

**CONSENT  
DECEMBER 20, 2018**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>BAHR - SECTION II – BOISE STATE UNIVERSITY – CONVEYANCE OF EASEMENT TO ADA COUNTY HIGHWAY DISTRICT</b>	Motion to Approve
<b>2</b>	<b>BAHR - SECTION II – UNIVERSITY of IDAHO – SUBLEASE AT THE IDAHO WATER CENTER WITH UNITED HEALTHCARE SERVICES INC.</b>	Motion to Approve
<b>3</b>	<b>BAHR - SECTION II – UNIVERSITY of IDAHO – CONSTRUCTION OF WEST CAMPUS UTILITIES IMPROVEMENTS PROJECT</b>	Motion to Approve
<b>4</b>	<b>PPGA – INSTITUTION PRESIDENT APPROVED ALCOHOL PERMITS REPORT</b>	Motion to Approve
<b>5</b>	<b>PPGA – LEWIS-CLARK STATE COLLEGE – FACILITY NAMING – CAREER TECHNICAL BUILDING</b>	Motion to Approve
<b>6</b>	<b>SDE – EMERGENCY PROVISIONAL EDUCATOR CERTIFICATION</b>	Motion to Approve

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Conveyance of easement to Ada County Highway District

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

The conveyance of an easement is a non-strategic Board governance agenda item.

**BACKGROUND/DISCUSSION**

Boise State University (BSU) requests permission to grant an easement through the grounds of Dona Larsen Park to the Ada County Highway District (ACHD) for the purpose of creating a pedestrian and bike pathway through the Park. The pathway is part of a larger project that includes a staggered “Z” crossing on Broadway Avenue. This enhancement will increase the safety of the crossing used by students and spectators attending athletic events at Dona Larsen Park.

The pathway will create a safe space for pedestrians and cyclists to traverse the Park in an area of the property that is not being utilized. ACHD will install fencing with a windscreen and visual barrier along the pathway. A map detailing the location of the proposed easement is included as Attachment 1.

**IMPACT**

Board approval will allow ACHD and the City of Boise to complete the pedestrian pathway and create a safer crossing across Broadway consistent with the City of Boise’s master plan for that area.

**ATTACHMENTS**

Attachment 1 – Map Detailing Proposed Easement Location

Attachment 2 – Proposed Easement Agreement

**STAFF COMMENTS AND RECOMMENDATIONS**

Board Policy V.I. states that easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval – unless easements are to public entities for utilities. This easement is not for a utility and therefore must be approved by the Board. Approval of this easement will reduce pedestrian and bicycle traffic along Broadway Avenue and provide a safer alternative route for students and guests of the campus.

Staff recommends approval.

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**BOARD ACTION**

I move to approve the request by Boise State University to grant an easement to ACHD in Dona Larsen Park for the purpose of creating a pedestrian pathway in substantial conformance with the attached agreement.

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







NOTES

- 1 Remove Obstruction, Item 201.4.1.C.1
- 6 Concrete Sidewalk, 4", Item 706.4.1.E.1
- 9 Extruded Concrete Curb (Type B), Item SSP 07005B
- 13 Miscellaneous Utility, Adjust to Grade, Type Junction Box, Item 2030.4.1.D.1
- 21 Remove Tree (6"+). Item SSP 29093
- 31 Relocate Roadside Sign, Item 1135.01.07
- 32 Roadside Traffic Sign Installation (One Metal Post), Item 1135.01.01
- 39 Channelizer (Yellow), Item 1134.10.02
- 49 Pavement Markings, (Paint), Item 1134.03.21
- 70 Retain and Protect

Note:  
Striping Shown on Broadway Ave. is Temporary and is Paid Under Pavement Marking (Paint), Item 1134.03.21, See Sheet 13 for Permanent Striping Details

PAVEMENT MARKING LEGEND

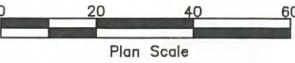
Ref. ACHD Standard Traffic Details (TS Series) For Construction Details & Installation Requirements

- 13 - - - 4" Yellow - Bike Center Line  
2' Length & 6" Gap
- 17 - - - 4" White - Right Edge
- 18 - - - 24" White - Cross Walk. Centered on Ped Ramp
- 19 - - - 24" White - Stop Bar
- 30 LOOK 24" "LOOK"

BENCH MARKS:

TBM#1  
Found Monument  
Sta. 5+33.77, 20.6 Lt.  
N. 708,487.98  
E. 2,507,650.62  
Elev. 2,706.46

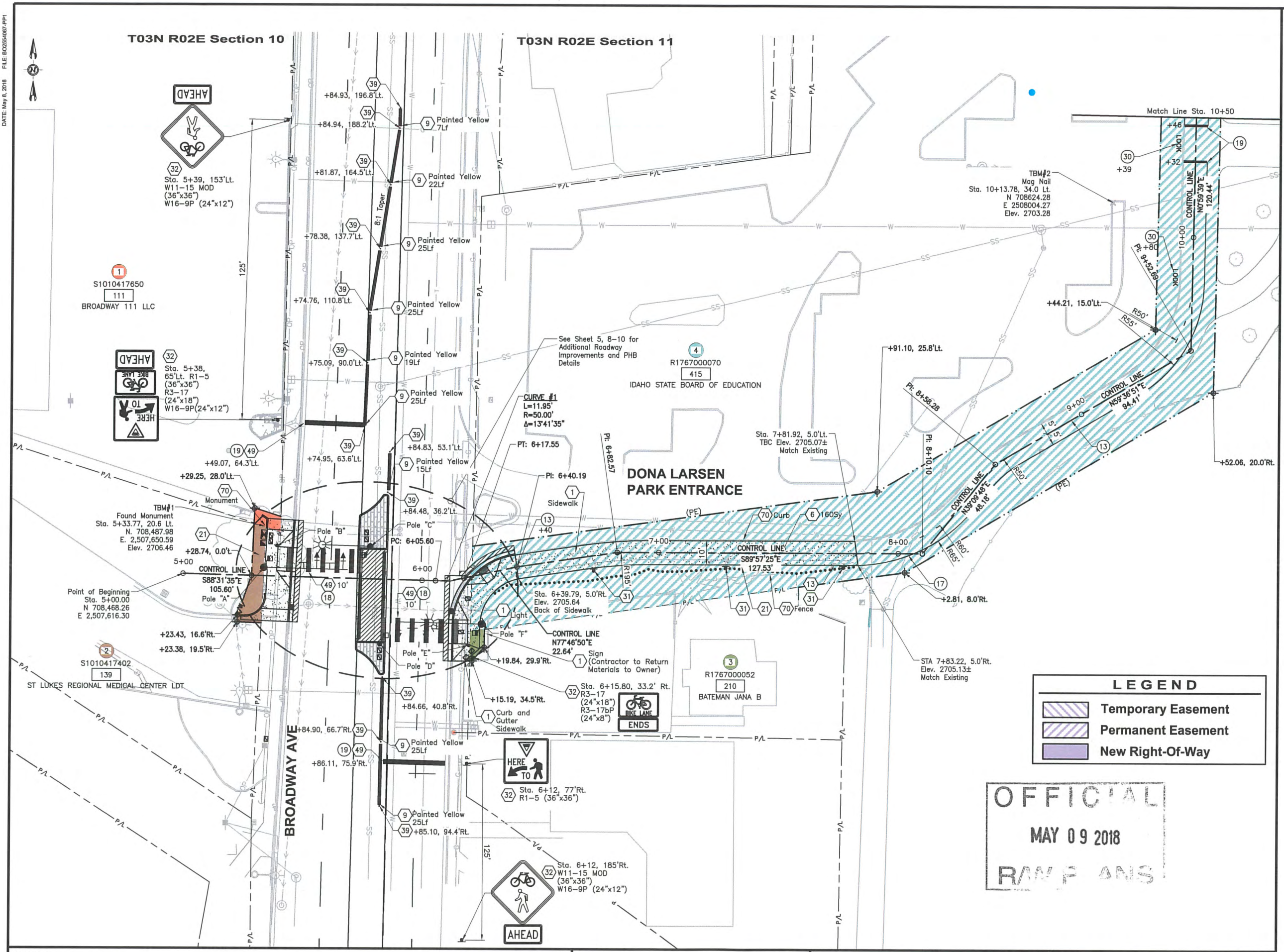
TBM#2  
Mag Nail  
Sta. 10+13.78, 34.0 Lt.  
N. 708,624.28  
E. 2,508,004.27  
Elev. 2,703.28



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DATE: May 8, 2018 FILE: B02564007-PP1

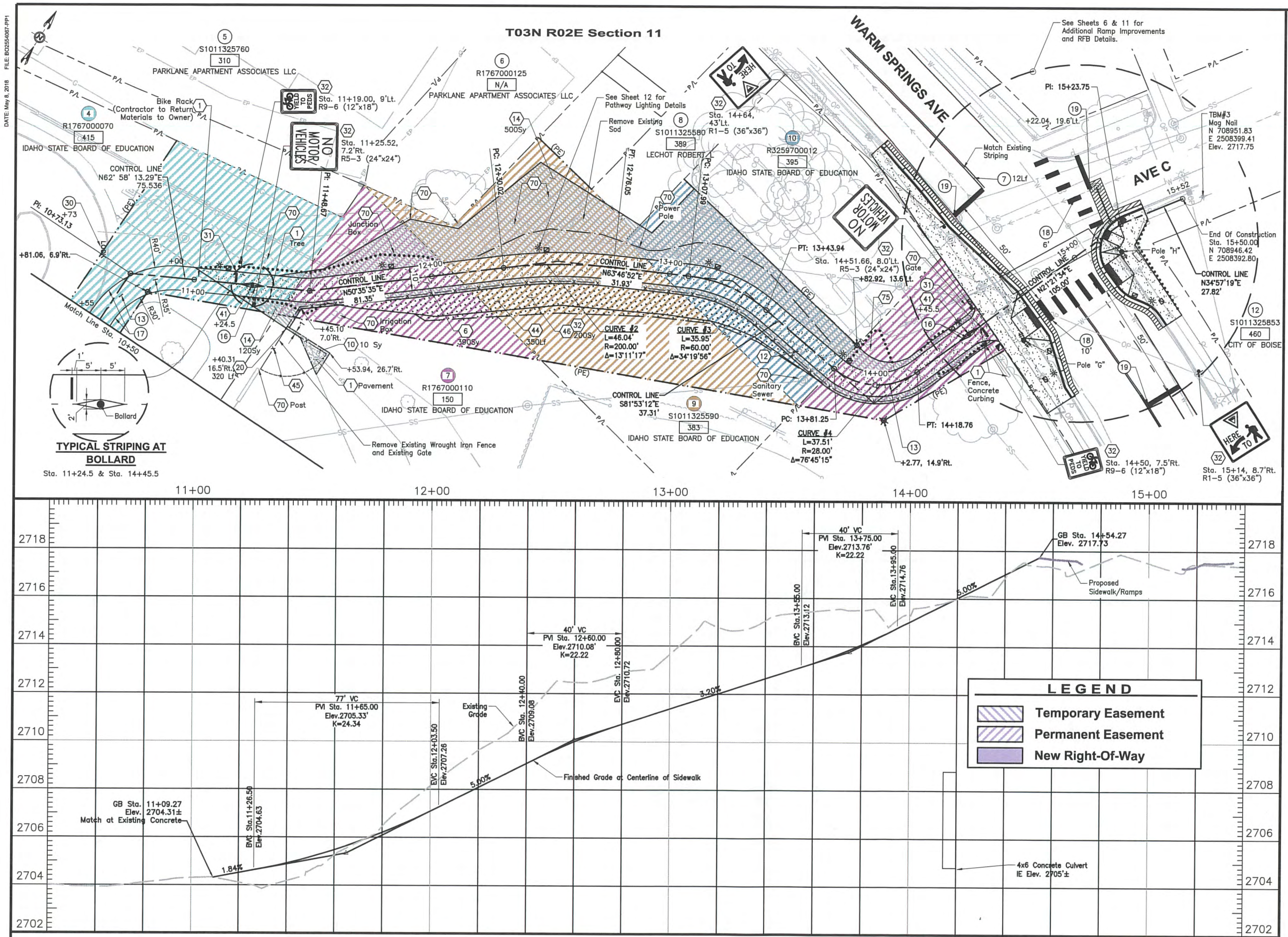


**LEGEND**

- Temporary Easement
- Permanent Easement
- New Right-Of-Way

OFFICIAL  
MAY 09 2018  
RAV P ANS





NOTES

- 1 Remove Obstruction, Item 201.4.1.C.1
- 6 Concrete Sidewalk, 4", Item 706.4.1.E.1
- 10 Concrete Repair, Item 706.4.1.G.1
- 12 Reference and Reset Monuments, Item 2020.4.1.F.1
- 14 Gravel Repair, Item SP 02020
- 20 Wrought Iron Fence, Item 2040.4.1.A.1
- 32 Roadside Traffic Sign Installation (One Metal Post), Item 1135.01.01
- 41 Install Removable Bollards, Item SSP 20020
- 44 Remove and Reset Sprinkler System, Item SSP 29101
- 45 Wrought Iron Gate, Item 2040.4.1.B.1
- 46 Sod Repair, Item SSP 29064
- 48 4" Topsoil, Item SSP 25050
- 70 Retain and Protect

