costs for *non-Federal work* subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

3. As specified in Section 7(a) of Public Law 86-523, as amended by Public Law 93-291 (16 U.S.C. 469c(a)), the costs of data recovery activities associated with historic preservation shall be borne entirely by the Government and shall not be included in *total project costs*, up to the statutory limit of one percent of the *Section 206 Project Limit*.

4. The Government shall not incur costs for data recovery activities associated with historic preservation that exceed the statutory one percent limit specified in paragraph C.3. of this Article unless and until the Assistant Secretary of the Army (Civil Works) has waived that limit and the Secretary of the Interior has concurred in the waiver in accordance with Section 208(3) of Public Law 96-515, as amended (16 U.S.C. 469c-2(3)). Any costs of data recovery activities associated with historic preservation that exceed the one percent limit shall not be included in *total project costs* but shall be shared between the Non-Federal Sponsor and the Government consistent with the cost sharing requirements for aquatic ecosystem restoration, as follows: 35 percent will be borne by the Non-Federal Sponsor and 65 percent will be borne by the Government.

D. If, during its performance of *relocations*, construction of improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material in accordance with Article III of this Agreement, or performance of the *non-Federal work*, the Non-Federal Sponsor discovers historic properties or other cultural resources that have not been evaluated in accordance with this Article, the Non-Federal Sponsor shall provide prompt written notice to the Government of such discovery. The Non-Federal Sponsor shall not proceed with performance of the *relocation*, construction of the improvement, or performance of the *non-Federal work* that is related to such discovery until the Government provides written notice to the Non-Federal Sponsor that it should proceed with such work.

ARTICLE XVIII - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Engineer.

DEPARTMENT OF THE ARMY

BOARD OF REGENTS OF THE
UNIVERSITY OF IDAHO

BY: _____
District Engineer
USACE-NWW

BY: _____
Vice President for
Finance and Administration

DATE: _____

DATE: _____

CERTIFICATE OF AUTHORITY

I, _____, do hereby certify that I am the **[FULL TITLE OF ATTORNEY SIGNING CERTIFICATE OF AUTHORITY]** of **THE UNIVERSITY OF IDAHO**, that **THE UNIVERSITY OF IDAHO** is a legally constituted *public body* with full authority and legal capability to perform the terms of the Agreement between the Department of the Army and **THE UNIVERSITY OF IDAHO** in connection with the **Paradise Creek Ecosystem Restoration-Moscow, Idaho** and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Agreement, as required by Section 221 of the Flood Control Act of 1970, Public Law 91-611, as amended (42 U.S.C. 1962d-5b), and that the persons who have executed this Agreement on behalf of **THE UNIVERSITY OF IDAHO** have acted within their corporate authority.

IN WITNESS WHEREOF, I have made and executed this certification this _____ day of _____ 2009.

[TYPED NAME]
[TITLE IN FULL]

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[TYPED NAME]
[TITLE IN FULL]

DATE: _____

**Office of the Idaho State Board of Education
Capital Project Tracking Sheet**
As of June, 2009

History Narrative

1 **Institution/Agency:** University of Idaho **Project:** Paradise Creek Ecosystem Restoration, University of Idaho, Moscow, Idaho

2 **Project Description:** The project is an integrated relocation and restoration of certain reaches of Paradise Creek located on the main campus of the University of Idaho, Moscow, Idaho.

3 **Project Use:** The Paradise Creek Ecosystem Restoration project is proposed in cooperation with U.S. Army Corps of Engineers, the City of Moscow, and the University of Idaho. A combination of new channel construction, riparian habitat improvements to existing channels, access pathways, and potential future storm water wetland cell development are proposed as a means to restore more natural wetland features in the area, provide a naturalized greenbelt transition linking the University of Idaho to the City of Moscow, support research efforts and student learning opportunities, improve flood control characteristics, and to help improve the overall water quality of Paradise Creek.

4 **Project Size:** N/A

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other**	Total Uses
9 Initial Cost of Project, Excluding Land Values and	\$ -	\$ -	\$ 3,863,000	\$ 3,863,000	\$ 377,000	\$ 3,219,000	\$ 267,000	\$ 3,863,000
10 History of Revisions:								
11								
12								
13								
14								
15								
16 Total Project Costs	\$ -	\$ -	\$ 3,863,000	\$ 3,863,000	\$ 377,000	\$ 3,219,000	\$ 267,000	\$ 3,863,000

History of Funding:	PBF	ISBA	* Other Sources of Funds				Total Other	Total Funding
			Institutional Funds (Gifts/Grants)	Student Revenue	Other	Total		
20 Initial Authorization Request, Jun 09					\$ 3,863,000	\$ 3,863,000	\$ 3,863,000	
21								
22								
23								
24								
25 Total	\$ -	\$ -	\$ -	\$ -	\$ 3,863,000	\$ 3,863,000	\$ 3,863,000	

27 * Federal Funds allocated specifically for this purpose. UI will report back to the Board of Regents any resulting revisions to the project estimate resulting from the bid process and seek additional project authorization as may be required.

28 ** Project Contingency and Other

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

UNIVERSITY OF IDAHO

SUBJECT

University of Idaho request for approval of the settlement agreement discussed in executive session

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2.
Idaho Code Sections 67-2345(d) and (f).

DISCUSSION

University of Idaho requests approval of the settlement agreement consistent with the terms discussed in executive session.

IMPACT

Approval of the settlement will bring finality to this matter.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comment on this item.

BOARD ACTION

A motion to approve the settlement of the legal matter discussed in executive session and to authorize the Vice President of Finance at the University of Idaho to sign all necessary settlement documents.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: W. Litigation

December 2008

2. Settlement of Litigation

The chief executive officer has authority to settle a legal matter involving the payment or receipt of up to twenty five thousand dollars (\$25,000) of institution, agency, or school funds. Any settlement of a legal matter that is in excess of twenty five thousand dollars (\$25,000) in institution, agency, or school funds must be approved by the Board prior to any binding settlement commitment.

IDAHO CODE

§ 67-2345. Executive sessions -- When authorized

(1) Nothing contained in this act shall be construed to prevent, upon a two-thirds (2/3) vote recorded in the minutes of the meeting by individual vote, a governing body of a public agency from holding an executive session during any meeting, after the presiding officer has identified the authorization under this act for the holding of such executive session. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent. This paragraph does not apply to filling a vacancy in an elective office;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation;

(g) By the commission of pardons and parole, as provided by law;

(h) By the sexual offender classification board, as provided by chapter 83, title 18, Idaho Code;

(i) By the custody review board of the Idaho department of juvenile corrections, as provided by law.

(2) Labor negotiations may be conducted in executive session if either side requests closed meetings. Notwithstanding the provisions of *section 67-2343, Idaho Code*, subsequent sessions of the negotiations may continue without further public notice.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

LEWIS-CLARK STATE COLLEGE

SUBJECT

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

LEWIS-CLARK STATE COLLEGE

SUBJECT

Item pulled

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

COLLEGE OF WESTERN IDAHO

SUBJECT

Approval of the Canyon County Center Transition Agreement between the State Board of Education and the College of Western Idaho

REFERENCE

February, 2008	The Board approved the Memorandum of Understanding between the College of Western Idaho, the State Board of Education and Boise State University.
December, 2008	Board approved West Campus Transfer, Educational Facility Property Transition Agreement and the Facilities Use Agreement

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies &. Procedures, Section V.I.5.b.3
Senate Concurrent Resolution No. 136, Fifty-Ninth Legislature, Second Regular Session.
Section 33-107(2), Idaho Code

BACKGROUND/DISCUSSION

At the February 2008 meeting, the State Board of Education approved the Memorandum of Understanding by and between the College of Western Idaho (CWI), the State Board of Education(SBOE) and Boise State University (BSU) whereby the State Board of Education agreed to transfer and convey to CWI the Canyon County Center real property and building for the purposes of transferring the Seland College of Applied Technology to CWI and helping launch the newest community college in Idaho. This item allows the parties to accomplish that transfer.

