

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**NOVEMBER 19, 2012**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Request for Approval of Acquisition of McCall Campus Site

**REFERENCE**

July 27, 2007	General Counsel Memo to Regents
December 07, 2011	Executive Session discussion of elements of land trade
February 3, 2012	Regents approval for due diligence expenditures and other initial pre-acquisition expenses

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.2.a, V.I.2.b, V.I.2.f, and V.I.5.b(3)  
Section 33-3805, Idaho Code

**BACKGROUND/DISCUSSION**

The University of Idaho's McCall Campus sits on the shores of Payette Lake, adjacent to Ponderosa State Park, on endowment land managed by the Idaho Board of Land Commissioners (Land Board).

The University has leased the McCall Campus site for the past 65 years and has operated the University's Forestry Camp and other education services (including a growing education program available to K-12) through the College of Natural Resources (CNR - formerly the College of Forestry). In calendar year 2012, the lease rate increased from approximately \$50,000 per year to approximately \$250,000 as part of an ongoing re-evaluation of leasing rates by the state.

The University has been working with a private party for acquisition of its McCall campus site. The private party, IW4, LLC, an Idaho limited liability company, intends to acquire the McCall campus from the Idaho Department of Lands, and if successful, has agreed to sell the property to the University at a sales price of \$6.1 million, its current appraised value.

**IMPACT**

The University has executed a Purchase and Sale Agreement (Attachment 1) which is contingent upon Board approval of the transaction. Upon approval of the Board, the University will be committed to purchase the McCall site for \$6.1 million; to reimburse IW4 for certain due diligence costs incurred in its acquisition of the property; and to pay a 1.5% facilitation fee to IW4's real estate broker. The total reimbursement and facilitation fee amount is \$134,672.50. In addition, the

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University will purchase a title insurance policy and pay closing costs for the transaction. Closing of the purchase will remain contingent upon IW4's acquisition of title.

The University will use internal reserves to fund the purchase price and acquisition costs, and intends to reimburse its reserves from a future bond issuance. A proposed resolution of the Board to approve this funding mechanism is attached. The savings to the University from eliminating the current lease rate of approximately \$250,000 per year will offset the future debt service.

**ATTACHMENTS**

Attachment 1 – Purchase and Sale Agreement  
Attachment 2 – Reimbursement Resolution

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**STAFF COMMENTS AND RECOMMENDATIONS**

This request for approval contemplates several separate but related transactions. First, the Board is being asked to approve the fee simple purchase of the property on which UI's McCall campus is sited. The source of funds for the purchase would be institutional reserves. Second, UI is requesting authorization to use proceeds from a future bond issuance to reimburse its reserves used in the acquisition of this property.

The Higher Education Bond Act (Idaho Code §33-3805) provides that "When the board shall find the proposed project or projects to be necessary for the proper operation of the institution and economically feasible and such finding is recorded in its minutes, the bonds therefor shall be authorized by resolution of the board."

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by the University of Idaho to purchase the McCall campus for a purchase price of \$6.1 million and to pay transaction costs as set forth in the Purchase and Sale Agreement submitted to the Board; and further to authorize the Vice President for Finance and Administration, and Bursar of the University of Idaho to execute all necessary transaction documents for closing the purchase.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

I move to approve the request by the University of Idaho for authority to use future bond proceeds to reimburse for the purchase of the McCall campus, including the purchase price and the costs and expenses associated with the

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purchase (including in this approval the Board's finding that the acquisition of the McCall campus is necessary for the proper operation of the University of Idaho and economically feasible), and further to approve the Resolution of the Board of Regents regarding the same, as set forth in Attachment 2 to the materials submitted to the Board.

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 \_\_\_\_\_, 2012, between **IW4, LLC**, an Idaho limited liability company (“**Seller**”), 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 (“**Buyer**”).