OF  
MAY 09 2018  
RA

PAVEMENT MARKING LEGEND

Ref. ACHD Standard Traffic Details (TS Series) For Construction Details & Installation Requirements

- 7 4" Yellow - No Passing - 2 Direction
- 13 4" Yellow - Bike Center Line 2' Length & 6' Gap
- 16 4" Yellow - Left Edge
- 17 4" White - Right Edge
- 18 24" White - Cross Walk
- 19 24" White - Stop Bar
- 30 LOOK 24" "LOOK"
- 31 12" White - Stop Bar

BENCH MARKS:

TBM#3  
Mag Nail  
N. 708951.83  
E. 2508399.41  
Elev. 2717.75



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Project Name: Dona Larsen Park Pathway and Broadway Ave PED Crossing  
Project No: 818019.001  
Name: State Board of Education  
R/W Parcel No: 4, 7, 9, 10  
T3N, R2E, Sec 11  
APN: R1767000070, R1767000110, S1011325590, R3259700012

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(Reserved for Ada County Recorder)

## PERMANENT EASEMENT

THIS PERMANENT EASEMENT (the "Easement"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between, State Board of Education acting as Board of Trustees of Boise State University, hereinafter referred to as "GRANTOR," and ADA COUNTY HIGHWAY DISTRICT, a body politic and corporate of the State of Idaho, hereinafter referred to as "ACHD."

WITNESSETH:

FOR GOOD AND SUFFICIENT CONSIDERATION, IT IS AGREED:

### SECTION 1. Recitals.

1.1 GRANTOR owns the real property located in Ada County, Idaho more particularly described on **Exhibit "A" attached hereto and by this reference incorporated herein (hereinafter "Servient Estate")**.

1.2 ACHD has jurisdiction over the public highways, including sidewalks, and public rights-of-way which adjoin and are adjacent to the **Servient Estate (hereinafter the "Dominant Estate")**.

1.3 ACHD desires to obtain an easement on, over and across the Servient Estate for the purposes hereinafter described, and, for the consideration and on the terms and conditions hereinafter set forth, GRANTOR is willing to grant such easement to ACHD.

### SECTION 2. Grant of Easement and Authorized Uses.

GRANTOR hereby grants to ACHD a permanent exclusive easement over and across the Servient Estate for use by the public, including pedestrians and bicyclists, and the following uses and purposes:

- (a) placement of a Public Right-of-Way (as defined in Idaho Code, section 40-117);
- (b) construction, reconstruction, operation, maintenance and placement of necessary culverts, sluices, drains, ditches, waterways, embankments, retaining walls, grade separation structures, roadside improvements, pedestrian facilities, and any other structures, works or fixtures incidental to the preservation or improvement of an adjacent Highway ;
- (c) statutory rights of ACHD, utilities and irrigation districts to use the Public Right-of-Way.

The Ada County Highway District (ACHD) is committed to compliance with Title VI of the Civil Rights Act of 1964 and related regulations and directives. ACHD assures that no person shall on the grounds of race, color, national origin, gender, disability or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any ACHD service, program or activity.

Permanent Easement - 1  
(2/11/14)

SECTION 3. Permanent Easement: Covenants Run with the Land.

This is a permanent easement. This Easement, and the covenants contained herein shall be a burden upon the Servient Estate and shall run with the land. The Easement and the covenants and agreements made herein shall inure to the benefit of and be binding upon, ACHD and GRANTOR, and **Grantor's** successors and assigns to the Servient Estate.

SECTION 4. Appurtenant.

The Easement herein granted is appurtenant to the Dominant Estate and a burden on the Servient Estate.

SECTION 5. Maintenance.

ACHD shall maintain the physical integrity of any facilities constructed by ACHD on the Servient Estate in good condition and repair and as required to satisfy all requirements of applicable laws, the policies of ACHD and sound engineering practices. The repair and maintenance of such facilities shall be at the sole cost and expense of ACHD; provided if the damage to such facilities is as a result of the **activities of GRANTOR, GRANTOR'S guests, invitees, contractors or agents, the repair shall be at the sole cost and expense of GRANTOR.** This Section shall not release GRANTOR'S obligation to provide routine maintenance required under any applicable state or local law, ordinance or regulation as to any pedestrian facilities that may be placed on the Servient Estate.

SECTION 6 Indemnification.

ACHD shall, subject to the limitations hereinafter set forth, indemnify, save harmless and defend regardless of outcome GRANTOR from expenses of and against suits, actions, claims or losses of every kind, nature and description, including costs, expenses and attorney fees caused by or arising out of any **negligent acts by the ACHD or the ACHD's officers, agents and employees while acting within the course and scope of their employment, which arise from or which are in any way out of ACHD's construction, use and maintenance on the Servient Estate.** Any such indemnification hereunder by the ACHD is subject to the limitations of the Idaho Tort Claims Act (currently codified at chapter 9, title 6, Idaho Code). Such indemnification hereunder by the ACHD shall in no event cause the liability of the ACHD for any such negligent act to exceed the amount of loss, damages, or expenses of attorney fees attributable to such negligent act, and shall not apply to loss, damages, expenses, or attorney fees attributable to the negligence of GRANTOR.

SECTION 7. Recordation.

This Easement shall be recorded in the Official Real Property Records of Ada County, Idaho.

The Ada County Highway District (ACHD) is committed to compliance with Title VI of the Civil Rights Act of 1964 and related regulations and directives. ACHD assures that no person shall on the grounds of race, color, national origin, gender, disability or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any ACHD service, program or activity.



Project Name: Dona Larsen Park Pathway and Broadway Ave PED Crossing  
Project No: 818019.001  
Name: State Board of Education  
R/W Parcel No: 4, 7, 9, 10  
T3N, R2E, Sec 11  
APN: R1767000070, R1767000110, S1011325590, R3259700012

TO HAVE AND TO HOLD this Easement unto the ACHD forever.

GRANTOR covenants to ACHD that ACHD shall enjoy the quiet and peaceful possession of the Servient Estate; and, GRANTOR warrants to ACHD that GRANTOR is lawfully seized and possessed of the Servient Estate and has the right and authority to grant this Easement to ACHD.

IN WITNESS WHEREOF, the undersigned have caused this Easement to be executed the day, month and year first set forth above.

GRANTOR:

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
By:  
Its:

State of \_\_\_\_\_  
County of \_\_\_\_\_

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_,  
By \_\_\_\_\_, as \_\_\_\_\_, of \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Signature of notary public

My commission expires: \_\_\_\_\_

The Ada County Highway District (ACHD) is committed to compliance with Title VI of the Civil Rights Act of 1964 and related regulations and directives. ACHD assures that no person shall on the grounds of race, color, national origin, gender, disability or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any ACHD service, program or activity.

Permanent Easement - 3  
(2/11/14)

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Sublease at the Idaho Water Center with United HealthCare Services, Inc.

**REFERENCE**

December 2004	Idaho State Board of Education (Board) approved Idaho Water Center sublease agreement to CH2M Hill
October 2006	Board approved First Amendment to Sublease
October 2009	Board approved Second Amendment to Sublease

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.I.5.b(1)

**ALIGNMENT WITH STRATEGIC PLAN**

Subleasing office space at the Water Center does not correspond with strategies established by the Board's strategic plan, but generates revenue that sustains the financing of the Water Center and its education, research and outreach functions, and in that regard such action is not inconsistent with the strategic plan.

**BACKGROUND/DISCUSSION**

In 2004, the Board approved subleasing approximately 55,000 square feet of the Idaho Water Center to CH2M, an international engineering firm. In subsequent lease renewals, CH2M contracted to about 36,000 sf with their vacated space being occupied by expanding University of Idaho (UI) Boise programs and a commercial lease granted to St. Luke's Regional Medical Center. The CH2M lease expired this year and CH2M did not choose to renew their lease at the Water Center.

The UI has recently negotiated a five-year sublease with United HealthCare Services, a company that provides health care coverage and benefits to their customers in the State of Idaho. If approved, United HealthCare Services is proposing to occupy about 12,000 sf of the recently vacated CH2M space. The proposed provisions include a lease rate of \$22.50/sf/yr (which is higher than the lease rate that had been paid by CH2M for the final year of their most recent lease at the Water Center). As proposed, UI will initially pay \$15/sf for painting, carpet replacement and repair of some wear and tear of the premises deemed necessary to update this commercial office space since its last refresh in 2013. Other provisions of the lease, including commission payment for UI's listing agent, are



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essentially the same as prior lease provisions for the commercially leased space at the Water Center. In addition to the five-year term, the lease provides two options for additional three-year terms and an option for the tenant to expand the space being leased. The lease does provide an option for tenant cancelation after June 2022, but also provides for reimbursement of any uncovered costs related to the remaining term (the remaining share of landlord covered tenant improvement costs, commissions, etc).

**IMPACT**

Total tenant improvement costs will be approximately \$800,000 with the tenant immediately reimbursing UI all but \$185,790 (the latter amount for basic refresh as mentioned above, though even that amount will eventually be recovered by the agreed upon lease rate over the five year initial term). The lease rate will escalate 2.5% for each year of the initial term and 3% for the years of any exercised renewal terms. The new rate is consistent with today's commercial lease rates in the Boise market. Approval of this sublease agreement will allow the UI to maintain substantial and necessary revenue to cover facility expenses related to the construction and occupation costs of the Water Center. UI will continue to market some of the remaining vacated commercial office space to generate additional revenue.

**ATTACHMENTS**

Attachment 1 – Draft Sublease

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff recommends approval.

**BOARD ACTION**

I move to approve the sublease between the Board of Regents of the University of Idaho and United HealthCare Services, Inc in substantial conformance to the form submitted to the Board in Attachment 1 and to authorize the University's Vice President for Finance and Administration to execute the Sublease and any related transactional documents.

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

## SUBLEASE

THIS SUBLEASE, dated as of December \_\_\_\_\_, 2018 (this “**Sublease**”), is by and 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 (“**Sublessor**”), and United HealthCare Services, Inc., a Minnesota corporation (“**Sublessee**”).

### 1 BASIC PROVISIONS.

The following basic provisions are a part of this Sublease:

**1.1 Sublessor.** The Board of Regents of the University of Idaho, whose current mailing address is Vice President for Finance and Administration, 875 Perimeter Dr MS 3168, Moscow ID 83844-3168.