IMPACT

This agreement will provide the College of Western Idaho with campus space and a building to house components of the Seland College of Applied Technology.

ATTACHMENTS

Attachment 1 – Canyon County Center Transition Agreement Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The February 28, 2008 MOU between SBOE, BSU, and CWI called for the transfer of 100 acres of the West Campus, the West Campus Academic Building, and the Canyon County Center. The purpose of the Canyon County Center Transition Agreement is to transfer title to the real estate and the building located

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

on the Nampa/Caldwell Blvd., commonly known as the Canyon County Center, to CWI. In December 2008, the Board approved the Transition Agreement for the West Campus parcel and building only, so this Canyon County Center Transition Agreement will accomplish the final part of the transfer called for in the MOU.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by the College of Western Idaho that the State Board of Education enter into and execute the Canyon County Center Transition Agreement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

CANYON COUNTY CENTER TRANSITION AGREEMENT

THIS CANYON COUNTY CENTER TRANSITION AGREEMENT (“Agreement”) is made this ____ day of June, 2009 (“Effective Date”), by and between the COLLEGE OF WESTERN IDAHO DISTRICT, an Idaho public corporation (“Transferee” or “CWI”), and the IDAHO STATE BOARD OF EDUCATION (“SBOE”) and BOISE STATE UNIVERSITY (“BSU”) (collectively “Transferor”).

RECITALS

A. Transferor is the Owner of that certain real property and improvements located in Canyon County, Idaho consisting of a building that is seventy-seven thousand (77,000) square feet more or less, situated on approximately five (5) acres more or less, and more commonly known as the Canyon County Center, 2407 Caldwell Boulevard, Nampa, Idaho, 83651, and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the “Property”).

B. BSU currently utilizes the Property for the provision of professional-technical education (“PTE”), workforce training, adult basic education, and other educational services typically provided by a community college. Transferor expressly declares that the Property remains useful for such purposes and will continue to be used for such purposes. CWI will provide a broad array of community college services, including, but not limited to PTE, workforce training, and adult basic education at the Premises and other locations in the district.

C. Pursuant to Idaho Code § 33-2104(d), CWI was established as a result of a community college district special election held on May 22, 2007, and a June 1, 2007 order by the Canyon County Commission declaring CWI established.

D. Pursuant to Idaho Code § 33-2101 et seq., CWI is the only approved community college district in southwestern Idaho.

E. The Idaho Division of Professional-Technical Education has designated CWI as the postsecondary professional-technical education provider in southwestern Idaho.

F. BSU desires and is statutorily required to relinquish its role as the PTE and community college provider in southwest Idaho and CWI desires and is statutorily required to assume such role. Transferor and CWI agree that it is in the best interests of the parties and the citizens of Idaho and of the College of Western Idaho District to expedite CWI’s assumption of the community college and PTE functions in southwest Idaho by entering into this Agreement.

G. On February 28, 2008, the parties entered into the Non-Binding Memorandum of Understanding calling for the transfer of the Selland College, including the Canyon County Center, the West Campus Academic Building, and approximately one hundred (100) acres of the West Campus, from Transferor to CWI to further the parties’ mutual goals of promoting an effective community college in southwestern Idaho.

H. The fifty-ninth Legislature, Second Regular Session, adopted Senate Concurrent Resolution No. 136, which resolved, in pertinent part, “that the Legislature approves the transfer of real and personal property located in Nampa, Idaho, by the State Board of Education and Boise State University to the College of Western Idaho under such terms and conditions as may be reasonable and necessary, notwithstanding any other provision of law that may apply to such transfer.”

I. In addition to this Agreement, Transferor and CWI have entered into and executed the “Educational Facility Property Transition Agreement,” dated December 29, 2008 to further expedite CWI’s assumption of the community college and PTE functions in southwest Idaho. This Agreement is intended to co-exist with the Educational Facility Property Transition Agreement in order to accomplish the ultimate goal of transferring the community college functions and the Selland College of Applied Technology from BSU to CWI.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, and in consideration of the recitals above, which are incorporated herein, and the premises and the mutual representations, covenants, undertakings and agreements hereinafter contained, Transferor and Transferee represent, covenant, undertake and agree as follows:

1. DESCRIPTION OF PROPERTY TO BE TRANSFERRED.

Subject to the terms and conditions of this Agreement, Transferor agrees to divest, transfer and convey, and CWI agrees to acquire, assume and have transferred and conveyed, subject to and upon each of the terms and conditions hereinafter set forth, the Property, together with all right, title and interest of Transferor in and to all easements, tenements, hereditaments, privileges, water rights and appurtenances thereunto belonging, the improvements and structures located on the Property.

2. CONSIDERATION FOR TRANSFER.

As consideration for the transfer of the Property, as well as the transfer of property and services pursuant to the Educational Facility Property Transition Agreement, in addition to the recitals, the mutual representations, covenants, undertakings and agreements herein, CWI will:

- (a) Assume BSU’s role of providing community college services in Area No. 3 by providing public postsecondary education, professional-technical education, community and workforce training, and adult basic education in perpetuity;
- (b) Grant a reversionary interest in the deeds required by this Agreement and the Educational Facility Property Transition Agreement in favor of Transferor in the event that the property transferred thereby permanently ceases to be used by CWI for public community college purposes (permanent abandonment); and

- (c) Pay all costs associated with the transfer of the Property, including all engineering and surveying fees necessary to identify the Property, closing costs, and title insurance costs.

3. ADDITIONAL TERMS, CONTINGENCIES AND CONDITIONS PRECEDENT.

The Parties' respective obligations under this Agreement including, without limitation, the Parties' respective obligations to close the transaction for the Property hereunder are expressly conditioned and contingent upon the prior satisfaction of and/or the respective Parties' express written waiver of the following terms, contingencies and conditions precedent, as applicable, for the respective benefit of the Parties as set forth in this Article 3.

(a) Title Matters.

(i) Title Insurance. By the Closing, CWI, at CWI's expense, shall procure a standard ALTA Owner's Policy of Title Insurance ("Policy") insuring that fee title to the Premises is vested in Transferor subject only to the exceptions set forth in the Title Insurance Commitment, Order No. 200804106, dated April 29, 2008 (the "Commitment").

(ii) Title Commitment. CWI has received the Commitment, covering the Property, issued by First American Title Insurance Company ("Title Company"), together with legible and complete copies of all documents referenced as title exceptions in the Commitment. CWI hereby approves the exceptions to the Policy as shown on Schedule B, Section II.

(b) **AS IS CONDITION, DISCLAIMER OF WARRANTIES.** CWI ACKNOWLEDGES THAT AS OF THE CLOSING DATE CWI SHALL HAVE CONDUCTED ITS OWN DUE DILIGENCE INSPECTION OF THE PROPERTY AND THAT CWI SHALL ACCEPT THE PROPERTY IN "AS IS - WHERE IS" CONDITION AND IN THE CONDITION THAT THE PROPERTY IS IN AS OF THE CLOSING DATE. TRANSFEROR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY OTHER VERBAL OR IMPLIED PROMISES, AGREEMENTS, STIPULATIONS, REPRESENTATIONS OR WARRANTIES OF ANY CHARACTER WHATSOEVER, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND CWI IN ENTERING INTO THIS AGREEMENT IS RELYING WHOLLY UPON ITS OWN DUE DILIGENCE INSPECTION AND JUDGMENT. TRANSFEROR MAKES NO REPRESENTATIONS AS TO THE ACCURACY OF THE PROPERTY SIZE. CWI SHALL TAKE THE PROPERTY SUBJECT TO THIRD PARTY CLAIMS ARISING OUT OF OR RESULTING FROM DISCREPANCIES, ENCROACHMENTS AND OVERLAPS BETWEEN OR RESULTING FROM EXISTING PERIMETER FENCE LOCATIONS AND THE SURVEYED BOUNDARY LINES OF THE PROPERTY, IF ANY, AND/OR TO ANY STATE OF FACTS AN ACCURATE SURVEY OR INSPECTION OF THE PROPERTY WOULD SHOW. CWI AGREES THAT IT HAS ASCERTAINED, AS OF THE CLOSING DATE, FROM SOURCES OTHER THAN TRANSFEROR, THE APPLICABLE ZONING, BUILDING, HOUSING, AND OTHER REGULATORY ORDINANCES AND LAWS AND CWI ACCEPTS THE PROPERTY WITH FULL AWARENESS OF THESE ORDINANCES AND LAWS AS THEY MAY

AFFECT THE PRESENT USE OR ANY INTENDED FUTURE USE OF THE PROPERTY AND TRANSFEROR HAS MADE NO REPRESENTATIONS WITH RESPECT THERETO.