- 1) **Purchase.** Seller shall sell and Buyer shall purchase that certain real property located in the County of Valley, State of Idaho, and more particularly described in Exhibit A (“**Real Property**”), together with all easements, rights and appurtenances thereto and improvements thereon, all in accordance with the terms and conditions hereinafter set forth. The Real Property, appurtenances, and improvements are hereinafter referred to as “**Subject Property.**”
- 2) **Purchase Price.** The purchase price of the Subject Property is the sum of Six Million One Hundred Thousand Dollars (\$6,100,000) (“**Purchase Price**”).
- 3) **Other Transaction Costs.** Buyer agrees to reimburse the following additional transaction costs to Seller at Closing from funds deposited by Buyer with the Closing Agent:
  - a) **Due Diligence Costs.** Sums paid by or charged to Seller with respect to acquisition of title to the Subject Property as follows:
 

i) Property Inspection costs	\$5,450.00
ii) Environmental Site Assessment costs	\$2,062.50
iii) Appraisal costs	\$12,300.00
iv) Title Insurance costs	\$12,375.00
v) Transaction closing costs	\$1360.00
vi) Survey	\$9,625.00
  - b) **Facilitation Fee.** The sum of \$91,500 to Seller’s agent as a facilitation fee.
- 4) **Conditions Subsequent.**
  - a) **Seller:** Notwithstanding anything to the contrary in this Agreement, Seller shall not be obligated to sell the Subject Property to Buyer as herein set forth if Seller is unable to, or unwilling for any reason to, obtain title thereto simultaneously with the Closing under this Agreement.
  - b) **Buyer:** Notwithstanding anything to the contrary in this Agreement, Buyer shall not be obligated to purchase the Subject 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 which may be necessary or convenient to the performance of these conditions:
    - i) Buyer has determined that title to the Subject Property shall be good and marketable and shall be free and clear of all liens, leases, encumbrances, easements, assessments, restrictions, tenancies (whether recorded or unrecorded) and other exceptions to title, except those exceptions set forth in the Limited Liability Company Deed (“**Deed**”) attached hereto as Exhibit B or such other exceptions approved in writing by Buyer (“**Permitted Exceptions**”). Pursuant to the terms of that certain Memorandum of Agreement Regarding Exchange and Purchase of Endowment Lands executed by Buyer and Seller on April 16, 2012 (“**Memorandum Agreement**”), the Seller is

- responsible only for exceptions to title that arise solely from Seller's taking title to the Property immediately prior to the conveyance to the Buyer, and Buyer is responsible for resolving all other exceptions to title and therefor Buyer agrees that such other exceptions to title are hereby agreed to constitute Permitted Exceptions under this Agreement and the parties agree that such provisions of the Memorandum Agreement shall remain in full force and effect notwithstanding Section 10 thereof. Seller shall not enter into any lease or occupancy agreement affecting the Subject Property or any portion thereof unless first approved in writing by Buyer.
- ii) Buyer is able to obtain, at its costs, from First American Title Company a policy of title insurance, including any endorsements reasonably required by Buyer in the full amount of the purchase price, insuring that marketable fee simple title to the Real Property is vested in Buyer, subject only to the Permitted Exceptions (if any).
  - iii) If required, Buyer has obtained approval from Buyer's governing body to purchase the Subject Property in accordance with the terms of this Agreement.
  - iv) All of Seller's representations and warranties under this Agreement shall continue to be true and correct as of the date of closing.

In the event Buyer, at any time, reasonably deems any of the conditions set forth in this Section 4(b) unsatisfied, Buyer may terminate this Agreement upon fifteen (15) days' prior written notice to Seller and this Agreement shall terminate. Either party shall also have the right to terminate this Agreement in the event the Buyer or Seller has not notified the other party by December 30, 2012, of its satisfaction of all conditions of transaction closing as set forth in this Section 4. Notwithstanding any of the foregoing, neither party shall have the right to terminate this Agreement if such party is in default under this Agreement. In the event of any such termination of this Agreement, both parties shall be released from any further obligations hereunder except for liabilities, actual or contingent, which arose prior to the date of termination.