**1.2 Sublessee.** United HealthCare Services, Inc., whose current mailing address is set forth in Section 11.1 below.

**1.3 Underlying Lease.** This Sublease is subordinate to and subject to the terms and conditions of the Facilities Lease (Idaho Water Center) (the “**Lease**”) dated December 17, 2002, said Lease being entered into by and between the Idaho State Building Authority (“**Landlord**”) and the State of Idaho, as shown on attached **Exhibit A**; provided, however, in no event is Sublessee required to perform any Sublessor’s obligations under the Lease except to the extent expressly identified in this Sublease as Sublessee’s obligation. Sublessor shall seek any and all consents required to sublease as required by said Lease. Sublease shall not become effective unless and until written consent is provided by the Idaho State Building Authority as indicated by signature included herein.

**1.4 Premises.** The “**Premises**” are located within the Idaho Water Center, 322 E Front Street, Boise ID and are comprised of 12,386 rentable square feet as shown on the attached **Exhibit B**.

**1.5 Permitted Use.** The use of the Premises permitted under this Sublease shall be limited to all legal administrative office uses for Sublessee, except as may otherwise be authorized in writing by Sublessor (“**Permitted Use**”).

**1.6 Term and Commencement Date.** Sublease is effective on the date hereof, and Sublessee’s right to enter and occupy the Premises commences on July 1, 2019 (the “**Commencement Date**”) and shall end on January 31, 2025 (as the same may be extended under Section 3.2 below, the “**Term**”).

**1.7 Base Rent.** Effective September 1, 2019, Sublessee shall pay base rent (“**Base Rent**”) pursuant to the following table. The Base Rent for the Term is inclusive of Sublessee’s share of Operating Costs as listed in Exhibit C but subject to adjustment as described in Section 5.10 of this Sublease.



Period	RSF	Base Rent/RSF	Annual Base Rent	Monthly Base Rent
July 1, 2019 to August 31, 2019	12,386	\$0.00	\$0.00	\$0.00
September 1, 2019 to August 31, 2020	12,386	\$22.50	\$278,685.00	\$23,223.75
September 1, 2020 to August 31, 2021	12,386	\$23.06	\$285,652.13	\$23,804.34
September 1, 2021 to August 31, 2022	12,386	\$23.64	\$292,793.43	\$24,399.45
September 1, 2022 to August 31, 2023	12,386	\$24.23	\$300,113.26	\$25,009.44
September 1, 2023 to August 31, 2024	12,386	\$24.84	\$307,616.10	\$25,634.67
September 1, 2024 to January 31, 2025	12,386	\$25.46	\$315,347.56	\$26,278.96

**1.8 Parking.** Sublessee is responsible for acquiring any parking passes it desires in the surrounding public parking facilities. Sublessor agrees to notify the public parking system manager that Sublessee is a tenant of the Idaho Water Center, and that Sublessor is requesting 32 passes located within the Civic Plaza/Ada County Courthouse Corridor parking system be made available to Sublessee. These passes shall be secured by Sublessee or its employees, and at no cost or expense to Sublessor. The passes are for unassigned spaces, some of which may be tandem spaces, and the monthly rate to be paid by Sublessee and/or its employees with the prevailing monthly parking rate charged for commercial tenants by the parking system manager. Sublessor does not manage or control the availability of parking passes for commercial tenants and if Sublessee or its employees fail to enter into monthly passes within fifteen (15) days after commencement of the lease, or if Sublessee or its employees relinquish in any manner the parking passes requested by Sublessor from the parking system manager, Sublessor shall be under no obligation to make further requests on behalf of Sublessee. Sublessee and its employees are subject to the rules and policies of the public parking system manager as the parking system is not owned or managed by Sublessor. Sublessor is not liable to Sublessee or its employees for any damage, injury, loss or claim resulting in Sublessee's dissatisfaction with the services or facilities of the public parking system to which they may have been granted passes as described herein.

**1.9 Initial Sublessee Improvements.** Sublessee's initial improvements to the Premises (the "**Sublessee Improvements**") are subject to the provisions of this Section 1.9.

1.9.1 In addition to the provisions in this Section 1.9, Sublessor and Sublessee shall perform as required by the schedule attached hereto as **Exhibit E**. Sublessor acknowledges that issuance of a final certificate of occupancy by the applicable unit of government having jurisdiction over the Sublessee Improvements is a condition precedent to same being deemed substantially complete.

1.9.2 The "**Plans**" are, collectively, those plans, drawings and specifications prepared by Sublessee's architect, submitted to Sublessor by Sublessee, and approved by

Sublessor, which approval Sublessor shall not unreasonably withhold. Sublessor hereby consents to Sublessee's retention of RSP Architects to prepare the Plans. Sublessee shall submit the Plans to Sublessor, and Sublessor shall review and approve the same, by the dates identified therefor on attached **Exhibit E**.

- 1.9.3 Sublessor shall obtain a least three bids from general contractor bidders to perform the work required to complete the Sublessee Improvements on a stipulated sum basis. Sublessor and Sublessee shall review together all general contractor bids received by Sublessor, and Sublessor shall award the general contract to the lowest qualified responsible bidder pursuant to a general contract that is reasonably acceptable to Sublessee. Sublessor and the lowest qualified responsible general contractor bidder shall enter into a commercially reasonable general construction contract that must, in addition to other customary terms and provisions, (i) have a contract sum that is a stipulated sum; (ii) require the general contractor to coordinate its work with the work of the following Sublessee consultants and employees and also to be cooperative with the same to facilitate the completion of their work: Flooring, Audio Visual, Security, Soundmasking, Signage, Furniture, Artwork and IT/Data/Cabling; and (iii) require the general contractor to substantially complete the Sublessee Improvements by the date identified therefor on attached **Exhibit E**. The form of the general contract is subject to Sublessee's prior written consent (which consent Sublessee will not unreasonably withhold), and Sublessor shall not increase the stipulated sum contract sum thereunder without Sublessee's prior written consent. The stipulated contract sum of the general contract must include all costs for the Sublessee Improvements, including, without limitation, permit fees.
- 1.9.4 The Sublessor is solely responsible for amounts owed to the general contractor under the general contract; provided, however, if the stipulated sum thereunder exceeds \$185,790.00 (based on \$15 per rentable square foot for 12,386 rentable square feet) for reasons caused by Sublessee, then Sublessee shall reimburse Sublessor for such excess amounts provided that Sublessor has disclosed the same to Sublessee before Sublessor incurs the same under the general contract. Sublessor is solely responsible for all change order costs except to the extent that Sublessee has first consented to the same in writing. In addition, Sublessee shall pay Sublessor a project management fee equal to the three percent (3%) of the excess amounts discussed in this Section 1.9.4.
- 1.9.5 Throughout the construction process, Sublessor shall deliver to Sublessee weekly schedule updates and progress photos, and shall make its construction representatives available at the project site and for meetings and inspections.
- 1.9.6 Sublessor shall inform Sublessee in writing when the Sublessee Improvements are substantially complete. Sublessor and Sublessee shall jointly inspect the Sublessee Improvements, and Sublessor shall prepare, with Sublessee's assistance, a punchlist of incomplete, minor and insubstantial details of construction, necessary mechanical adjustments, and needed finishing touches. Sublessor shall complete

the punchlist items, if any, within thirty (30) days after the date of the punchlist. Sublessor will promptly correct any latent defects as they become known to Sublessor or, if Sublessee notifies Sublessor of a latent defect, within thirty (30) days after Sublessee's notice. Sublessor shall enforce for Sublessee's benefit all warranties and correction of work rights available to Sublessor under the general contract.

- 1.9.7 Sublessor shall, within thirty (30) days following substantial completion of the Sublessee Improvements, submit to Sublessee a statement, prepared and certified by Sublessor or an authorized agent thereof ("**Sublessor's Statement of Costs**"), setting forth the total amounts paid by Sublessor for the Sublessee Improvements under the general contract. Sublessee may, upon reasonable prior written notice, audit Sublessor's books and records with respect to those amounts.
- 1.9.8 Sublessor and Sublessee shall at all times make every reasonable effort to ensure completion of Sublessee Improvements in a timely manner. Sublessor is solely responsible for all alterations that may be required to be made by applicable laws because of, or related to, the Sublessee Improvements. The Commencement Date shall not be extended if Sublessor fails to substantially complete the Sublessee Improvements by July 1, 2019 to the extent that such failure was not caused by Sublessee. If, for causes other than those attributable to Sublessee or force majeure, Sublessor fails to substantially complete the Sublessee Improvements by July 1, 2019, Sublessor shall deduct \$100 for each day after July 1 that Sublessor fails to deliver Premises. That total amount shall be deducted from the September 2019 rent. For the purposes of this paragraph, force majeure is defined as circumstances beyond the parties' control, including strikes, embargoes, governmental regulations, lack of available materials, inclement weather and other acts of God, war, or other strife and no such delay in performance shall constitute an actual or constructive eviction or entitle Sublessee to any abatement of Rent.

## 2 GRANT OF PREMISES AND POSSESSION.

**2.1 Grant of Premises.** Sublessor subleases to Sublessee and Sublessee subleases from Sublessor the Premises subject to the terms and conditions of this Sublease.

**2.2 Possession.** Sublessor shall deliver possession of the Premises (including the rights, privileges, benefits, rights-of-way and easements now or in the future appurtenant to the Premises) to Sublessee on the Commencement Date. During the Term, Sublessor covenants on behalf of itself and its respective successors and assigns to provide quiet and peaceable possession of the Premises to Sublessee subject to the provisions of this Sublease and the Lease referenced in Section 1.3. Sublessor warrants, to the best of its knowledge that the project is in compliance with the Americans with Disabilities Act as it existed at the effective date of this Sublease, and that Sublessee shall not be responsible for costs to bring the common areas of the building into compliance with the Americans with Disabilities Act.



**2.3 Access.** Sublessee shall have access to Premises and operating elevators twenty-four hours per day, 365 days per year. Sublessee shall have non-exclusive use of any common areas convenient to access or support the use of Premises (including but not limited to bathrooms, service areas, building lobby, hallways, stairways).

### 3 TERM.

**3.1 Term.** The Term of this Sublease is as set forth in Section 1.6 above.

**3.1.1 Renewal.** Unless this Sublease is terminated early as provided herein, Sublessee, with written notice provided to Sublessor prior to May 1, 2024, shall be entitled to extend the terms of this Sublease from February 1, 2025 through January 31, 2028 ("**First Renewal Term**"). For the First Renewal Term, Sublessee shall pay \$26.22 per rentable square foot per year for the first year of the First Renewal Term as Base Rent. Base Rent shall escalate 3% for each subsequent year of the Renewal Term. Unless this Sublease is terminated early as provided herein or the First Renewal Term is not exercised, Sublessee, with written notice provided to Sublessor prior to May 1, 2027, shall be entitled to extend the terms of this Sublease from February 1, 2028 through January 31, 2031 ("**Second Renewal Term**"). For the Second Renewal Term, Sublessee shall pay \$28.65 per rentable square foot per year for the first year of the Second Renewal Term as Base Rent. Base Rent shall escalate 3% for each subsequent year of the Second Renewal Term.

**3.2 Cancellation of Term.** Sublessee, with written notice provided to Sublessor by no later than December 1, 2021, may terminate this Sublease on June 30, 2022. In the event Sublessee exercises this cancellation right in 2022, Sublessee shall pay Sublessor a fee of \$177,132 at the time of such notice.