(c) Conveyance. At Closing, defined below, Transferor shall convey the Premises to CWI by Grant Deed in the form attached hereto as **Exhibit B** and incorporated herein (“Deed”). All costs of recording the grant deed will be paid by the CWI.

(d) No New Encumbrances. During the term of this Agreement, except as may be otherwise expressly provided for herein, Transferor shall not enter into or record or cause or consent to be recorded any new easement, agreement, covenant, restriction, claim, lien, or any other matter affecting the Property or title thereto (an “Encumbrance”) without CWI’s prior written consent.

(e) BSU-CWI Space Allocation. At Closing or at any time subsequent thereto, CWI and BSU may enter into at least one separate agreement for space allocation between the parties with respect to the Canyon County Center Building. Said agreement shall make space available to BSU for course offerings to further the Parties’ desire that BSU continue providing services in Canyon County; provided, however, that it is expressly understood by the Parties that CWI is to be the primary occupant of the Canyon County Center. The agreement shall continue annually on a year-to-year term, or until otherwise terminated in accordance with the terms set forth in the agreement. As part of said agreement BSU shall be liable only for actual out-of-pocket costs incurred by CWI as a direct result of the agreement; provided, however that BSU will not be charged for such access or usage of the Canyon County Center Building occurring as a result of services rendered by BSU personnel on behalf of CWI.

4. REPRESENTATIONS AND WARRANTIES.

(a) Transferor represents, warrants and covenants to CWI, as of the Effective Date of this Agreement and as of the date of Closing, as follows:

(1) Owner Fee Simple Title. Transferor is and shall be the owner of insurable fee simple title to the Property and has the authority to convey the Property as described in **Exhibit A**. Prior to the Closing, the Transferor shall not convey or accept any offer to convey the Premises or any portion of or interest in the Premises nor shall the Transferor encumber or permit encumbrance of the Premises in any way nor grant any property, contract or occupancy right relating to the Premises or any portion thereof without the prior written consent of CWI which may be withheld in the CWI's sole and absolute discretion.

(2) Authority. Transferor has full power, authority and legal right to execute and deliver this Agreement and to perform its obligations under this Agreement. Transferor has authorized the execution and delivery of this Agreement and the performance of its obligations hereunder by all necessary action under Idaho law.

(3) No Adverse Action by Transferor. That Transferor shall not voluntarily take any action, or permit any action to be taken, from and after the execution of this Agreement which adversely affects: (i) the physical condition of the Property; (ii) title to the Property; or (iii) development of the Property.

(4) No Mechanic's Liens. Except for those caused by CWI or arising out of CWI's activities on the Property, that there are and will be no unrecorded mechanic's or materialmen's liens or any claims for such liens affecting the Property, and as of the Closing Date, there will be no work or material performed or furnished for which payment will not have previously been made.

(5) Hazardous Materials. To the best of Transferor's knowledge, there are no hazardous substances located on or contained within or below the Property.

The phrase "to the best of Transferor's knowledge" as used herein shall mean the knowledge of Transferor's agents or employees after diligent inquiry and investigation.

(b) CWI hereby represents, warrants and covenants to Transferor that as of the Effective Date and as of the Closing Date:

(1) Duly Organized; Good Standing. That CWI is an Idaho public corporation that has been duly organized, is validly existing and in good standing under the laws of the State Idaho, and has the full power and authority to: (i) acquire title to the Property; (ii) enter into this Agreement; and (iii) carry out and consummate the transactions contemplated by this Agreement.

(2) Authority. That the execution and delivery of this Agreement by the signatories hereto on behalf of CWI, and the performance of this Agreement by CWI, have been duly authorized by CWI. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will: (i) result in a breach of or default under any agreement, document or instrument to which CWI is a party or by which CWI is bound; or (ii) violate any existing statute, restriction, order, writ, injunction or decree of any court, administrative agency or governmental body to which CWI is subject.

5. CLOSING AND RELATED MATTERS

(a) Closing Date. The closing of the transaction contemplated by this Agreement ("Closing") shall take place at the Title Company's office on or before the expiration of thirty (30) days from and after the execution of this Agreement by all of the parties, or as otherwise agreed by the parties ("Closing Date").

(b) Transferor's Deposits. On the Closing Date, Transferor shall deliver the following documents to the Title Officer's:

- (i) Deed executed by Transferor conveying the Premises to CWI.
- (ii) Transferor-approved Closing statement.

(iii) Such other documents as the Title Company, CWI or CWI's attorneys may reasonably require in order to effectuate or further evidence the intent of any provision in this Agreement.

All of the documents and instruments to be delivered by Transferor hereunder shall be in form and substance reasonably satisfactory to counsel for both Parties.

(c) CWI's Deposits. On the Closing Date, CWI shall deliver the following documents to Title Officer:

- (i) CWI-approved Closing statement.

(ii) Such other documents as the Title Company, Transferor or Transferor's attorneys may reasonably require in order to effectuate or further evidence the intent of any provision in this Agreement.

All of the documents and instruments to be delivered by Transferor hereunder shall be in form and substance reasonably satisfactory to counsel for both Parties.

(d) Possession. Possession of the Property shall be delivered to CWI on the Closing Date.

(e) Locks. BSU owns and utilizes a proprietary door lock system where the door locking mechanisms and keys are proprietary to BSU. Since CWI cannot produce keys or make changes to such locks in the future, all door locks and locking mechanisms will be removed from the building at BSU's expense before the closing. BSU will coordinate this removal with CWI to ensure CWI can, at its expense, have new locks installed simultaneously with the removal.

6. PRORATIONS AND ADJUSTMENTS.

The following items shall be prorated and adjusted as of the Closing Date

(a) To the extent applicable, property taxes, assessments, and rents related to the Premises shall be prorated between the Transferor and the CWI as of the date of Closing. Such prorations shall be made on the basis of a 365-day year.

(b) Utilities. All charges for utilities, including water use charges (but not "water taxes" levied by the City of Nampa), shall be paid by Transferor up to and including the Closing Date. Bills received after Closing that relate to expenses incurred or services performed allocable to the period prior to the Closing Date shall be paid by Transferor post-Closing as and when due.

(c) Other Items. Such other items as are customarily prorated in transaction of the type contemplated in this Agreement.

7. NOTICES.

All notices, demands, requests, and other communications under this Agreement shall be in writing and shall be deemed properly served or delivered, if delivered by hand to the party to whose attention it is directed, or when sent, three (3) days after deposit in the U. S. Mail, postage prepaid, certified mail, return receipt requested, or if sent via facsimile transmission, when received as determined by the written facsimile transmission report generated by the sending party's facsimile machine confirming successful delivery, addressed as follows:

<p>(a) If to SBOE:</p> <p>Idaho State Board of Education Attn.: Paul Agidius, President P.O. 83720 Boise, ID 83720-0037 (208) 334-2632 (facsimile)</p>	<p>With a copy to:</p> <p>Deputy Attorney General, P.O. Box 83720 Boise, Idaho 83720-0037 (208) _____ (facsimile)</p>
<p>(b) If to BSU:</p> <p>Boise State University Attn.: President 1910 University Drive Boise, Idaho 83725-1000 (208) _____ (facsimile)</p>	<p>With a copy to:</p> <p>General Counsel 1910 University Drive Boise, Idaho 83725-1200 (208) _____ (facsimile)</p>
<p>(c) If to CWI:</p> <p>College of Western Idaho Attn.: President 5500 East University Way Nampa, Idaho 83687 (208) _____ (facsimile)</p>	<p>With a copy to:</p> <p>Richard Stover Eberle, Berlin, Kading, Turnbow & McKlveen, Chtd. P.O. Box 1368 Boise, Idaho 83701 (208) 344-8542 (facsimile)</p>

8. MISCELLANEOUS.

(a) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective heirs, personal representatives, successors and assigns.