## 5) Representations and Warranties

### a) Buyer

- i) Buyer represents and warrants to Seller that Buyer has been in sole possession and control of the Subject Property as the lessee thereof for a continuous period in excess of 75 years. Buyer agrees that the subject lease shall terminate in conjunction with Seller's acquisition of title and neither Buyer nor Seller shall have any obligations or rights thereunder by reason of such lease. Buyer is fully aware of the condition of the Subject Property, including all improvements thereon, and accepts the Property in its "as is" condition. Buyer makes no reliance in any fashion on Seller with respect to the condition of the Subject Property and waives any right or interest to perform any further survey or to perform any environmental assessments on the Property. Buyer hereby releases and indemnifies Seller from any liability of any kind associated therewith.
- ii) Buyer represents and warrants to Seller that to the best of Buyer's knowledge and belief, the Subject Property is free and clear of any Hazardous Materials (as hereinafter defined). Buyer further acknowledges that Seller has not been in possession or control of the Subject Property at any time in during the period of

- Buyer's leasing of such property and in no event is Seller responsible for the condition of the Subject Property, including any known or unknown Hazardous Material thereon. The term "Hazardous Materials" shall collectively refer to underground storage tanks, petroleum and petroleum products, asbestos, PCBs, urea-formaldehyde and any hazardous or toxic substances, pollutants, contaminants, wastes or materials as defined under any "Environmental Laws." The term "Environmental Laws" shall collectively refer to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, The Toxic Substances Control Act, the Clean Water Act 33 U.S.C. § 1251-1387, the Resource Conservation and Recovery Act as amended, or any other similar federal, state or local law, rule or regulation respecting Hazardous Materials together with all rules and regulations promulgated thereunder and all amendments thereto.
- iii) Buyer represents and warrants to Seller that execution, delivery and performance of this Agreement, and all documents related hereto, have been duly authorized and approved by all actions necessary by Buyer, and that this Agreement, in conjunction with all documents related hereto, constitute valid and binding agreements of Buyer in accordance with their terms.
  - iv) Buyer agrees to indemnify, defend and hold harmless Seller from and against any and all claims arising from any misrepresentation or breach of warranty by Buyer hereunder. All of the representations and warranties and Buyer's related indemnification and other obligations as set forth in this Section 5(a) shall survive the closing of this transaction.

**b) Seller**

- i) Seller represents and warrants to Buyer Seller has, or as of the Closing hereunder will have, acquired title to the subject property from the State of Idaho Department of Lands; that no right to acquire the Subject Property or any interest therein has been granted by Seller to any other party nor will any such right be granted by Seller prior to the Closing; and that the Subject Property shall be are free and clear of any and all liens, claims, security interests, pledges, charges, and encumbrances of any nature arising out of Seller's acquisition of title thereto prior to the Closing.
- ii) Seller represents and warrants to Buyer that there are no pending actions against Seller (or to Seller's knowledge, against any other person or entity) which relate to the title, condition or use of the Subject Property and Seller has no knowledge of any facts or circumstances which could give rise to such action.
- iii) Seller represents and warrants to Buyer that, to Seller's knowledge, there are no judgments, attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings contemplated by, or pending or threatened against, Seller which could prevent or delay the consummation of this transaction.
- iv) Seller represents and warrants to Buyer that execution, delivery and performance of this Agreement and the Deed have been duly authorized and approved by all actions necessary by Seller, on the part of Seller, and that this Agreement and the Deed constitute valid and binding agreements of Seller in accordance with their terms.
- v) Seller agrees to indemnify, defend and hold harmless Buyer from and against any and all claims arising from any misrepresentation or breach of warranty by Seller



hereunder. All of the representations and warranties and Seller's related indemnification and other obligations as set forth in this Section 5(a) shall survive the closing of this transaction.