### 4 RENT.

**4.1 Definition of Rent.** The word "**Rent**" includes the amount identified in Section 1.7 and other costs, if any, expressly stated in this Sublease to be paid by Sublessee to Sublessor. Other than the Rent expressly identified in this Sublease to be paid by Sublessee to Sublessor and any other costs assigned to Sublessee as provided under the terms of this Sublease, Sublessee is not required to pay any other amounts that Sublessor may be required to pay under the Lease.

**4.2 Payment of Rent.** Sublessee agrees to pay Sublessor, without offset or deduction for any reason, the Rent for the Premises as and when provided herein.

**4.3 Date and Form of Rent Payments.** Rent shall be paid on or before the first day of each month for the duration of the Term and any renewal terms, commencing with payment for August 2019. Payment to Sublessor shall be made payable to "Bursar, University of Idaho" by electronic funds transfer pursuant to the instructions attached hereto as **Exhibit F**.

**4.4 Partial Payments.** Acceptance by Sublessor of any partial payment of Rent shall not constitute a waiver of the obligation of Sublessee to pay the full amount of the Rent payment then due.



## 5 OPERATION OF PREMISES.

**5.1 Sublessee's Use of Premises.** Premises shall be occupied and used by Sublessee only for the Permitted Use and for no other purpose. Sublessee will not commit waste on the Premises, nor will it disfigure or deface any part of the building, grounds, or any other part or portion of the Premises, including fixtures. Sublessee further covenants that it will return the Premises at the termination of this Sublease to Sublessor in the same condition as originally received, reasonable wear and tear excepted.

**5.2 Sublessor's and Sublessee's Obligations.** Sublessor shall provide custodial, maintenance, and other building-wide services such as building alarm and security systems. Any other services are the responsibility of Sublessee, but shall be approved by Sublessor prior to initiation on Premises. Sublessor or Sublessor's contractor will perform all maintenance and repairs to Premises. Any repairs or other work necessitated by the intentional conduct or omission of either party by its employees, agents, guests and invitees shall be paid exclusively by the party causing such repair or other work. Sublessee shall comply with all building rules and regulations as shown on **Exhibit D**. Sublessor shall notify Sublessee of any changes to these building rules and regulations made during the Term.

**5.3 Utilities.** Sublessor shall be responsible for and shall promptly pay all charges, when due, for water, natural gas, electricity, and any other utility or other service (excluding phone, cable television, and internet services used by Sublessee) used upon or furnished to the Premises, except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Sublessor shall provide HVAC on Monday through Friday from 7 am to 6 pm and Saturdays from 8 am to 1 pm. Should Sublessee require HVAC service outside the hours listed above, Sublessee shall pay at a rate consistent with the cost of providing the extra HVAC service which is \$40/hr. Unless failure or interruption of services is caused by the intentional act or omission of Sublessor, Sublessor shall not be liable in damages or otherwise for any failure or interruption of (i) any utility service being furnished to the Premises, or (ii) the heating, ventilating and air conditioning system. No such failure or interruption, whether resulting from a casualty or otherwise, shall entitle Sublessee to terminate this Sublease or to abate the payments Sublessee is required to make under this Sublease, unless such failure or interruption is caused by the intentional act or omission of Sublessor. For the purposes of this section "intentional act" shall not include events of failure or interruption required due to emergency or repair needs as reasonably determined by Sublessor or proper building management authority. To the extent any interruption can be scheduled or otherwise anticipated, Sublessor shall provide Sublessee with no less than twenty-four hour notice prior to such interruption.

**5.4 Signs.** Sublessee has the right to install suite identification signage in locations reasonably acceptable to Sublessor. All of Sublessee's signage is subject to Sublessor's prior written consent, which consent may not be unreasonably withheld, delayed or conditioned. All such installation, replacement, improvement or maintenance of signs shall be at Sublessee's sole expense. All signs placed or maintained on the Premises are subject to and shall comply with all rules, applicable ordinances and public regulations (including standards and requirements established by the Civic Plaza Condominium Declaration). Sublessee's signage may identify

entity affiliated with UnitedHealth Group, Incorporated as the same may be constituted from time to time.

**5.5 Modification to Premises by Sublessee.** Sublessee shall neither make nor undertake any modification or improvement to the Premises unless and except Sublessor has given its prior written consent, which consent may not be unreasonably withheld, delayed or conditioned. In all events, such modification of the Premises shall comply with all of the following requirements:

(a) Sublessee shall supply Sublessor with a complete set of construction drawings for Sublessor's review and approval at least thirty (30) days prior to Sublessee's proposed commencement of any construction work; and

(b) Sublessee may perform construction as provided by Section 5.5 or Sublessee shall retain a licensed and bonded contractor, approved in writing by Sublessor, to perform any construction work (for alterations, repair of fire or casualty, or other construction). The contractor shall carry public liability and property damage insurance, standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, during the period of construction.

**5.6 Hazardous Material Use.** Sublessee and Sublessor shall not cause or permit any Hazardous Material to be brought upon, kept, used, disposed, or discharged, in, on, from or about the Premises by their agents, employees, contractors, customers, clients, guests or invitees except as incidental to Sublessee's permitted use of the Premises, and only in quantities that are less than the quantities that are required to be reported to governmental or other authorities under applicable law or regulations. Sublessor shall comply with all applicable laws and regulations regulating the use, reporting, storage, discharge and disposal of Hazardous Material. As used in the Sublease, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste that is or becomes regulated by any federal, state or local governmental authority or political subdivision. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under applicable law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl ("PCB"), (v) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1321), (vi) defined as a "hazardous waste" pursuant to Section 1004 of the Solid Waste Disposal Act (42 U.S.C. §6903), (vii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601), (viii) defined as a "regulated substance" pursuant to Section 9001 of the Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. §6991, (ix) considered a "hazardous chemical substance and mixture" pursuant to Section 6 of the Toxic Substance Control Act (15 U.S.C. § 2605), or (x) defined as a "pesticide" pursuant to Section 2 of the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136).

## **5.7 Real and Personal Property Taxes.**

**5.7.1 Payment of Taxes.** Sublessee shall be responsible for payment of any personal property taxes levied against Sublessee's or its sub-tenant's personal property.

**5.7.2 Tax on Rent.** Should any government impose a tax, assessment, gross receipts tax, transaction tax, privilege tax, sales tax or similar tax (other than an income or franchise tax) on the Rent, including taxes on any utility services, such taxes and assessments shall be paid by Sublessee.

**5.8 Covenant Against Liens.** Sublessee will not directly or indirectly create or cause to be created or to remain, and will promptly discharge, at Sublessee's sole expense, any mechanics' lien or similar lien against the Premises which is created or caused to be created by Sublessee's work on the Premises. Sublessee has no authority or power to cause or permit any mechanics' lien or similar lien created by act of Sublessee, operation of laws, or otherwise to attach to or be placed upon Sublessor's title or interest in the Premises. Any lien against Sublessee shall attach only to Sublessee's leasehold interest in the Premises. Sublessee may contest, at Sublessee's sole expense, any lien, and the lien may remain pending resolution of the challenge. Sublessee shall indemnify and hold Sublessor harmless from any and all loss, damage or expense occasioned by the lien and shall provide such security as Sublessor may reasonably demand. If the lien is adjudged to be valid, Sublessee shall promptly pay and discharge the lien.

**5.9 Sublessor's Right of Entry.** Sublessor shall be entitled to enter the Premises in a manner that does not unreasonably interfere with Sublessee's permitted use of the Premises.

**5.10 Operating Cost Adjustment During Term.** Operating Costs for the Premises are included in the Base Rent up to the amount of 2019 estimated Operating Costs ("**Base Year Operating Expense**"). The components and amounts of Base Year Operating Costs are shown in Exhibit C as "recoverable expenses" and shall at no time include capital costs. Total building Operating Costs (based on full building occupancy) shall be calculated by Sublessor at the end of 2019 and each calendar year of the Term (or any renewal terms) thereafter (or partial calendar year if permitted sublease termination or cancellation occurs before the end of any calendar year). Sublessee's share of building Operating Costs is 7.5%. If during any calendar year the actual Operating Costs for that year are greater than the Base Year Operating Expense, Sublessee shall pay its pro-rata share of the increase in actual Operating Costs of the building for that year in which such actual Operating Costs exceed Base Year Operating Expense. If the Operating Costs of any year are less than the Base Year Operating Expense, Sublessee shall be credited with its pro-rata share of such decrease in actual Operating Costs. The increase or decrease shall be referred to as the "Adjustment Amount". The Adjustment Amount shall be considered Rent and included as a single additional payment (or credit) within thirty (30) days of billing (or payment) notification by Sublessor or Sublessor's billing agent. In the last year of the Sublease Term or Renewal Term, the Adjustment Amount shall be paid or credited upon notification of billing (or payment) for the Adjustment Amount which may be calculated and noticed after the Term and Sublease have expired. Expense information to support the determination of actual building Operating Costs for each year shall be provided by Sublessor within a reasonable time upon request by Sublessee. Sublessee shall have the right to audit such Operating Costs, and if such audit should prove an error of more than \$1000 for any year, such error shall be adjusted between the parties and, if the error causes an increase in Operating Costs, Sublessee shall pay its pro-rata share of such increase to Sublessor. If the error causes a decrease in Operating Costs, Sublessor shall credit Sublessee its pro rata share of such decrease.



## 6 CHANGES IN THE PARTIES.

**6.1 Relationship of Parties.** Nothing contained in this Sublease shall be construed as creating the relationship of principal or agent, partnership or joint venture. Neither the method of computation of Rent nor any other provision of this Sublease, nor any act of the parties, shall be deemed to create any relationship other than that of sublessor and sublessee.

**6.2 Successors and Assigns.** This Sublease shall benefit and bind the successors and permitted assigns of the parties.

**6.3 Sublessee Assignment and Sub-Sublease of Premises.** Any assignment or sub-sublease shall be subject to the provisions of the Sublease and other legally recorded covenants of restrictions, placed on the Premises. Subject to these limitations, Sublessee may, upon notice to but without written approval from Sublessor assign its interests under this Sublease, as amended, to (a) any entity resulting from a merger or consolidation with Sublessee, (b) any entity succeeding to the business and assets of Sublessee, or (c) any affiliated subsidiary or related company of Sublessee. Aside from these listed exceptions, Sublessee may NOT assign or sublet all or a part of its interests in this Sublease as amended unless Sublessee first obtains the written consent of Sublessor, which consent shall be based upon Sublessor's determination that the new party's business and activities and intended use of the Premises are in Sublessor's reasonable judgment consistent with the current occupancy of the remaining building. Sublessor's consent based upon this judgment shall not be unreasonably withheld or delayed. Any losses or profits sustained from such sub-sublease shall accrue to Sublessee.

**6.4 Sublessor's Transfer.** Sublessor may sell, assign or otherwise transfer the Premises. If Sublessor should sell, transfer, or terminate Sublessor's interest in the Premises, then effective with the date of the sale, transfer, or termination, Sublessor shall be released and discharged from any and all further obligations and responsibilities under this Sublease (except those already accrued) upon written assumption by the buyer or transferee of Sublessor's liabilities under this Sublease.

**6.5 Attornment.** Sublessee shall attorn to, and recognize as successor Sublessor under this Sublease, any person that purchases or obtains title to the Premises or to Sublessor's leasehold pursuant to a conveyance by Sublessor.

**6.6 Subordination.** Sublessee agrees that this Sublease is and shall remain subordinate to the Lease and any subsequent mortgage or deed of trust encumbering the Premises, together with any renewals, modifications or extensions of subsequent mortgages or deeds of trust. This subordination is self-operative without the need for any further document or instrument. Upon Sublessor's request, Sublessee shall execute reasonable instruments that are reasonably required to subordinate this Sublease to mortgages or deeds of trust made by Sublessor or the Idaho State Building Authority.