(b) Counterparts. This Agreement may be executed via facsimile (original to be promptly delivered by U. S. Mail or overnight carrier) in counterparts, each of which shall constitute an original, but all together shall constitute one and the same agreement.

(c) Survival. The terms, provisions, and covenants (to the extent applicable) and indemnities shall survive Closing and delivery of the deed, and this Agreement shall not be merged therein, but shall remain binding upon and for the Parties hereto until fully observed, kept or performed.

(d) Entire Agreement. This Agreement embodies the entire contract between the Parties hereto with respect to the subject matter hereof, and supersedes any and all prior agreements and letters of intent, whether written or oral, between the Parties. No extension, change, modification or amendment to or of this Agreement of any kind whatsoever shall be made or claimed by Transferor or CWI, and no notice of any extension, change, modification or amendment made or claimed by Transferor or CWI shall have any force or effect whatsoever unless the same shall be endorsed in writing and be signed by the party against which the enforcement of such extension, change, modification or amendment is sought, and then only to the extent set forth in such instrument. Nothing herein is intended, nor shall it be construed, as obligating either party to agree to any modification if this Agreement.

(e) Representation by Counsel. All Parties hereto have either: (i) been represented by separate legal counsel; or (ii) have had the opportunity to be so represented. Thus, in all cases, the language herein shall be construed simply and in accordance with its fair meaning and not strictly for or against a party, regardless of which party prepared or caused the preparation of this Agreement.

(f) Captions. The captions at the beginning of the several paragraphs, respectively, are for convenience in locating the context, but are not part of the text.

(g) Severability. In the event any term or provisions of this Agreement shall be held illegal, invalid or unenforceable or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such term and provision shall be valid and shall remain in full force and effect.

(h) Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

(i) Recitals, Exhibits and Schedules. The recitals, exhibits and schedules attached to this Agreement are incorporated into this Agreement as if set forth in full herein and shall be an integral part of this Agreement.

(j) Cooperation of Parties. The Transferor and the CWI shall execute or cause to be executed any and all documents reasonably necessary or appropriate to close the transaction pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

IDAHO STATE BOARD OF EDUCATION

By: _____
Its: _____

BOISE STATE UNIVERSITY

By: _____
Its: _____

COLLEGE OF WESTERN IDAHO

By: _____
Its: _____

List of Exhibits:

- Exhibit A – Legal Description of Property
- Exhibit B – Form of Grant Deed

EXHIBIT A

Lot 1, Block 1, SUNDANCE COMMERCIAL PARK, as shown on the official plat thereof on file in Book 17 of Plats, Page 41, in the office of the Canyon County Recorder, Canyon County, Idaho.

EXHIBIT B
Grant Deed

*RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:*

*College of Western Idaho
Attn.: Cheryl Wright
5500 East University Way
Nampa, Idaho 83687*

(Space Above For Recorder's Use)

GRANT DEED

For good and valuable consideration, the receipt of which is hereby acknowledged, the **STATE OF IDAHO acting by and through the STATE BOARD OF EDUCATION as the Board of Trustees for BOISE STATE UNIVERSITY**, (“Grantor”), grants, transfers, conveys and assigns to the **COLLEGE OF WESTERN IDAHO** (“Grantee”), whose current address is 5500 East University Way, Nampa, Idaho 83687, and its successors and assigns forever, the following described real property:

Lot 1, Block 1, SUNDANCE COMMERCIAL PARK, as shown on the official plat thereof on file in Book 17 of Plats, Page 41, in the office of the Canyon County Recorder, Canyon County, Idaho.

SUBJECT TO all existing easements, rights-of-way, reservations, restrictions and encumbrances of record, to any existing tenancies, to all zoning laws and ordinances, and to any state of facts an accurate survey or inspection of the premises would show and to the restriction on Grantee’s use of the Property as set forth herein.

This conveyance shall include any and all estate, right, title, interest, appurtenances, tenements, hereditaments, reversions, remainders, easements, rents, issues, profits, rights-of-way and water rights in anywise appertaining to the property herein described as well in law as in equity.

RESERVATION OF GRANTOR. It is hereby understood and stipulated that this property must forever be used for public educational purposes and whenever the property hereby conveyed ceases to be used exclusively for public community college, or education-related auxiliary purposes, by Grantee, its successors or assigns, that said property and all improvements

then situate on such property shall automatically revert to Grantor, its successors or assigns, without cost, charge or payment of any kind as fully and effectually as if this deed had not been made or executed.

IN WITNESS WHEREOF, the Grantor has hereunto subscribed its name to this instrument this _____ day of _____, 20__.

GRANTOR:

IDAHO STATE BOARD OF EDUCATION, as the Board of Trustees for BOISE STATE UNIVERSITY

By: _____

Its: _____

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public, personally appeared _____, known or identified to me to be the _____ of the Idaho State Board of Education, the Board of Trustees for Boise State University, and the agency that executed the foregoing instrument or the person who executed the instrument on behalf the Idaho State Board of Education, and acknowledged to me that such agency executed the same.

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

NOTARY PUBLIC FOR IDAHO

Residing at _____

My Commission Expires _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

SUBJECT

Room and board housing rates for the 2009/2010 academic year

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.R.3.b.vii.

BACKGROUND/DISCUSSION

Policy allows the Board to delegate the approval of these rates to the chief executive officer without a reporting requirement. Historically, the institutions have approved the rates and submitted them as an information item even though a review of past agendas and minutes has not confirmed a prior delegation by the Board.

IMPACT

The Board is asked to formally delegate the approval of the room and board housing rates to the chief executive officer.

ATTACHMENTS

Boise State University – 2009/2010 Room and Board Rates	Tab A
Idaho State University – 2009/2010 Room and Board Rates	Tab B
University of Idaho – 2009/2010 Room and Board Rates	Tab C
Lewis-Clark State College - 2009/2010 Room and Board Rates	Tab D

STAFF COMMENTS AND RECOMMENDATIONS

Institutional representatives will be available to discuss proposed room and board rates, including how they compare with rates in the surrounding community.

BOARD ACTION

To ratify the Room and Board rates approved by each of the institution's presidents for Boise State University, Idaho State University, the University of Idaho, and Lewis-Clark State College as shown in the respective tabs, and to delegate to the institution presidents the authority to approve these rates. In the future, these reports will be submitted to the Office of the State Board of Education and made available to the Board on request.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Institution/Agency Agenda

Boise State University

2009-10 Housing Room and Board Rates

Boise State University has approved the following room and board rates effective with Fall Semester, 2009-10