- 6) **Closing Agent.** First American Title and Escrow Company, 9465 West Emerald Street, Suite 260, Boise, Idaho 83704, Attn: Erin Dixon, shall serve as the Closing Agent. Seller shall deliver to the Closing Agent on or before December 31, 2012, i) a duly executed and acknowledged Deed in the form attached as **Exhibit B**, conveying all of Seller's right, title and interest in Property to Buyer, together with instructions to deliver and record Deed after Buyer deposits Purchase Price with the Closing Agent.
- 7) **Closing.** The "Closing Date" shall be identified by Seller as the date of closing of Seller's acquisition of title to the Subject Property, and the Closing under this Agreement shall occur simultaneously with closing of Seller's acquisition of title. At least 72 hours prior to closing the following "Closing Actions" shall occur:
- a) Buyer shall
    - i) notify Seller and Closing Agent, in writing that Buyer is satisfied with the conditions of transaction closing as set forth in Section 4 of this Agreement,
    - ii) execute and deliver to the Closing Agent all documents necessary for closing and
    - iii) deposit with the Closing Agent the purchase price and such funds as necessary to pay Buyer's obligations for costs and reimbursement under this Agreement, with instructions to disburse the Purchase Price to Seller upon recordation of the Deed by Closing Agent.
  - b) Seller shall execute and deliver to the Closing Agent the Deed and all documents necessary for closing and shall deposit such funds as necessary to pay Sellers obligations for costs under this agreement, with instructions to record and deliver the Deed to Seller upon payment of the Purchase Price and the costs and reimbursement under this Agreement.

In the event the Closing Actions as described above do not occur, the Closing shall not take place and the costs and fees associated with this transaction shall be paid pursuant to section 9 of this Agreement. Closing shall occur on or before December 31, 2012.

- 8) **Section 1445 Affidavit.** At or prior to closing, Seller shall deliver to Buyer an affidavit in compliance with Section 1445 of the Internal Revenue Code providing Seller's United States taxpayer identification number and business address and stating whether or not Seller is a "foreign person" as defined in the Internal Revenue Code and regulations applicable thereto ("**Code**"). If Seller fails to deliver such affidavit or is a "foreign person" as defined in the Code, Buyer shall be entitled to withhold from the purchase price, and to pay to the Internal Revenue Service, such amounts as are required to be withheld by the Code, and Seller agrees to cooperate with Buyer and to furnish Buyer with such tax forms and information as are reasonably required to insure Buyer's compliance with the Code.
- 9) **Costs.** Buyer shall pay the cost of recording the Deed and costs listed in Section 3 of this Agreement. Any additional transaction closing costs beyond those listed in Section 3 shall be paid equally by Buyer and Seller. Taxes and utilities (if any) shall be the separate responsibility of Buyer. In the event the transaction contemplated by this Agreement fails to close, the parties agree that the costs listed in Section 3 and for this Agreement shall be allocated and borne by the parties as set forth in the provisions of the Memorandum

Agreement, which said provisions the parties hereof agree shall remain in full force and effect notwithstanding Section 10 thereof.

**10) Commissions.** Each party hereto represents and warrants to the other party that the representing party has no arrangement with any realtor, broker, or agent in connection with this purchase and sale, except Mark Bottles Real Estate Services, LLC (“**Seller’s Agent**”). As set forth in Section 3(b) above, Buyer agrees to pay to Seller’s Agent, a facilitator fee equal to 1.5% of the Purchase Price, such payment to be made at Closing with funds deposited therefor by Buyer. Each party agrees to indemnify, defend, and hold harmless the other party from all claims by any realtor, broker, or agent, other than Seller’s Agent as provided herein, when such claims are caused by the actions or misrepresentations of the indemnifying party with respect to such real estate service commissions owed from the conveyance of Subject Property.

11) NA

**12) Successors.**

13) This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

**14) Attorneys’ Fees.**

15) 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.

**16) 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:
- c) Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the nondefaulting party;
- d) 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;
- e) 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
- f) 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.

**17) Notices.** 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:

- a) Seller: IW4, LLC  
Attn: Gary L. Voigt  
900 Pier View Drive (83402)  
P.O. Box 2044 (83403)  
Idaho Falls, Idaho
- b) Buyer: Ronald E. Smith  
Vice President for Finance Administration  
University of Idaho  
Moscow, ID 83844-3162

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.

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.