**6.7 Estoppel Certificate.** From time to time upon not less than ten (10) business days prior written request by a party, the other party will deliver to the requesting party a certificate in writing stating, if accurate (i) that this Sublease is unmodified and in full force and effect (or that



the Sublease as modified is in full force and effect, describing the modifications), (ii) that the rents and other charges have been paid to date, and (iii) that the requesting party is not in default under any provision under this Sublease (or, if in default, the nature of the default). If the party shall fail to respond within thirty (30) business days of receipt the written request for the estoppel certificate, the party shall be deemed to have given the certificate without modification.

## **7 LOSS AND DAMAGE TO PREMISES.**

**7.1 Sublessee's Possession at Own Risk.** Sublessee covenants and agrees that neither Sublessor nor its agents shall be liable in any way for personal injuries or property damages sustained by Sublessee, its employees, visitors, or by any occupant of the subleased Premises, or by any other persons or organizations claiming through Sublessee, resulting from the condition, state of repair, or use of the subleased Premises, or any part thereof, or of any equipment therein or appurtenances thereto, or resulting from any act or negligence of Sublessee or of any other person or persons excepting Sublessor or its agent. Neither Sublessor nor its agents shall be liable for damage to Sublessee's personal property or for any loss suffered by Sublessee caused in any manner whatsoever, except when Sublessor or its agents willfully or negligently causes such damage or loss.

**7.2 Insurance.** As provided by the underlying Lease, the State of Idaho maintains an insurance policy (or policies) insuring the Premises. Sublessee shall obtain the following types and amounts of insurance: i) Commercial General and Umbrella Liability Insurance, maintaining commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence and in the aggregate, ii) 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 an insured contract including the tort liability of another assumed in a business contract, iii) Sublessee shall maintain Automobile Liability in the amount of \$1,000,000 Combined Single Limit, such coverage shall include Non-Owned and Hired Car coverage, and iv) Sublessee shall maintain all statutorily required Workers Compensation coverages, including Employer's Liability, at minimum limits of \$100,000 / \$500,000 / \$100,000. Sublessee's insurer's shall have a Best's rating (or equivalent) of AV or better and be licensed and admitted in Idaho. Sublessee shall furnish Sublessor with a certificate of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Sublessor may choose to maintain. The certificate of insurance shall list Sublessor as "State of Idaho and the Board of Regents of the University of Idaho, Attn: Risk Management, 875 Perimeter Dr MS 2433, Moscow ID 83844-2433" as the Certificate Holder. All certificates shall provide for thirty (30) days' written notice to Certificate Holder prior to cancellation or material change of any insurance referred to in the certificate. All policies shall name Certificate Holder as an additional insured. Failure of Certificate Holder to demand a certificate or other evidence of full compliance with these insurance requirements or failure of Certificate Holder to identify a deficiency from evidence that is provided shall not be construed as a waiver of Sublessee's obligation to maintain such insurance. Failure to maintain the required insurance may result in default as provided herein. By requiring this insurance, Sublessor does not represent that coverage and limits will necessarily

be adequate to protect Sublessee, and such coverage and limits shall not be deemed as a limitation on Sublessee's liability under the terms of this Sublease as amended.

**7.3 Sublessee's Personal Property Insurance.** No insurance is provided by Sublessor for Sublessee's personal property. Sublessee shall insure and be solely responsible for insurance coverage on personal property, of every kind or nature, which is not part of the Premises or owned by Sublessor. Sublessee shall, at Sublessee's sole cost and expense, either obtain the insurance Sublessee deems advisable, or shall be deemed to be self-insured. Sublessee waives all rights on insurance purchased by Sublessor (if any).

**7.4 Waiver of Subrogation.** To the extent permitted by their respective insurers, Sublessor and Sublessee (and each person claiming an interest in the Premises through Sublessor or Sublessee) release and waive their entire right of recovery against the other for direct, incidental or consequential or other loss or damage arising out of, or incident to, the perils covered by property insurance carried by Lessee under this Sublease, or by either or both Sublessor or Landlord under the Lease, whether due to the negligence of Sublessor, Sublessee or Landlord. If necessary, all insurance policies may be endorsed to evidence this waiver.

**7.5 Effect of One Party's Actions on Other Party's Insurance.** Neither party shall do or permit to be done anything that shall invalidate any insurance carried by the other party.

**7.6 Condemnation.** Subject to the provisions of Section 10.1 of the Lease (as defined in Section 1.3 of this Sublease), if any material portion of the Premises is permanently condemned or taken under any governmental law, ordinance or regulation, by right of eminent domain, or by deed in lieu, then either party may, at its sole option and upon written notice to the other given within fourteen (14) days following the date the condemning authority takes title or possession, whichever comes first ("date of taking"), terminate this Sublease effective on the date of taking. For purposes of this Section 7.6, a "material" portion of the building means such portion of the building as would render the remaining portion of the building insufficient for Sublessee's continuing needs. Upon receipt of notice of any proposed condemnation, the receiving party shall promptly notify the other party. Sublessor may reserve all rights to damages to the Premises for any taking or condemnation of all or any portion of the Premises.

**7.7 Damage or Destruction of Premises.** In the event of damage to or destruction of the improvements to the Premises by fire or other casualty, except for damage caused by the negligence or willful act or omission of Sublessee, and subject to the terms of the underlying Lease, Sublessor may at its option either (a) promptly repair such damage or cause such damage to be repaired, in which event the Sublease shall continue in full force and effect, or (b) terminate the Sublease as of the date of such damage, by giving Sublessee written notice thereof within thirty (30) days of the damage. In the event the damage is caused by the negligence or willful act or omission of Sublessee, Sublessee shall be obligated to provide insurance proceeds to the extent such proceeds are available to repair, restore or rebuild and Sublessee shall deliver all insurance proceeds and/or assign any causes of action it may possess against any person or entity to Sublessor. If Sublessor elects to proceed under subsection (a) above, during the period of damage, distribution, repair, restoration or rebuilding, this Sublease shall remain in effect; and there shall

be no abatement of rent provided, however, Sublessee shall be entitled to recoup any loss of use over the twelve (12) months following restoration of the Premises.

## **8 DEFAULT BY SUBLESSEE OR SUBLESSOR.**

**8.1 Default by Sublessee.** Sublessee shall be in default under this Sublease if any of the following occur: (i) Sublessee fails to pay any Rent within five (5) business days after Sublessee's receipt of Sublessor's written notice that such payment is past due; (ii) Sublessee fails to perform or observe any other covenant, agreement or condition which Sublessee is required to perform or observe and the failure shall not be cured within thirty (30) days after delivery of written notice to Sublessee of the failure (or, if the cure cannot be effected within the thirty day period, then within the additional period of time as may be required to cure the default provided Sublessee is diligently and continuously pursuing the cure to completion); (iii) Sublessee is named as a debtor in any voluntary or involuntary bankruptcy proceeding; (iv) substantially all of Sublessee's assets are placed in receivership or are subjected to attachment or other judiciary seizure; (v) Sublessee makes or suffers a general assignment for the benefit of creditors; or (vi) Sublessee vacates all or a substantial portion of the Premises and also ceases payment of rent for any portion of the Premises.

**8.2 Remedies of Sublessor.** In the event of Sublessee's default as set forth in Section 8.1, Sublessor shall have the remedies set forth in this Sublease by the giving of prior written notice to Sublessee at any time during the continuance of the event of default. Sublessor's remedies are cumulative and not alternative remedies.

**8.2.1 Legal and Equitable Remedies.** Sublessor and Sublessee shall have all remedies available at law or in equity.

**8.2.2 Termination of Sublease.** In the event of a Sublessee default, in addition to all other rights and remedies available to Sublessor in law and equity, Sublessor may (i) change the locks and lock the doors to the Premises and exclude Sublessee from the Premises, (ii) enter the Premises and remove all persons and personal property therefrom without being liable for prosecution or any claim for damages for the removal, (iii) declare the Sublease terminated, (iv) commence litigation for the Rent due and to become due under the Sublease, and for any damages sustained by Sublessor, (v) continue the Sublease in effect and re-let the Premises on such terms and conditions as Sublessor may deem advisable, and (vi) hold Sublessee liable for the Rent, the reasonable cost of obtaining possession of the Premises, the reasonable cost of reletting the Premises (including attorney's fees, broker's commissions and tenant improvements), less the Rents actually received from the reletting, if any.

**8.2.3 Advance.** In the event of Sublessee's default, Sublessor may remedy the default for the account and at the expense of Sublessee. If Sublessor at any time, by reason of the default, is compelled to pay, or elects to pay, any money or do any act which will require the payment of any money, or is compelled to incur any expense, including reasonable attorneys' fees, in instituting or prosecuting any action or proceeding to enforce Sublessor's rights under this Sublease, the money paid by Sublessor, with interest from the date of payment, shall be additional rent and shall be due from Sublessee to Sublessor as Rent.



**8.2.4 Interest on Delinquent Sums.** Whenever any sum due under this Sublease is not paid when due, it shall bear interest thereafter at five percent (5%) per annum.

**8.3 Default by Sublessor.** Sublessor shall be in default under this Sublease if Sublessor fails to supply agreed to services or otherwise perform or observe any covenant, agreement or condition which Sublessor is required to perform or observe and the failure shall not be cured within thirty (30) days after delivery of written notice to Sublessor by Sublessee of the failure (or, if the cure cannot be effected within the thirty-day period, then within the additional period of time as may be required to cure the default provided Sublessor is diligently and continuously pursuing the cure to completion).

**8.4 Remedies of Sublessee.** In the event of Sublessor's default as set forth in Section 8.3, Sublessee shall have all rights provided at law or in equity. Sublessee's obligation to pay Rent is independent of all other rights, and Sublessee may not withhold Rent from Sublessor or pay Rent to other parties or into any escrow or holding account because of the default or alleged default of Sublessor.

## **9 TERMINATION OF SUBLEASE.**

**9.1 Events of Termination.** This Sublease shall terminate upon the occurrence of one or more of the following events: (i) by mutual written agreement of Sublessor and Sublessee; (ii) by Sublessor pursuant to the express provisions of this Sublease; (iii) by Sublessee pursuant to the express provisions of this Sublease; (iv) upon expiration of the Term (or exercised renewal terms) of this Sublease; (v) by reason of Section 7.6 or 7.7 relating to condemnation or destruction of the Premises.

**9.2 Surrender of Possession.** Upon termination of this Sublease, Sublessee will immediately surrender possession of the Premises to Sublessor. If possession is not immediately surrendered, Sublessor may, in compliance with the laws of the State of Idaho, re-enter and repossess the Premises and remove all persons or property.

**9.3 Holding Over.** If Sublessee fails to deliver actual possession of the Premises to Sublessor upon termination of this Sublease, Sublessor shall have all remedies available at law or in equity to a lessor or sublessor of real property in the State of Idaho, plus the following remedies: (i) Sublessor may recover damages from Sublessee in an amount equal to (a) the Rent applicable immediately prior to termination for each full or partial month that Sublessee fails to deliver actual possession of the Premises to Sublessor, and (b) all damages sustained by Sublessor by reason of Sublessee's failure to deliver actual possession of the Premises to Sublessor (including attorney's fees); or (ii) Sublessor may accept Sublessee's failure to deliver actual possession of the Premises to Sublessor as an irrevocable offer by Sublessee to renew this Sublease for a month to month period and shall entitle Sublessor to 125% of the prepaid Base Rent for the period that Sublessee fails to deliver actual possession of the Premises to Sublessor.