<u>Apartments</u>	2008-09	2009-10	%increase
University Heights			
1 bedroom 12 months	\$440	\$480	9.09%
1 bedroom 6-11 months	\$460	\$510	10.87%
1 bedroom less than 6 months	\$480	\$500	10.42%
2 bedroom 12 months	\$500	\$500	0%
2 bedroom 6-11 months	\$530	\$530	0%
2 bedroom less than 6 months	\$550	\$550	0%
University Manor			
1 bedroom 12 months	\$440	\$480	9.09%
1 bedroom 6-11 months	\$460	\$510	10.87%
1 bedroom less than 6 months	\$480	\$500	10.42%
2 bedroom 12 months	\$500	\$500	0%
2 bedroom 6-11 months	\$530	\$530	0%
2 bedroom less than 6 months	\$550	\$550	0%
University Park			
grad unit (per room/per month for 9 mos)	\$300	\$400	33.33%
grad unit (per room/per month for 12 mos)	\$325	\$430	32.31%
2 bedroom 12 months	\$480	\$530	10.42%
2 bedroom 6-11 months	\$500	\$560	12%
2 bedroom less than 6 months	\$530	\$580	9.43%
3 bedroom 12 months	\$630	\$680	7.94%
3 bedroom 6-11 months	\$650	\$710	9.23%
3 bedroom less than 6 months	\$680	\$735	7.35%
University Village			
2 bedroom 12 months	\$610	\$630	3.28%
2 bedroom 6-11 months	\$640	\$660	3.13%
2 bedroom less than 6 months	\$660	\$680	3.03%
University Square			
2 bedroom 12 months	\$720	\$720	0%
2 bedroom 6-11 months	\$750	\$750	0%
2 bedroom less than 6 months	\$770	\$770	0%

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Boise State University - Meal Plans

Prices do not include Idaho State sales tax (currently 6%)

<u>Meal Plan Option</u>	2008-09		2009-10		<u>Increase</u>
	<u>Flex \$ Per</u>	<u>Price</u>	<u>Flex \$ Per</u>	<u>Price</u>	
1 – 19 meals per week	0	\$2,480	0	\$2,600	5%
2 – 450 Meals (225 per semester)	\$250	\$2,480	\$250	\$2,600	5%
3 – 384 Meals (192 Per semester)	\$350	\$2,480	\$350	\$2,600	5%
4 – 320 Meals (160 Per Semester)	\$650	\$2,480	\$650	\$2,600	5%

	2008-09	2009-10	Increase
Residence Halls/Suites			
Chaffee (A&B wings) and Barnes Towers			
Single Occupancy	\$2,941	\$3,154	7%
Double Occupancy	\$2,339	\$2,514	7%
Chaffee (D wing), Driscoll, Morrison Halls			
Single Occupancy	\$3,647	\$3,904	7%
Double Occupancy	\$2,900	\$3,114	7%
Keiser and Taylor Halls			
Single Occupancy	\$3,869	\$4,144	7%
Double Occupancy	\$3,076	\$3,304	7%
University Suites			
Single Occupancy (Standard Room)	\$4,148	\$4,444	7%
Single Occupancy (Efficiency Room)	\$3,775	\$4,044	7%
University Inn			
Single Occupancy	\$3,188	\$2,914	-9%
Double Occupancy	\$2,125	\$2,284	7%

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Institution/Agency Agenda

Idaho State University

2009-10 Housing Room and Board Rates

Idaho State University has approved the following room and board rates effective with Fall Semester, 2009-10

	2008-2009	2009-2010	% Increase
Residence Hall Rates (Turner & Rendezvous)			
(rate is for academic year)			
Turner Hall Double	\$2,320	\$2,350	1.29%
Turner Hall Single	\$3,080	\$3,130	1.62%
Rendezvous Center	\$3,300	\$3,350	1.52%
Apartment Rates (monthly)			
University Courts (1 bedroom)	\$465	\$475	2.15%
University Courts (1 bedroom/double occ.)	\$250	\$275	10.0%
West Campus (1 bedroom)	\$490	\$495	1.02%
West Campus (2 bedroom/1 bath)	\$285	\$290	1.75%
West Campus (2 bedroom/2 bath)	\$305	\$310	1.64%
Bengal Studio/Single (w/o kitchen)	\$360	\$365	1.39%
Bengal Studio/Single (w/kitchen)	\$400	\$400	0.00%
Schubert Heights (double)	\$220	\$240	9.09%
Schubert Heights (single)	\$400	\$400	0.00%
Pulling Courts (1 bedroom)	\$465	\$475	2.15%
McIntosh Manor (1 bedroom)	\$465	\$475	2.15%
McIntosh Manor (2 bedroom)	\$550	\$560	1.82%
Ridgecrest (2 bedroom)	\$575	\$590	2.61%
Meal Plans FY2008-09 (rate is for academic year)			
1 – All meals (meals/week) + \$150 flex		\$2,950	
2 – 215 meals/semester + \$400 flex		\$2,700	
3 – 125 meals/week + \$750 flex		\$2,700	
4 – 185 meals/semester + \$300 flex		\$2,500	
5 – 100 meals/semester + \$650 flex		\$2,500	
6 – All meals (meals/week)		\$2,650	
Meal Plans FY2009-10 (rate is for academic year)			
Plan 1 – 195 meals/semester + \$350 flex		\$2,700	
Plan 2 – 115 meals/semester + \$650 flex		\$2,700	
Plan 3 – 175 meals/semester + \$250 flex		\$2,500	
Plan 4 – 90 meals/semester + \$575 flex		\$2,500	
Plan UPC – 50 meals/semester + \$350 flex (only for juniors and seniors)		\$1,400	

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009**

Institution/Agency Agenda

University of Idaho

2009-10 Housing Room and Board Rates

University of Idaho has approved the following room and board rates effective with Fall Semester, 2009-10

**2009-2010 Proposed
Residence Hall Room Rates**

Traditional Residence Hall Rates <i>(Wallace, Tower, Targhee, McConnell)</i> <i>Includes Thanksgiving and Spring Breaks</i>	Academic Year 2008-2009	Academic Year 2009-2010	Increase	Fall 2009	Spring 2010	Summer 2010
Double Room	\$3,698	\$3,902	5.5%	\$2,146	\$1,756	N/A
Single Room	\$5,095	\$5,375	5.5%	\$2,956	\$2,419	N/A
McConnell Single	\$5,189	\$5,474	5.5%	\$3,011	\$2,463	N/A
Living Learning Community Rates <i>Includes Thanksgiving, Winter, and Spring Breaks</i>	Academic Year 2008-2009	Academic Year 2009-2010	Increase	Fall 2009	Spring 2010	Summer 2010
Double Room	\$4,280	\$4,515	5.5%	\$2,483	\$2,032	\$1,285
Super Double Room	\$4,570	\$4,821	5.5%	\$2,652	\$2,169	\$1,770
Single Room	\$5,698	\$6,011	5.5%	\$3,306	\$2,705	\$1,589
Super Single Room	\$5,975	\$6,304	5.5%	\$3,467	\$2,837	\$2,076

- 12 month rates are available at academic year rate PLUS summer term rate. 12 month contracts will be required to relocate into the designated LLC summer-term housing at the beginning of summer term.

Other Residence Hall Fees
Liquidated Damages charge is \$10 per day (Minimum \$660; Maximum \$1,800). No Change. Traditional Residence Hall and Living Learning Community Deposit \$250. No Change. Room Change Administrative Fee, \$25.00.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

University of Idaho - 2009 - 2010 Proposed Apartment Rates

*Less Than 12-Month Agreement Apartment Housing Rates	FY09 Rate Per Month	FY10 Rate Per Month	Actual Increase	Dollar Increase
Graduate Student Residence # B	\$ 549	\$ 549	0%	\$ 0
Graduate Student Residence #C	\$ 531	\$ 531	0%	\$ 0
South Hill Apartments: 1 Br.	\$ 559	\$ 569	2%	\$ 10
South Hill Apartments: 2 Br.	\$ 579	\$ 590	2%	\$ 11
South Hill Apartments: 3 Br.	\$ 659	\$ 671	2%	\$ 12
South Hill Vista: 2 Br.	\$ 629	\$ 641	2%	\$ 12
South Hill Vista: 3 Br.	\$ 714	\$ 727	2%	\$ 13
South Hill Vista: 4 Br.	\$ 769	\$ 783	2%	\$ 14
**Elmwood Apartments: 1 Br. Bsmt	\$ 595	\$ 606	2%	\$ 11
**Elmwood Apartments: 1 Br.	\$ 610	\$ 621	2%	\$ 11
**Elmwood Apartments: 2 Br.	\$ 769	\$ 783	2%	\$ 14