**18) 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.

**19) Entire Agreement.** This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof except those provisions of the Memorandum Agreement specifically referenced herein. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

**20) Venue and Governing Law.** Any legal proceeding instituted between the parties shall be in the courts of the County of Latah, State of Idaho, and each of the parties agrees to submit to the jurisdiction of such courts. It is further agreed that this Agreement shall be governed by the laws of the State of Idaho.

**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.

**22) 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, and shall (along with all indemnification, defense and hold harmless obligations related thereto) survive Closing.

23) **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.

SELLER:

IW4, LLC,  
an Idaho limited liability company

\_\_\_\_\_  
By: Gary L. Voigt  
Its: Managing Member

BUYER:

Board of Regents of the University of  
Idaho

\_\_\_\_\_  
Ronald E. Smith  
Vice President for Finance and  
Administration

**List of Exhibits and Schedule**  
Exhibit "A" – Legal Description  
Exhibit "B" – Deed

**EXHIBIT A**

A parcel of land being a portion of Government Lots 1 and 2 of Section 4, Township 18 North, Range 3 East, Boise Meridian, Valley County, Idaho, more particularly described as follows:

**COMMENCING** at the East 1/4 corner of said Section 4, monumented by a 2 3/4" brass cap (Corner Record No. 235851), from which the South 1/16 corner common to Sections 4 and 3, monumented by a 2 1/4" Aluminum cap (Corner Record No. 370506), bears South 00°09'27" West, a distance of 1325.21 feet;

Thence North 89°47'42" West, coincident with the south line of said Government Lot 1, a distance of 1266.77 feet to a found 2" aluminum cap, RLS 998 and the **POINT OF BEGINNING**;

Thence South 33°26'19" East, a distance of 279.07 feet to a found 2" aluminum cap, PLS 5357;

Thence North 88°58'08" East, a distance of 482.68 feet to a found 2" aluminum cap, RLS 998;

Thence North 34°22'24" East, a distance of 601.60 feet to a found 2" aluminum cap, RLS 998;

Thence North 44°11'49" West, a distance of 533.21 feet to a point from which a found 3 1/4" aluminum cap, "Dept. of Lands" bears North 44°11'49" West, 0.45';

Thence North 40°11'36" East, a distance of 144.68 feet to a found 3 1/4" aluminum cap, "Dept. of Lands";

Thence North 49°54'02" West, a distance of 40.00 feet to a found 2" aluminum cap, PE/LS 2478, said point also being the most easterly corner of Peninsula Lease Lot 7 as shown per Record of Survey No. 156312;

Thence South 40°11'36" West, coincident with the Southeasterly line of the Peninsula Lease Lots, a distance of 561.99 feet to a found 2" aluminum cap, PE/LS 2478 and the most southerly corner of Peninsula Lease Lot 2A;

Thence North 50°34'55" West, coincident with the Southwesterly line of said Peninsula Lease Lot 2A, a distance of 168.17 feet to a found 3 1/4" aluminum cap, "WC 2A Dept. of Lands";

Thence continuing North 50°34'55" West, coincident with said Southwesterly line of said Peninsula Lease Lot 2A, a distance of 20.72 feet to the ordinary high water line of Big Payette Lake as determined by the Idaho Department of Lands to be at elevation 4992.59' as referenced to the NAVD88 datum;

Thence along said ordinary high water line the following five courses:

South 34°39'04" West, a distance of 80.21 feet;

South 46°12'36" West, a distance of 115.59 feet;

South 58°07'33" West, a distance of 116.74 feet;

South 54°38'21" West, a distance of 110.40 feet;

South 56°13'36" West, a distance of 86.52 feet;

Thence leaving said ordinary high water line, South 42°00'07" East, a distance of 44.12 feet to a found 2" aluminum cap, RLS 998;

Thence South 57°25'07" East, a distance of 239.88 feet to the **POINT OF BEGINNING**.

The above described parcel contains 14.237 acres or 620,186 square feet, more or less.

Together with and subject to covenants, easements and restrictions of record.

The basis of bearings for this parcel is South 00°09'27" West between the E1/4 corner and the S1/16 corner common to Sections 4 and 3.