**9.4 Condition of Premises Upon Termination.** Sublessee, upon termination or abandonment of this Sublease or termination of Sublessee's right of possession, agrees as follows:

**9.4.1 Removal of Property.** Except as permitted by this Sublease, Sublessee shall not remove any alterations, improvements or additions made to the Premises by Sublessee or others, without the prior written consent of Sublessor, which consent may be withheld for any reason or for no reason. Upon termination, or within seven (7) days thereafter, Sublessee shall remove, in a good and workmanlike manner, all personal property (including system furniture which may be attached to Premises) of Sublessee. Sublessee shall promptly repair all damage occasioned by such removal in a good and workmanlike manner. If Sublessee fails to remove any property, Sublessor may (i) accept the title to the property without credit or compensation to Sublessee, or (ii) remove and store the property, at Sublessee's expense, in any reasonable manner that Sublessor may choose.

**9.4.2 Restoration of Premises.** Sublessee shall restore the Premises to a broom clean condition and in the condition existing on the Commencement Date, with the exception of (i) ordinary wear and tear, and (ii) alterations, improvements and additions which Sublessor approved in writing prior to installation and which Sublessor has not directed Sublessee in writing to remove. If Sublessee fails to properly restore the Premises, Sublessor, at Sublessee's expense, may restore the Premises in any reasonable manner that Sublessor may choose.

## **10 CLAIMS AND DISPUTES.**

**10.1 Rights and Remedies Cumulative.** Except where expressly provided otherwise in this Sublease, each party's rights and remedies described in this Sublease are cumulative and not alternative remedies.

**10.2 Non-waiver of Remedies.** A waiver of any condition stated in this Sublease shall not be implied by any neglect of a party to enforce any remedy available by reason of the failure to observe or perform the condition. A waiver by a party shall not affect any condition other than the one specified in the waiver and a waiver shall waive a specified condition only for the time and in the manner specifically stated in the waiver. The acceptance by Sublessor of rent or other money from Sublessee after termination of the Sublease, after termination of Sublessee's right of possession, after the occurrence of a default, or after institution of any remedy by Sublessor shall not alter, diminish, affect or waive the Sublease termination, termination of possession, default or remedy.

### **10.3 Indemnification.**

**10.3.1 By Sublessor.** Subject to the limits of liability specified in Idaho Code 6-901 through 6-929, known as the *Idaho Tort Claims Act*, Sublessor agrees to indemnify and hold harmless Sublessee, its agents and assigns, from and against any and all claims, losses, damages, injuries, liabilities, and costs, including reasonable attorneys' fees, court costs and expenses and liabilities incurred in or from any such claim, arising as a direct result of Sublessor's possession, operations or performance under this Sublease and which are caused by the sole negligence of Sublessor, its agents and assigns. Sublessor shall promptly notify Sublessee of any such claims of which it has knowledge and shall cooperate fully with Sublessee or its representatives in the



defense of the same. This indemnification does not apply when such claims, damages, costs, liabilities, and expenses are the result of negligence on the part of Sublessee, its agents or assigns.

**10.3.2 By Sublessee.** Sublessee agrees to indemnify and hold harmless Sublessor, its agents and assigns, from and against any and all claims, losses, damages, injuries, liabilities, and costs, including attorneys' fees, court costs and expenses and liabilities incurred in or from any such claim, arising as a direct result of Sublessee's possession, operations or performance under this Sublease and which are caused by the sole negligence of Sublessee, its agents or assigns. Sublessee shall promptly notify Sublessor of any such claims of which it has knowledge and shall cooperate fully with Sublessor or its representatives in the defense of the same. This indemnification does not apply when such claims, damages, costs, liabilities, and expenses are the result of negligence on the part of Sublessor, its agents or assigns.

#### **10.4 Hazardous Material Indemnification**

**10.4.1 By Sublessor.** During and after the Term of this Sublease, and subject to the limits of liability specified in Idaho Code 6-901 through 6-929, known as the *Idaho Tort Claims Act*, Sublessor shall indemnify and hold Sublessee harmless from any and all costs (including costs of remediation or clean-up and any proceedings related thereto), claims, judgments, damages, penalties, fines, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or useable space or any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of Sublessor's breach of the obligations stated in Section 5.6 regarding Hazardous Material. This indemnification of Sublessee by Sublessor includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the preceding, if the presence of any Hazardous Material on the Premises caused or permitted by Sublessor results in any contamination of the Premises, Sublessor shall promptly take all actions at Sublessor's sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any Hazardous Material to the Premises.

**10.4.2 By Sublessee.** During and after the Term of this Sublease, Sublessee shall indemnify and hold Sublessor harmless from any and all costs (including costs of remediation or clean-up and any proceedings related thereto), claims, judgments, damages, penalties, fines, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or useable space or any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of Sublessee's breach of the obligations stated in Section 5.6 regarding Hazardous Material. This indemnification of Sublessor by Sublessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the preceding, if the presence of any Hazardous Material on the

Premises caused or permitted by Sublessee results in any contamination of the Premises, Sublessee shall promptly take all actions at Sublessee's sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any Hazardous Material to the Premises.

**10.5 Effect of Sublessor's Insurance on Sublessee's Obligation.** From time to time and without obligation to do so, Sublessor may purchase insurance against damage or liability arising out of or related to the Premises. The purchase or failure to purchase insurance shall not release or waive the obligations of Sublessee set forth in this Sublease. Sublessee waives all claims on insurance purchased by Sublessor. Sublessee's insurance shall be the primary insurance for claims which are the responsibility of Sublessee as provided by this Sublease, notwithstanding Sublessor's purchase of any additional or supplemental insurance coverage.

**10.6 Dispute Resolution.** If the parties disagree regarding the performance of this Sublease, then the parties agree to engage in direct discussions to settle the dispute. If the disagreement cannot be settled by direct discussions, then the parties may agree to attempt to settle the disagreement in an amicable manner by mediation. Thereafter, any unresolved disagreement arising from or relating to this Sublease or a breach of this Sublease shall be resolved as provided by law. The provisions of this Section 10.6 shall not apply to disputes arising from Sublessee's default in the performance of any obligation to pay Rent.

**10.7 Attorney Fees and Costs.** If a party is in default under this Sublease, then the defaulting party shall pay to the other party reasonable attorney fees and costs (i) incurred by the other party after default and referral to an attorney and (ii) incurred by the prevailing party in any litigation (including any reasonable attorney fees on appeal).

**10.8 Interpretation.** The law of the State of Idaho shall govern this Sublease. The courts in the State of Idaho shall have exclusive jurisdiction. The invalidity of any portion of this Sublease shall not affect the validity of any other portion of this Sublease. This Sublease constitutes the entire, completely integrated agreement among the parties and supersedes all prior memoranda, correspondence, conversations and negotiations. Whenever the consent of either party is required to an action under this Sublease, consent shall not be unreasonably withheld or delayed, unless otherwise expressly provided.

## **11 GENERAL PROVISIONS.**

**11.1 Notices.** All notices of any kind and for any purpose under this Sublease shall be in writing and must be delivered only by reputable overnight courier. Notices are deemed delivered one (1) business day after deposit with such overnight courier. Proof of delivery shall be by affidavit of personal delivery, machine generated confirmation of fax transmission, or return receipt issued by U.S. Postal Service or express courier. Notices shall be addressed to the address set forth below:

### **Sublessee:**

United HealthCare Services, Inc.  
Lease Administration - MN008-W310

9900 Bren Road East  
Minnetonka, MN 55343

**Sublessor:**

Regents of the University of Idaho  
Vice President for Finance and Administration  
875 Perimeter Dr MS 3162  
Moscow ID 83844-3162

**11.2 Brokers.** 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 the negotiations of this Sublease other than Sublessor's use of Collier's International as its exclusive representative for such brokerage services and Sublessee's use of Jones Lang LaSalle Brokerage, Inc as its exclusive representative for such brokerage services. Sublessor shall be required to pay 6% of the total Base Rent for the Term to Collier's International. Payment by Sublessor shall be made upon billing from Collier's International.

**11.3 Non-recording.** This Sublease shall not be recorded. A Memorandum of Sublease executed by both parties hereto may be recorded.

**11.4 Time is of the Essence.** Time is of the essence with respect to the obligations to be performed under this Sublease.

**11.5 Equal Opportunity.** Each party agrees not to discriminate against any employee or applicant for employment in the performance of this Sublease, 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, national origin, disability, ancestry, or status as a Vietnam veteran. Breach of this covenant may be regarded as a material breach of this Sublease.

**11.6 Non-use of Names and Trademarks.** No party to this Sublease shall, without express written consent in each case, use any name, trade name, trademark, or other designation of any other party hereto (including contraction, abbreviation, or simulation) in advertising, publicity, promotional, or similar activities or context.

**11.7 Execution in Counterparts.** This Sublease may be executed in any number of counterparts, all of which are considered one and the same Sublease notwithstanding that all parties hereto have not signed the same counterpart. Signatures of this Sublease which are transmitted by either or both electronic or telephonic means (including, without limitation, facsimile and email) are valid for all purposes. Any party shall, however, deliver an original signature of this Sublease to the other party upon request.

**11.8 No Publication.** Neither party hereto shall publicize in a medium of general circulation available to the general public (e.g., trade journals, newspapers, radio, television, internet, etc.) the transaction evidenced by this Sublease. The foregoing prohibition is not applicable to disclosures required by applicable laws.

**11.9 Expansion Premises.** So long as the following space is available for commercial leasing, Subtenant has the option to expand the Premises by up to 10,000 rentable square feet (the "Expansion Premises") during the first 24 months immediately following the Commencement Date. An expansion under this section will be subject to the terms and conditions set forth in this Sublease except that the amount payable by Sublessor under Section 1.9.4 above will equal \$12 per rentable square foot of expansion space during the first twelve months of the Term, and for the second twelve months of the Term the amount payable by Sublessor will equal \$9/rsf

**[The balance of this page is intentionally left blank.]**



IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first set forth above.

Sublessor:

Board of Regents of the University of Idaho

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

Name: Brian Foisy,

Title: Vice President Finance and Administration

Date: \_\_\_\_\_

Sublessee:

United HealthCare Services, Inc.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Landlord Consent:

Idaho State Building Authority

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

Name: Wayne Mueleman

Title: Executive Director

Date: \_\_\_\_\_

**EXHIBIT "A"**

**Lease** dated December 17, 2002, said Lease being entered into by and between the Idaho State Building Authority and the State of Idaho

[See Attached]

# Exhibit A

## FACILITIES LEASE (Idaho Water Center)

THIS FACILITIES LEASE is entered into and is effective as of the 17th day of December, 2002, between the IDAHO STATE BUILDING AUTHORITY (the "Authority"), as lessor, the STATE OF IDAHO (the "State") acting through the DEPARTMENT OF WATER RESOURCES ("IDWR"), the IDAHO WATER RESOURCE BOARD (the "Water Board"), the DEPARTMENT OF ADMINISTRATION ("DOA"), and THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO (the "University"), each of which are state bodies as defined in the Idaho State Building Authority Act, as lessee.

### RECITALS

A. The Authority was created by the Idaho State Building Authority Act, Title 67, chapter 64, Idaho Code (the "Act"), to finance, construct, and operate facilities for the purposes set forth in the Act; and

B. The Authority is empowered by the Act, among other powers, to acquire property; to enter into agreements with any agency, board, department or commission of the State of Idaho in furtherance of the purposes of the Act, including the acquisition, development, maintenance, operation, and financing of any facility; to provide for the construction, reconstruction, improvement, alteration, or repair of any facility or part thereof; and to lease such facilities to a state body as defined in the Act; and

C. In accordance with the provisions of Idaho Code, Section 67-6410(a), the Idaho Legislature, pursuant to House Concurrent Resolution No. 60, Second Regular Session of the Fifty-Sixth Legislature has authorized the University and IDWR as state bodies under the Act to enter into agreements with the Authority as may be reasonable and necessary for the purpose of providing financing and development of office, research and educational facilities for their use; and

D. The Water Board is a party to this Facilities Lease because of its power to contract on behalf of IDWR; and

E. The DOA is a party to this Facilities Lease pursuant to Section 67-5708, Idaho Code.

F. The Authority will enter into an agreement with Ada County, Idaho (the "County") providing for the Authority to acquire from the County that certain Civic Plaza Condominium Unit No. 101 ("Unit No. 101") under that certain Declaration of Covenants and Restrictions Establishing a Plan of Ownership For Civic Plaza Condominiums recorded on October 9, 2002 as Instrument No. 102116495 (the "Civic Plaza Condominium Declaration"), such Unit No. 101 constituting the site upon which the Authority will undertake the construction of a building known as the "Idaho Water Center;" and

G. The University will enter into a Parking Access Agreement (the "Parking Access Agreement"), with the Urban Renewal Agency of the City of Boise, also known as Capital City

Development Corporation ("CCDC") providing for parking access for the use of the State in certain public parking facilities operated and to be operated by CCDC.