**Less than 12 Month Agreement is \$50 more per month to offset turnover costs.
**Less than 12 Month Agreement for Elmwood is only permitted in the event of a student graduating.*

12 Month Agreement Apartment Housing Rates	FY09 Rate Per Month	FY10 Rate Per Month	Actual Increase	Dollar Increase
Graduate Student Residence # B	\$ 499	\$ 499	0%	\$ 0
Graduate Student Residence #C	\$ 481	\$ 481	0%	\$ 0
South Hill Apartments: 1 Br.	\$ 509	\$ 519	2%	\$ 10
South Hill Apartments: 2 Br.	\$ 529	\$ 540	2%	\$ 11
South Hill Apartments: 3 Br.	\$ 609	\$ 621	2%	\$ 12
South Hill Vista: 2 Br.	\$ 579	\$ 591	2%	\$ 12
South Hill Vista: 3 Br.	\$ 664	\$ 677	2%	\$ 13
South Hill Vista: 4 Br.	\$ 719	\$ 733	2%	\$ 14
Elmwood Apartments: 1 Br. Bsmt	\$ 545	\$ 556	2%	\$ 11
Elmwood Apartments: 1 Br.	\$ 560	\$ 571	2%	\$ 11
Elmwood Apartments: 2 Br.	\$ 719	\$ 733	2%	\$ 14

24 Month Agreement Apartment Housing Rates	FY09 Rate Per Month	FY10 Rate Per Month	Actual Increase	Dollar Increase
Graduate Student Residence # B	\$ 439	\$ 479	9.11%	\$ 40
Graduate Student Residence #C	\$ 429	\$ 465	8.39%	\$ 36
South Hill Apartments: 1 Br.	\$ 419	\$ 469	11.93%	\$ 50
South Hill Apartments: 2 Br.	\$ 439	\$ 489	11.38%	\$ 50
South Hill Apartments: 3 Br.	\$ 519	\$ 570	9.82%	\$ 51
South Hill Vista: 2 Br.	\$ 489	\$ 540	10.43%	\$ 51
South Hill Vista: 3 Br.	\$ 574	\$ 625	8.88%	\$ 51
South Hill Vista: 4 Br.	\$ 629	\$ 681	8.27%	\$ 52
Elmwood Apartments: 1 Br. Bsmt	\$ 455	\$ 505	10.99%	\$ 50
Elmwood Apartments: 1 Br.	\$ 470	\$ 520	10.64%	\$ 50
Elmwood Apartments: 2 Br.	\$ 629	\$ 681	8.27%	\$ 52

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009**

University of Idaho - 2009-2010 Board Rates

DINING PLAN	FLEX DOLLARS/ SEMESTER	ADDITIONAL FEATURES/ SEMESTER	PRICE/ SEMESTER	WHO CAN BUY	COST PER MEAL
All Access	\$100	10 guest passes	\$1,662 + tax	Everyone	\$4.07*
WEEKLY PLANS					
19 meals/wk	\$100	8 guest passes	\$1,474 + tax	Everyone	\$4.52
14 meals/wk	\$300	6 guest passes	\$1,474 + tax	Everyone	\$5.24
10 meals/wk	\$500	4 guest passes	\$1,474 + tax	Everyone	\$6.09
5 meals/wk	\$500	2 guest passes	\$1,123+ tax	LLC Sophomores LLC Juniors LLC Seniors	\$7.79

The price per meal is based on a 16-week semester with a total of 111.5 board days and 24 meals per week (if you use your meal plan once per meal period).
 * The All Access Plan is based on one visit per meal period (breakfast, lunch, dinner & late night), but with this plan you have unlimited entries to Bob's Place, so the cost per meal may be less if you visit Bob's more than once per meal period.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

Institution/Agency Agenda

Lewis-Clark State College

2009-10 Housing Room and Board Rates

Lewis-Clark State College has approved the following room and board rates effective with Fall Semester, 2009-10

	<u>2008-2009</u>	<u>2009-2010</u>	<u>Change</u>
Clark & Talkington Halls			
Room & Board/Double Occupancy:			
Room plus Meal Plan A	\$5,400	\$5,900	+ 9.26%
Room plus Meal Plan B	\$5,200	\$5,700	+ 9.62%
Room plus Meal Plan C	\$5,100	\$5,600	+ 9.80%
Room & Board/Single Occupancy:			
Room plus Meal Plan A	\$6,050	\$6,500	+ 7.44%
Room plus Meal Plan B	\$5,850	\$6,300	+ 7.69%
Room plus Meal Plan C	\$5,750	\$6,200	+ 7.83%
Parrish House (Room Only)			
Single Room	\$3,500	\$3,500	+ 0%
Single Room w/o bath	\$2,900	\$2,900	+ 0%
Double Room	\$2,900	\$2,900	+ 0%
Double or Triple w/o bath	\$2,500	\$2,500	+ 0%
Clearwater Hall			
Room plus Meal Plan A	\$ 0	\$7,000	
Room plus Meal Plan B	\$ 0	\$6,800	
Room plus Meal Plan C	\$ 0	\$6,700	
Room plus Meal Plan D	\$ 0	\$6,108	

Meal plan rates for 2009-2010 are still being negotiated with provider.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

STATE BOARD OF EDUCATION

SUBJECT

Lease by the State Board of Education (SBOE) to the Idaho School for the Deaf and the Blind (ISDB)/Idaho Bureau of Educational Services for the Deaf and the Blind (IBESDB) of certain premises on Idaho School for the Deaf and the Blind's (ISDB) main campus.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Section 33-3411 of HB 1074, passed by the 2009 legislature, provides that "[a]ll rights and title to property, real and personal, belonging to the state of Idaho and vested in the Idaho State Board of Education for use as a school for the deaf and blind shall remain with the Idaho State Board of Education." Pursuant to this legislation, in order for the new Idaho Bureau of Educational Services for the Deaf and the Blind (IBESDB) to operate on the current ISDB campus, it will need to lease the property from SBOE.

IMPACT

A lease of all campus property has been prepared for the board's review. The lease allows ISDB/IBESDB to utilize all of the campus property, including the ability to sublease portions of the property unused by IBESDB, subject to Board approval.

ATTACHMENTS

Attachment 1 – Proposed Lease Agreement

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

ISDB currently subleases to five (5) different entities. If the Board does not grant the ISDB/IBESDB the authority to sublease, it will be required to assume the responsibilities of property management. However, if the Board permits ISDB/IBESDB unlimited authority to sublease the property, it will forfeit its ability to control decisions made regarding the use of the property. In an effort to achieve the best balance of these options for the Board, the proposed lease allows ISDB/IBESDB the authority to continue to manage all current leases, and to continue to sublease, but requires Board approval for any new subleases or changes to existing leases. In the event the Board declines to lease the property to IBESDB, that entity would be forced to locate alternative space to lease for its operations, likely at a significant cost.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2009

BOARD ACTION

A motion to approve the lease agreement, as submitted, with ISDB/Idaho Bureau of Educational Services for the Deaf and the Blind, and to authorize the Executive Director of the State Board of Education to approve the final agreement in substantial conformance to that submitted, before execution, subject to review by the Board's legal counsel.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

LEASE

**Article I
Definitions**

As used in this Lease, the following terms have the following meanings:

- 1.1 *Lessor*: Idaho State Board of Education (SBOE).
- 1.2 *Lessee*: Idaho School for the Deaf and the Blind/Idaho Bureau of Educational Services for the Deaf and the Blind (IBESDB).
- 1.3 *Premises*: The real property and improvements thereon together with all easements, rights, privileges and appurtenances relating thereto as described in section 2.1 leased to Lessee by Lessor pursuant to this Lease.
- 1.4 *School Year*: July 1 through June 30.
- 1.5 *Commencement Date*: July 1, 2009.
- 1.6 *Improvements*: The rooms, appurtenances and other improvements including, without limitation, all building machinery, equipment, floor coverings, heating, plumbing and air conditioning equipment, and any built-in appliances which may now or hereafter during the term of the Lease be erected or located on the Premises; provided, however, that the term "Improvements" shall specifically exclude non-fixture personal property.
- 1.7 *Legal Requirements*: All laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits or licenses which now or at any time hereafter may be materially applicable to the Premises or any part thereof, or to any adjoining sidewalks, streets or walkways or to any material use or condition of the Premises or any part thereof.
- 1.8 *Trade Fixtures*: Personal property placed in or annexed to the Premises by Lessee, the removal of which will not cause irreparable damage to the Premises, to be used by Lessee in the conduct of its business and includes, but is not limited to, desks and shelves.