## EXHIBIT B

### LIMITED LIABILITY COMPANY DEED

**THIS INDENTURE** is made this \_\_\_\_ day of \_\_\_\_\_, 2012, by IW4, LLC an Idaho limited liability company hereinafter referred to as "Grantor", to 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, whose mailing address is University of Idaho, ATTN: V.P. for Finance Administration, Moscow, ID 83844-3162, hereinafter referred to as "Grantee".

WITNESSETH: That Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) lawful money of the United States of America and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, does bargain, sell, convey and confirm in fee unto the said Grantee and its successors and assigns forever, all of the following described real property situated in Valley County, State of Idaho, to-wit:

A parcel of land being a portion of Government Lots 1 and 2 of Section 4, Township 18 North, Range 3 East, Boise Meridian, Valley County, Idaho, more particularly described as follows:

COMMENCING at the East  $\frac{1}{4}$  corner of said Section 4, monumented by a 2  $\frac{3}{4}$ " brass cap (Corner Record No. 235851), from which the South  $\frac{1}{16}$  corner common to Sections 4 and 3, monumented by a 2  $\frac{1}{4}$ " Aluminum cap (Corner Record No. 370506), bears South  $00^{\circ}09'27''$  West, a distance of 1325.21 feet;

Thence North  $89^{\circ}47'42''$  West, coincident with the south line of said Government Lot 1, a distance of 1266.77 feet to a found 2" aluminum cap, RLS 998 and the POINT OF BEGINNING;

Thence South  $33^{\circ}26'19''$  East, a distance of 279.07 feet to a found 2" aluminum cap, PLS 5357;

Thence North  $88^{\circ}58'08''$  East, a distance of 482.68 feet to a found 2" aluminum cap, RLS 998;

Thence North  $34^{\circ}22'24''$  East, a distance of 601.60 feet to a found 2" aluminum cap, RLS 998;



Thence North 44°11'49" West, a distance of 533.21 feet to a point from which a found 3 ¼" aluminum cap, "Dept. of Lands" bears North 44°11'49" West, 0.45';

Thence North 40°11'36" East, a distance of 144.68 feet to a found 3 ¼" aluminum cap, "Dept. of Lands";

Thence North 49°54'02" West, a distance of 40.00 feet to a found 2" aluminum cap, PE/LS 2478, said point also being the most easterly corner of Peninsula Lease Lot 7 as shown per Record of Survey No. 156312;

Thence South 40°11'36" West, coincident with the Southeasterly line of the Peninsula Lease Lots, a distance of 561.99 feet to a found 2" aluminum cap, PE/LS 2478 and the most southerly corner of Peninsula Lease Lot 2A;

Thence North 50°34'55" West, coincident with the Southwesterly line of said Peninsula Lease Lot 2A, a distance of 168.17 feet to a found 3 ¼" aluminum cap, "WC 2A Dept. of Lands";

Thence continuing North 50°34'55" West, coincident with said Southwesterly line of said Peninsula Lease Lot 2A, a distance of 20.72 feet to the ordinary high water line of Big Payette Lake as determined by the Idaho Department of Lands to be at elevation 4992.59' as referenced to the NAVD88 datum;

Thence along said ordinary high water line the following five courses:

South 34°39'04" West, a distance of 80.21 feet;

South 46°12'36" West, a distance of 115.59 feet;

South 58°07'33" West, a distance of 116.74 feet;

South 54°38'21" West, a distance of 110.40 feet;

South 56°13'36" West, a distance of 86.52 feet;

Thence leaving said ordinary high water line, South 42°00'07" East, a distance of 44.12 feet to a found 2" aluminum cap, RLS 998;

Thence South 57°25'07" East, a distance of 239.88 feet to the POINT OF BEGINNING.

The above parcel contains 14.237 acres or 620,186 square feet, more or less.

Together with and subject to covenants, easements and restrictions of record.

The basis of bearings for this parcel is South 00°09'27" West between the E1/4 corner and the S1/16 corner common to Sections 4 and 3.