H. The Authority will enter into a sublease agreement (the "Fleet Space Sublease") with CCDC providing for the lease of those certain Civic Plaza Condominium Unit Nos. 302A and 302B ("Unit Nos. 302A and 302B") under the Civic Plaza Condominium Declaration, such Units Nos. 302A and 302B constituting the site of secure fleet parking and related facilities.

I. The Authority intends to finance the cost of acquisition of the Facilities (as defined herein) and related costs by the issuance of bonds or other evidences of indebtedness as authorized by the Act; and

J. The State will lease the Facilities from the Authority to be used and occupied upon the terms and conditions set forth in this Facilities Lease.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

## ARTICLE 1 FINDINGS AND DECLARATION

**Section 1.1 Findings.** The Authority has found and declared, in accordance with Section 67-6410(c), Idaho Code, that the Facilities will be of public use and will provide a public benefit to the people of the State of Idaho.

**Section 1.2 Declaration.** The parties agree and acknowledge that the Recitals contained in this Facilities Lease are true and are incorporated into this Facilities Lease as if set forth in full. This Facilities Lease shall constitute the agreement of the Authority to provide the Facilities as required by Section 67-6410(b), Idaho Code.

## ARTICLE 2 DEFINITIONS

The terms used herein shall have the following meanings:

A. **"Act"** shall mean Chapter 64, Title 67, Idaho Code, as it now exists and as it may hereafter be amended and supplemented.

B. **"Annual Rent"** shall mean, with respect to the initial term of this Facilities Lease and each renewal term thereof, the Basic Rent and Additional Rent determined in accordance with Article 6 hereof due and payable by the State to the Authority with respect to the Facilities for such lease term.

C. **"Authority"** shall mean the Idaho State Building Authority, an independent public body corporate and politic of the State of Idaho, created by and existing under the Act.

D. **"Bonds"** shall mean the portion of any bond or bonds, note or notes, or other evidences of indebtedness, including the State Building Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and the State Building Revenue Bonds (Taxable) Series 2003B (the "Series 2003B Bonds") issued by the Authority for the purpose of financing the Cost of Acquisition and



Construction and bonds or notes issued to refinance all or any part thereof and any bonds or notes issued to finance any additions, modifications or replacements of the Facilities from time to time hereafter.

E. **"Bond Resolution"** shall mean the resolution or resolutions of the Authority, as amended and supplemented, authorizing the issuance of Bonds.

F. **"Civic Plaza Condominium Declaration"** shall mean the Declaration of Covenants and Restrictions Establishing a Plan of Ownership for Civic Plaza Condominiums recorded on October 9, 2002, as Instrument No. 102116495, records of Ada County, Idaho.

G. **"Code"** means the Internal Revenue Code of 1986, as amended, regulations thereunder and rulings and judicial decisions interpreting or construing the Code.

H. **"Cost of Acquisition and Construction"** shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of acquisition, development and design and construction of the Facilities, including fixtures and machinery, apparatus and equipment; of engineering and architectural services, designs, plans, specifications and surveys; planning, analysis, project management, administration, inspection and similar services in connection with the Facilities; acquisition or lease of any land or interest therein for use in connection therewith; preparation of the sites thereof and of any land to be used in connection therewith; any indemnity and surety bonds and insurance premiums; allocable administrative and general expenses of the Authority; allocable portions of legal fees, audits, fees and expenses of any trustees, depositories and paying agents, financial advisors, underwriters and others for the Bonds; issuance of the Bonds, interest on and other financing charges, and fees and expenses of other advisors and consultants necessary or appropriate in connection therewith; the payment of any Bonds of the Authority (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Facilities; expenses necessary or incidental to determining the feasibility or practicability of the Facilities; and all other reasonable expenses not specified herein as may be necessary or incidental to the development, design, construction and acquisition of the Facilities, the financing thereof, and the placing of the same in use and operation.

I. **"Facilities"** shall mean Unit No. 101, Unit Nos. 302A and 302B, and any limited common area related to such units further described in Exhibit A hereto and the building and facilities to be built on Unit No. 101 which Facilities shall be commonly known as the "Idaho Water Center," together with the parking and related facilities to be constructed on Unit Nos. 302A and 302B and all equipment, fixtures, improvements, appurtenances, and other facilities to be designed and constructed thereon or installed therein. This definition of Facilities is intended to refer at all times to the real and personal property interests leased by the Authority to the State hereunder. Accordingly, if at any time Option Space is acquired through the exercise of an option to purchase granted hereunder, such portion of the Facilities comprising the Option Space will thereupon cease to be included in the definition of Facilities.

J. **"Facilities Lease"** shall mean this Facilities Lease, including any amendments or supplements thereto.

K. **"Fiscal Year"** shall mean the twelve-month period of each year beginning July 1 and ending on the following June 30.

L. **"IDWR Rent"** shall mean the portion of the Annual Rental IDWR is obligated to pay as provided in the Operating Agreement.

M. **"Insurer"** shall mean XL Capital Assurance Inc., a New York stock insurance company, as insurer of the Bonds.

N. **"Operating Agreement"** shall mean the operating agreement, dated as of December 17, 2002, between the IDWR, the Water Board and the University, which shall provide for the division between the IDWR and the University of all rights and obligations of the State as the lessee under this Facilities Lease.

O. **"Operating Costs"** shall mean the Authority's expenses (including reasonable reserves for such expenses) for condominium assessments, allocable administration and general expenses of the Authority, expenses for maintenance and repairs, insurance premiums, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Bond Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the Authority, all to the extent properly attributable to the Facilities and payable by the Authority. Operating Costs shall not include any Cost of Acquisition and Construction or any provision for depreciation, amortization or similar charges or any expenses for maintenance and repairs, utility services or insurance paid for or provided by the State pursuant to this Facilities Lease.

P. **"Option Space"** shall mean a portion of the Facilities not to exceed twelve percent (12%) of the "Net Rentable Square Footage" (as determined under standards established by the Building Owner Managers Association) of the Facilities to be conveyed to the State upon exercise of an option under Article 11 hereof.

Q. **"Unit No. 101"** shall mean Civic Plaza Condominium Unit No. 101 under the Civic Plaza Condominium Declaration on which the Facilities shall be constructed, as further described in Exhibit A hereof.

R. **"Unit Nos. 302A and 302B"** shall mean Civic Plaza Condominium Unit No. 302A and Unit No. 302B under the Civic Plaza Condominium Declaration on which secure fleet parking and related facilities shall be built, as further described in Exhibit A hereof.

S. **"University"** shall mean the Regents of the University of Idaho, a body politic and corporate organized under the Constitution and laws of the State of Idaho.

T. **"University's Rent"** shall mean the portion of the Annual Rent the University is obligated to pay as provided in the Operating Agreement.

### ARTICLE 3 LEASE OF PROJECT; TERM OF LEASE

#### Section 3.1 Lease of Facilities.

(1) The Authority hereby leases the Facilities to the State for its use in furtherance of the public benefit, and the State hereby leases the Facilities from the Authority on the terms and conditions set forth herein. Through the Operating Agreement, IDWR and the University

have allocated between each other the rights and obligations of the State as the lessee under this Facilities Lease. The State shall provide notice of such allocation to the Authority consistent with the Operating Agreement, and the Authority agrees to abide by such allocation for all purposes hereunder, except that in the absence of such notification, the Authority may treat the University as the primary contact for all issues relating to this Facilities Lease.

(2) The DOA is a party to and approves this Facilities Lease solely pursuant to Section 67-5708, Idaho Code. Nothing in this Facilities Lease, nor the DOA's being a party to it, shall obligate nor shall be deemed to obligate the DOA to make any payment of Annual Rent or any other payment related to the Facilities resulting from or related to this Facilities Lease. Annual Rent is to be paid solely in the manner described in Section 6.2 hereof.

**Section 3.2 Term of Lease.** This Facilities Lease shall be in full force and effect from the effective date hereof. The initial term of this Facilities Lease shall extend from the effective date hereof through June 30, 2004. The State shall have the option to renew this Facilities Lease in accordance with the provisions hereof for successive Fiscal Years thereafter and each such renewal of this Facilities Lease shall be deemed to be exercised, automatically and without further action by the State, unless the State shall notify the Authority in writing of its intent not to renew this Facilities Lease not later than ten (10) months prior to the expiration of any lease term.

**Section 3.3 Compliance with the Fleet Space Sublease.** The State hereby agrees that it will comply with the Fleet Space Sublease.

#### ARTICLE 4 ACQUISITION, DEVELOPMENT AND FINANCING

**Section 4.1 Acquisition and Development of Facilities.** The Authority agrees to acquire real property by purchase or lease for use as the site of the Facilities and to diligently undertake development of the Facilities and to enter into agreements for project management, design, construction, and installation of improvements, fixtures and equipment of the Facilities.

**Section 4.2 Idaho Water Center Condominium.** The Authority agrees to use its best efforts to cause Unit No. 101 to be subdivided as a condominium into separate condominium units. Within a reasonable time following substantial completion of the construction of the Facilities, the Authority will create a condominium of Unit No. 101, including the platting thereof and the preparation of a condominium declaration to be approved by the Authority, the State and the Insurer, which will, upon the proper recording thereof, create the Idaho Water Center Condominiums (the "IWC Condominiums") and the separate units therein.

**Section 4.3 Financing of Facilities by the Authority.** The Authority agrees to finance the Cost of Acquisition and Construction of the Facilities by the issuance of Bonds as authorized by the Act. The Authority may from time to time refinance or refund such Bonds as the Authority may deem appropriate; provided the Authority shall not refinance or refund such Bonds without the written consent of the State if to do so would increase the Basic Rent due hereunder. The Authority shall give written notice to the State of its intent to refinance or refund such Bonds.

**Section 4.4 Bond Anticipation Notes.** The Authority may issue bond anticipation notes payable from proceeds of Bonds.

## ARTICLE 5 USE OF FACILITIES

### Section 5.1 Use of Facilities

With the written consent of the Authority and the Insurer, which shall not be unreasonably withheld, the State may enter into agreements with other entities including private entities and federal and local government entities ("Other Entities") for the operation and/or maintenance of the Facilities or for the sublease, use or occupancy of portions of the Facilities by Other Entities upon the following conditions:

(a) the nature and extent of the proposed agreements with Other Entities shall not, either collectively or individually, adversely affect the tax-exempt status of the Series 2003A Bonds;

(b) such proposed agreements, subleases, users or uses, both collectively and individually, shall be compatible with, and complementary to, the interests in, and uses of, the Facilities by the State; and

(c) such proposed agreements, subleases, users or uses do not violate or contravene any term or provision of this Facilities Lease and are subject to the terms of this Facilities Lease, including without limitation, the provision that the term of any sublease shall expire at the end of the term of this Facilities Lease.