**Article II
Demised Premises**

2.1 *Lessor's demise*. Upon the terms and conditions hereinafter set forth, and in consideration of the payment of the rents and the prompt performance by the Lessee of the covenants and agreements to be kept and performed by the Lessee, the Lessor does lease, let, and demise to the Lessee and the Lessee hereby leases from the Lessor, the following described land and improvements thereon:

Acreage tracts number one (1) and number (6) of south Gooding acreage, containing twenty (20) acres, more or less, in Gooding, Idaho, as more particularly described in Warranty Deed No. 14414, a copy of which is attached

hereto.

2.2 *Lessor reservations.* The Lessor expressly reserves the following additional rights:

2.2.1 Easements and rights-of-way, fee title to the Premises, and title to all Improvements placed thereon by the Lessor;

2.2.2 To grant easements upon or over the leased Premises, providing said easements do not infringe on Lessee's use of the Premises;

2.2.3 To require that changes be made for the protection of public health or safety or to preserve the Premises; and

2.2.4 To inspect the premises at any time without prior notice to Lessee.

2.2.5 If the exercise by Lessor of the above described reserved rights shall infringe on Lessee's use of the Premises, Lessee shall be entitled to immediately terminate this lease. In no event shall Lessee be liable for any expense and/or cost associated with Lessor's exercise of such reserved rights.

2.3 *Covenants running with land; binding effect.* All covenants, conditions, and obligations contained herein or implied by law are covenants running with the land and shall attach and bind and inure to the benefit of the Lessor and Lessee and their respective heirs, legal representatives, successors, and assigns, except as otherwise provided herein.

2.4 *Condition of Premises.* Lessee accepts the Premises as is, with any and all defects as of the Commencement Date.

2.5 *Landlord-tenant relationship only.* Nothing in this Lease Agreement is intended to nor shall be deemed to create a relationship between the parties other than that of Landlord and Tenant.

Article III
Term

3.1 *Initial Term.* To have and to hold the Premises through June 30, 2012, unless terminated sooner as provided herein.

3.2 *Renewal.* This lease is renewable.

**Article IV
Rent**

4.1 *Annual Rents.* The Base Monthly Rent shall be one dollar (\$1.00) per year.

4.2 *Due Date.* Rent shall be paid by Lessee to Lessor on an annual basis.

**Article V
Liens**

5.1 *No lien.* The Lessee shall not subject the Lessor's interest in the premises to any mechanics or material liens or other lien of any kind, except to the extent that the creation of such lien or liens is specifically authorized by a provision in this Lease.

5.2 *Release of lien.* The Lessee shall not allow a lien or claim of any kind to be filed or claimed against the Lessor's interest in the Premises during the continuance of this Lease. If such lien is claimed or filed, the Lessee shall cause the Premises to be released from the claim within thirty (30) days after the Lessor is given written notice that a claim has been filed, or within thirty (30) days after the Lessor is given written notice of the claim and transmits written notice of its receipt to the Lessee, whichever thirty (30) day period expires earlier. The Lessee shall cause such release either by paying to the court the amount necessary to relieve and release the Premises from the claim, or in any other manner which, as a matter of law, will result, within the thirty (30) day period, in releasing the Lessor and its title from the claim.

**Article VI
Insurance**

6.1 *Lessee's insurance.* Lessee shall obtain property insurance and liability insurance in amounts to be determined.

6.2 *Lessee's insurance policy requirements.*

6.2.1 *Evidence of insurance.* All insurance required under this Article shall be with companies licensed and admitted in Idaho and approved for this Lease by Lessor. Lessor's general requirements for such approval include a Best's rating of A- or better. Prior to taking occupancy or commencing construction and at least annually thereafter, Lessee shall furnish Lessor with a certificate of insurance executed by a duly authorized representative of each insurer, and a copy of any applicable policy or policy endorsement showing compliance with the insurance requirements set forth above. All policies required under this Article shall be written as primary policies and not contributing to nor in excess of any coverage Lessor may choose to maintain.

6.2.1(i) All certificates shall provide for 30 days' written notice to Lessor prior to cancellation or material change of any insurance referred to therein.

6.2.1(ii) The words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be

deleted from the certificate form's cancellation provision.

6.2.1(iii) Failure of Lessor to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Lessor to identify a deficiency from evidence that is provided shall not be construed as a waiver of Lessee's obligation to maintain such insurance.

6.2.1(iv) Failure to maintain the required insurance may result in termination of this Lease at Lessor's option.

6.2.1(v) If Lessee fails to maintain the insurance as set forth herein, Lessor shall have the right but not the obligation to purchase said insurance at Lessee's expense.

6.2.1(vi) Lessee shall provide certified copies of all insurance policies required above within 10 days of Lessor's written request for said copies.

6.2.2 *No representation of coverage adequacy.* By requiring insurance herein, Lessor does not represent that coverage and limits will necessarily be adequate to protect Lessee, and such coverage and limits shall not be deemed as a limitation on Lessee's liability under the indemnities granted to Lessor in this Lease.

6.2.3 *Payment of premiums.* The Lessee shall pay premiums for all of the insurance policies it is required to carry under the terms of this Lease. The Lessee shall cause renewals of expiring policies to be written and the policies or copies thereof, as required by the Lease, to be delivered to the Lessor at least 10 days before the policies' expiration dates.

6.3 *Waiver of subrogation.* Lessor shall not be liable for any damage by fire or other peril, or for loss by Lessee or claims against Lessee to the extent any such damage, loss of claim are includable in the coverage afforded by the Lessee's insurance maintained pursuant to this Lease agreement (whether or not such coverage is in effect), no matter how caused, it being understood that Lessee will look solely to its insurer for reimbursement, provided that this provision shall not be deemed to be a limitation on Lessor's indemnification under VIII below.

Article VII Indemnification

7.1 *Indemnification by Lessee.* Lessee agrees to indemnify and save Lessor harmless from and against any and all claims and demands (except for Lessor's proportionate share of any such claim which arises out of the negligence or intentional acts of Lessor or Lessor's agents, contractors, servants or employees) for, or in connection with, any accident, injury, or damage whatsoever caused to any person or property arising, directly or indirectly, out of the activities conducted in or the use and/or occupancy of the Premises or occurring in, on or about the Premises or any part thereof, or arising directly or indirectly, from any negligent or intentional act of Lessee or its licensees, servants, agents, employees or contractors, and from and against any and all cost, including reasonable attorney's fees, expenses and liabilities incurred in connection with any such claims and/or proceedings brought thereon.

7.2 *Survival of Lessee's indemnification.* The indemnity granted by Lessee pursuant to this Article VII shall survive termination of the Lease and shall continue for all such claims arising during the Term of this Lease or during any holdover period during which Lessee remains in possession, whether such claim is brought before or after termination of the Lease.

**Article VIII
Assignment**

This Lease shall not be assigned without prior written consent of Lessor. Any subleases of the premises in existence at the time of the execution of this lease shall be honored pursuant to their terms. Any changes to existing subleases, termination of subleases, or execution of new subleases will require the express consent of Lessor.

**Article IX
Condemnation and Destruction of Premises**

9.1 *Eminent domain; cancellation.* If, at any time during the continuance of this Lease, all or any portion of the Premises is taken, appropriated or condemned by reason of eminent domain, the Lessor shall receive the proceeds and awards in the condemnation proceedings, abate the rent, and make other adjustments in a just and equitable manner under the circumstances. If the parties cannot agree on abatement of rent, or other adjustments within thirty (30) days after the award has been made, the disputed matters shall, by appropriate proceedings, be submitted to a court having jurisdiction of the subject matter for its decision and determination.