**TOGETHER WITH:**

1. All mineral rights pursuant to § 47-711(1) Idaho Code.
2. The tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.

**SUBJECT TO:**

1. State of Idaho Easement No. 4114 issued on March 10, 1970 to Idaho Telephone Company for the purpose of constructing and maintaining buried and aerial telephone cables over and across land situated in Valley County, State of Idaho, Sections Three (3) and Four (4), Township 18 North, Range 3 East and portions of Section 34, Township 19 North, Range 3 East, Boise Meridian.

2. State of Idaho Easement No. 4413 issued in January, 1974, to Idaho Telephone Company for the purpose of constructing a buried telephone cable over and across land situated in Valley County, State of Idaho, Section 4, Township 18 North, Range 3 East, Boise, Meridian.

3. State of Idaho Easement No. ES500014 issued September 13, 2011 to Payette Lakes Recreational Water and Sewer District for the purpose of construction, installation and ingress/egress for maintenance of an eight (8) inch gravity flow sewer main line under, and across the land situated in Valley County, State of Idaho, Section 4, Township 18 North, Range 3 East, Boise Meridian.

4. State of Idaho Easement No. 4808 issued August 30, 1979 to City of McCall, for the purpose of constructing a buried water pipeline over and across land situated in Valley County, State of Idaho, Section 4, Township 18 North, Range 3 East, Boise Meridian.

5. State of Idaho Easement No. 5185 issued April 19, 1984 to the City of McCall, for the purpose of constructing, using and maintaining a buried sewer line over and across the land situated in Valley County, State of Idaho, Section 4, Township 18 North, Range 3 East, Boise Meridian.



\_\_\_\_\_  
NOTARY PUBLIC FOR IDAHO

Residing at \_\_\_\_\_

My Commission Expires \_\_\_\_\_

**RESOLUTION FOR EXPENDITURE OF PROJECT FUNDS AND REIMBURSEMENT FROM FUTURE BOND**

A RESOLUTION of the Regents of the University of Idaho authorizing the acquisition of the McCall campus real property in Valley County, Idaho from internal University funds; and further authorizing reimbursement of the purchase price and acquisition costs.

WHEREAS, the Regents have approved the purchase of certain real property located in Valley County, Idaho (the "Project") which the University currently leases; and

WHEREAS, the purchase price for the Project is \$6.1 million; further, the University will reimburse the seller for certain due diligence costs incurred in its acquisition of the property; and to pay a 1.5% facilitation fee to the seller's real estate broker, for a total reimbursement and facilitation fee amount of \$134,672.50; and further the University will purchase a title insurance policy and pay closing costs for the transaction; and

WHEREAS the University wishes to reimburse its reserves for the monies expended in acquisition of the Project from the proceeds of future bond issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF IDAHO AS FOLLOWS:

The University may expend monies from its own internal funds for costs of the Project as indicated above and in such event, intends to be reimbursed from the proceeds of its future tax-exempt bonds (the "Bonds") for any expenditure ("Expenditure") made on or after a date not more than 60 days prior to the date hereof. Further, that each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds or (c) a nonrecurring item that is not customarily payable from current revenues. Further, that the maximum principal amount of the Bonds to be issued for the property acquisition project described above (the "Project") is \$10,000,000 and the Bonds may finance other University projects. The University reasonably expects on the date hereof that it will reimburse the Expenditures with all or a portion of the proceeds of the Bonds. Further, that the University will keep books and records of all expenditures and will make a reimbursement allocation, which is a written allocation that evidences the University's use of proceeds of the Bonds to be a reimbursement of Expenditures no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. Finally, that this resolution evidences the Agency's intent and reasonable expectation under Treas. Reg. Section 1.150-2 (d)(1) to use the proceeds of the Bonds to pay the costs of the Project and to reimburse the Agency for expenditures for the costs of the Project paid prior to the issuance of the Bonds to the extent permitted by federal tax regulations.

ADOPTED AND APPROVED the 19<sup>th</sup> day of November, 2012.

THE REGENTS OF THE UNIVERSITY OF IDAHO

By: \_\_\_\_\_  
President

By: \_\_\_\_\_  
Bursar

ATTEST:

By: \_\_\_\_\_  
Secretary