9.2 *Repair and replacement of Improvements.*

9.2.1 In the event of damage or destruction to Improvements on the Premises, Lessee will be responsible for any repairs or replacements necessary to continue its operation and use of the premises.

9.2.2 Lessee hereby expressly waives and releases any and all claims against Lessor for damages or destruction of the premises.

9.2.3 In the event a Building and other Improvements is destroyed and is not repaired, restored or replaced, for any reason, all proceeds of the fire and extended coverage insurance applicable to the Improvements shall be paid and given to Lessor. Lessee agrees to execute and deliver any release or other document Lessor may request to obtain the release and/or control of said proceeds. Lessee shall be entitled to any proceeds received by Lessee from any loss of business coverage carried by Lessee.

**Article X
Construction and Alterations**

10.1 *Alterations by Lessee.* Lessee may make any additions, alterations and changes (“Alterations”) in or to the Premises or to any Improvements thereon at its discretion.

10.2 *Alterations by Lessor.* Lessor shall have the right to make, at its sole expense, alterations in or to the Premises and Improvements. If such alterations will interfere with Lessee’s Quiet Enjoyment of the Premises, Lessor shall first obtain the consent of Lessee before commencing such alterations, which consent shall not be unreasonably withheld.

**Article XI
Title to Improvements, Use and Required Maintenance**

11.1 *Title to Improvements.* Upon expiration or termination of this Lease all Improvements constructed by Lessee shall revert by operation of law to the ownership of Lessor.

11.2 *Maintenance of grounds and Improvements.* The Premises, including the grounds and all Improvements, shall be maintained exclusively by Lessee during the term of this Lease. Without limiting the generality of the foregoing, maintenance of grounds and Improvements shall include the following:

11.2.1 *Trash Removal.* Lessee shall be responsible for all trash and garbage removal.

11.2.2 *Utilities.* Lessee shall be liable for any and all utility expense including, but not limited to, electric power service, natural gas, water and sewer.

11.2.3 *Maintenance of the Heating and Air Conditioning Equipment.* Lessee shall be responsible for heat and air conditioning services to the Premises, as well as routine maintenance of the heating and air-conditioning equipment.

11.3 *Repairs.* Lessee shall not disfigure or deface any part of the building, grounds, or any other part of the Premises, including fixtures and furniture. Lessee shall be responsible for all repairs to the premises and all repairs to Lessee’s furniture, fixtures and equipment. Lessor shall have no obligation to reimburse Lessee for any such repairs.

Article XII
Additional Covenants of Lessee

14.1 *Legal use.* Lessee shall, at its own cost and expense, promptly comply with, or cause to be complied with, all Legal Requirements which may be applicable to Lessee, the Premises or the use of or manner of use of the Premises.

14.2 *Waste and nuisance prohibited.* Lessee shall comply during the term of this Lease with all applicable Legal Requirements affecting the Premises the breach of which might result in any penalty assessed on Lessor or forfeiture of Lessor's title to the Premises. Lessee shall not commit, or suffer to be committed, any waste or nuisance on the Premises.

14.3 *Smoking Prohibited.* Lessee, its employees, agents, representatives and guests shall comply with Idaho Executive Order No. 92-2, which prohibits smoking in any building on the premises. Smoking is not permitted in or on any of the premises.

14.6 *Termination.* Upon termination of this Lease, the Lessee shall peaceably and quietly deliver to the Lessor possession of the Premises together with all fixtures and improvements. Lessee shall be entitled to remove all Trade Fixtures, furnishings and any and all other personal property belonging to Lessee.

Article XIII
Quiet Enjoyment

So long as the Lessee keeps and performs all of its covenants and conditions under this Lease, it shall have quiet, undisturbed, and continued possession of the Premises, free from all claims against the Lessor and all persons claiming under, by, or through the Lessor.

Article XIV
Right of Entry

The Lessor and its agents may enter upon the Premises without notice to Lessee to examine its condition and use.

Article XV
Miscellaneous

17.1 *Lessor's officials, agents, and employees not personally liable.* In no event shall any official, officer, employee or agent of Lessor, or of the State of Idaho, be in any way liable or responsible for any covenant or agreement herein contained, whether expressed or implied, nor for any statement, representation or warranty made herein or in any way connected with this Lease. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee of Lessor shall have any personal liability or responsibility hereunder, and the sole responsibility and liability for the performance of this Lease and all of the provisions and covenants herein contained pertaining to the Lessor shall rest in and be vested with the State of Idaho.

17.2 *Non-waiver.* No waiver of a breach of any covenant in this Lease shall be construed to be a waiver of any succeeding breach of the same covenant. No delay or failure by either party to exercise any right under this Lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

17.3 *Limited consent.* Any consent by Lessor herein contained or hereafter given pursuant to this Lease shall be held to apply only to the specific transaction hereby or thereby approved. Such consent shall not be construed as a waiver of the duty of Lessee, or its successors or assigns, to obtain from Lessor a consent to any other or matter requiring consent pursuant to this Lease or as a modification or limitation of the right of Lessor with respect to the foregoing covenant by Lessee.

17.4 *Impossibility.* In the event that any construction of law, ordinance, regulation, zoning change or other governmental or administrative rule or restriction exist or hereafter be enacted that would make it impossible for Lessee to carry out the purposes of this Lease, Lessee shall notify the Lessor in writing of Lessee's intent to terminate this Lease and all obligations hereunder to pay rent or to perform any of the covenants or conditions of this Lease shall cease. In the event of the reasons, occurrences or causes set forth above in this paragraph which prevent Lessor from carrying out the purposes of this Lease, Lessor shall notify Lessee in writing of Lessor's intent to terminate this Lease and all obligations hereunder shall cease.

17.5 *Written modifications.* No modification, release, discharge, change or waiver of any provision hereof shall be of any force, effect, or value unless signed in writing by Lessor and Lessee, or their duly authorized agent or attorney.

17.6 *Entire agreement.* This instrument contains the entire agreement between parties. The execution hereof has not been induced by either party by representations, promises, or understandings not expressed herein. There are no collateral agreements, stipulations, promises, or undertakings whatsoever upon the respective parties in any way touching the subject matter of this instrument which are not expressly contained in it.

17.7 *Mutual cooperation.* The parties hereto agree to do those things, including execution any other documents, reasonably required to fully perform the intentions of this agreement.

17.8 *Binding effect.* This Lease shall be binding upon and shall inure to the benefit of the agents, representatives, successors and assigns of the parties.

17.9 *Termination.* This lease may be terminated by either party upon thirty (30) days written notice to the other party. With the consent of both parties, this agreement may be terminated without thirty (30) days notice.

17.10 *Severability.* In the event any provision of this Lease shall be held invalid or unenforceable according to law, the validity, legality or enforceability of the remaining provisions and the application thereof shall not in any way be affected or impaired.

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

17.12 *Headings.* Headings in this Lease are for convenience and reference only and shall not be used to interpret or construe its provisions.

17.13 *Attorney fees.* In the event of any legal proceeding of any kind instituted under this Lease or to obtain performance of any kind under this Lease, the prevailing party shall be awarded such additional sums as the court may adjudge for reasonable attorney's fees and costs and disbursements incurred in such proceeding.

17.14 *Governing law.* All of the rights and remedies of the parties shall be governed by the provisions of this instrument and by the laws of the State of Idaho. Any action brought to enforce this Lease can only be brought in Idaho State Court in Ada County, Idaho.

LESSOR

IDAHO STATE BOARD OF EDUCATION

By: _____
Mary L. Dunne, Superintendent

Date _____

LESSEE

IDAHO SCHOOL FOR THE DEAF AND THE BLIND
IDAHO BUREAU OF EDUCATIONAL SERVICES FOR THE DEAF AND THE BLIND

By: _____

_____ Date

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