In the event the State desires to enter into agreements with Other Entities relating to the Facilities, the State shall request the Authority's and the Insurer's consent thereto by written notice to the Authority and the Insurer setting forth a complete description of (a) the Other Entity, (b) the proposed services or uses to be provided by or made available to the Other Entity, (c) the proposed agreements or subleases, and (d) the proposed compensation or benefit to be provided to the Other Entity. The Authority and the Insurer shall approve such requests in accordance with the provisions of Section 5.1(a) through (c) above, and subject to such additional terms as shall be agreeable by the Authority, the State and the Other Entity.

## ARTICLE 6 RENT

**Section 6.1 Payment of Annual Rent.** In consideration of the lease of the Facilities, the State shall pay to the Authority, in advance and without any set off or deduction whatsoever, the following Annual Rent:

(1) For the period of the initial term of this Facilities Lease in the Fiscal Year ending June 30, 2004, the State shall pay no Annual Rent.

(2) For the renewal term of this Facilities Lease commencing July 1, 2004 and for each annual renewal term thereafter, the State shall, within 30 calendar days following the commencement of such renewal terms, pay in advance:



(a) As and for Basic Rent, an amount for such term which shall equal the principal installments, including sinking fund deposits, and interest payable in the corresponding Fiscal Year in accordance with the Bond Resolution with respect to the Bonds; and

(b) As and for Additional Rent as follows:

(i) the amount estimated by the Authority to be sufficient to provide the Authority with adequate monies to pay all Operating Costs attributable to the Facilities for the applicable term of this Facilities Lease, plus

(ii) the amount, if any, of deposits to any debt service reserve account, any operating fund, and any other reserve or expense accounts required to meet all terms and conditions of the Bond Resolution.

The Authority will provide to the State an estimate of Operating Costs attributable to the Facilities, which estimate shall accompany its statement for Additional Rent.

(3) Annual Rent payable for any renewal term shall not be deferred or abated because of delays in completion of the construction of the Facilities or delays in completion of any repair or replacement of damage to the Facilities.

(4) Any installment of Annual Rent which is not paid by the State on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum borne by any of the Bonds then outstanding; time being of the absolute essence of this obligation.

(5) The Authority and the State hereby agree that the Basic Rent in any lease term shall be reduced by any amounts on deposit with the Authority legally available for and allocated by the Authority to the payment of principal and interest on the Bonds including, without limitation, capitalized interest deposited from the proceeds of the Bonds and funds on deposit in the debt service fund for the Bonds established under the Bond Resolution.

(6) Basic Rent shall be increased or decreased as appropriate to reflect the issuance by the Authority of Bonds bearing interest at a variable rate and issuance of any additional Bonds issued to refinance the Facilities, in whole or in part, or any additional Bonds issued for the purposes set forth in Section 9.1 hereof or issued to finance additions, modification or replacement of the Facilities or any part thereof.

(7) Annual Rents shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts under the laws of the United States at the time of payment, provided that, upon prior written approval of the Authority, the State may transfer funds through electronic funds transfer. Payment shall be made at the office of the Authority or such other place or places as may be designated in writing by the Authority.

(8) The State and the Authority have agreed and determined that such Annual Rent represents the fair market rental value of the Facilities. In making such determination, consideration has been given to the Cost of Acquisition and Construction, and the costs of financing

of the Facilities and the Operating Costs thereof, and the uses and purposes of the Facilities which will accrue to the State and the Authority and the general public by reason of the use and occupancy thereof by the State and ownership by the Authority.

### **Section 6.2 Sources of Payment of Rentals.**

(1) The University may apply any general account appropriated funds of the State of Idaho or any non-appropriated funds under the supervision of the University, including but not limited to funds derived by the University from subleases or portions of the Facilities discussed under Section 5.1 hereof, to the payment of Basic Rent and Additional Rent hereunder. The parties hereto acknowledge that the Board of Regents of the University of Idaho and State Board of Education (the "Board") allocates a lump sum appropriation of general account funds of the State of Idaho to the University of Idaho separately from other lump sum appropriations that the Board allocates to other institutions under its supervision, and that the President of the University (the "University President") includes such appropriated funds in the operating budget of the University. In order to effectuate payment of the University's Rent hereunder from appropriated funds, the University President agrees to submit to the Board an operating budget that provides for the University's Rent to be paid from the general account appropriated funds allocated as a lump sum to the University, provided that the operating budget may also indicate the replacement of such funds from other University sources.

(2) IDWR will apply general account appropriated funds from its departmental operating budget to the payment of the IDWR Rent. Nothing hereunder shall obligate the Water Board to use any funds other than funds in IDWR's departmental operating budget from general account appropriated funds to pay IDWR Rent.

**Section 6.3 Application of Rent.** The Authority covenants to use and apply Annual Rent to payment of debt service of the Bonds, Operating Costs, deposits to required reserve accounts and other appropriate purposes pertaining to the Facilities and/or the Bonds all as provided in the Bond Resolution.

## **ARTICLE 7 OPERATION AND MAINTENANCE OF THE FACILITIES**

**Section 7.1 Operation, Repairs, and Maintenance.** The State shall, throughout the term of this Facilities Lease and each renewal term thereof, at the cost and expense of the State, keep and maintain or cause to be kept and maintained, the Facilities and all equipment, fixtures, additions and improvements thereof, in good order and condition, and shall, at the cost and expense of the State, make or cause to be made all necessary repairs, renewals, and replacements with respect to the Facilities. To the extent repairs or replacements are insured under policies maintained by the Authority and insurance proceeds are paid to the Authority, the State shall be entitled to such insurance proceeds to the extent of the actual costs incurred by the State and except to the extent the insurance proceeds are required to be otherwise applied in accordance with the terms of the Bonds. Subject to Section 10.1, in the event the Facilities or any part thereof are damaged or destroyed by uninsured or partially uninsured casualty of any kind, the State shall either replace or rebuild the Facilities in equal value, or pay such sums to the Authority as may be required to fully pay and discharge the Bonds.

**Section 7.2 Utilities.** The State shall pay or cause to be paid all costs, expenses and charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Facilities during the term of this Facilities Lease and each renewal term.

**Section 7.3 Insurance**

(1) The State shall maintain or cause to be maintained with responsible insurers or under an established program of self-insurance (as considered to be adequate by an Insurance Consultant as defined in and pursuant to the Bond Resolution) the following kinds and amounts of insurance acceptable to the Authority with respect to all existing buildings, improvements, equipment and other property comprising any part of the Facilities and/or the use of the Facilities at all times throughout the initial term and each renewal term of this Facilities Lease:

(a) Commercial general liability insurance (CGL) and, if necessary, commercial umbrella insurance and property damage liability, and errors and omissions liability as shall afford protection to the Authority in an amount of not less than \$1,000,000 per claim, and \$2,000,000 per occurrence. The commercial general liability insurance shall cover liability arising from premises, operations, independent contractors, product-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. Such insurance shall protect the Authority to the same extent as the State is protected from claims, demands, causes of actions, penalties, including costs and attorney fees, arising out of the use or occupancy of the Facilities. From time to time during the term of this Facilities Lease and each renewal term, if, in the opinion of the Authority and based on local standards, the amount of CGL insurance is not adequate, upon written request of the Authority, the State will increase the amount of CGL insurance to the amount determined adequate by the Authority.

(b) Commercial property insurance in the amount of the full replacement value of the completed Facilities or any portion thereof, including fixtures, equipment, lessee improvements and betterments. Commercial property insurance shall, at a minimum, cover the perils insured under the ISO special causes of loss form CP 1030 and, if reasonably available, earthquake and flood insurance, debris removal, operation of building laws, extra expense, consequential loss, loss of rents and/or business interruption. Such loss of rents or business interruption insurance shall be in an amount equal to Annual Rent payable to the Authority by the State with respect to the Facilities during such time or times as the use of the Facilities may be totally or partially interrupted or the construction thereof delayed as a result of damage or destruction resulting from perils insured against pursuant to subsection (b) of this Section 7.3.

(c) All insurance required by this Section shall be carried for the benefit of the Authority and each policy therefor, or contract thereof, shall contain a loss payable clause providing for the proceeds thereof to be payable to the Authority and to the trustee of the Bonds to the extent of their interest therein, and the Annual Rent otherwise payable by the State with respect to the Facilities shall be reduced by the amount of business interruption or loss of rents insurance payments, if any, made to the Authority and/or the trustee of the Bonds.

(d) Workmen's Compensation Insurance in the amount and in the form which the State is required by law to maintain.

(e) Any other insurance agreed to in writing by the State and the Authority.

(f) Any other insurance required by the terms and conditions of the Bonds.

(2) All insurance procured and any self-insurance plan maintained by the State shall comply with the following requirements:

(a) Each policy or policies of insurance shall be written by insurance companies authorized to do business in the State of Idaho and furnished through an insurance carrier or carriers satisfactory to the Authority or through a self-insurance plan satisfactory to the Authority and an Insurance Consultant pursuant to the Bond Resolution.

(b) True, correct and complete copies of all insurance policies or self-insurance plan and all endorsements, changes, amendments and supplemental provisions thereto shall be continually maintained by the State and shall be available for inspection and copying by the Authority at all times during the regular office hours of the State.

(c) All such insurance shall provide that coverage shall not be canceled or amended except upon sixty (60) calendar days prior written notice to the Authority. The Authority shall be furnished current certificates upon the commencement of the initial term and each renewal term of this Facilities Lease showing that all such insurance fully complies with the terms of this Facilities Lease, and current certificates shall be furnished at any other time or times as may be reasonably requested.

(d) All policies of insurance obtained by and any self-insurance plan maintained by the State shall include provisions that coverage shall not be affected, reduced or waived by any inaccurate or misleading statement or information furnished by the State in obtaining such insurance nor shall insurance under such policies furnished to the Authority be reduced by any actual or alleged breach of warranties made by the State in obtaining such insurance. All liability insurance furnished by the State shall include insurance covering the obligations of the State under Article 8 of this Facilities Lease.

(3) The Authority and the State hereby release each other from any and all liability or responsibility to the other as to any person claiming through 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.

(4) All insurance provided to the Authority by the State pursuant to this Facilities Lease shall name the Authority as additional insured and contain a loss payable clause providing for payment of proceeds to the Authority and the trustee of the Bonds.

(5) In the event the Authority is able to procure any or all of the insurance coverages herein required at a cost less than the cost incurred by the State thereof, the Authority agrees to do so and the cost thereof shall be included as Operating Costs of the Authority. In such event the obligation of the State to provide any such insurance shall continue until the insurance coverage procured by the Authority is actually in effect. Upon the expiration or termination of any



insurance procured by the Authority hereunder, the State shall immediately, without any interruption in insurance coverage, procure and maintain such coverage.

## ARTICLE 8 INDEMNITY

**Section 8.1 Indemnification of State.** The State hereby agrees to defend, protect, hold harmless and indemnify the Authority and its agents, employees, representatives, successors, and assigns, against all demands, claims, liabilities, causes of action or judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

- (1) injury to person or property occurring in, upon or about the Facilities or any adjacent or related real property or improvements owned, occupied or controlled by the State or any agencies, departments, bureaus or subgovernmental entities of the State of Idaho;
- (2) injury to person or property arising out of the use or occupancy of the Facilities or relating in any manner to operations conducted thereon;
- (3) any other premises liability relating to the Facilities;
- (4) any loss to person or property to the extent of its self-insurance, if any; and
- (5) all liability whatsoever arising out of any public or governmental activities of the State of Idaho of any kind or nature whatsoever relating to the Facilities.

Nothing in this Article 8 shall be construed as the agreement of the State to indemnify the Authority from liability for damages arising out of personal injury or damage to property caused solely and exclusively by the negligence of the Authority.

**Section 8.2 Authority's Indemnification.** The Authority hereby agrees to defend, indemnify and save the State harmless from and against any and all liability, loss, damage, cost and expense, including court costs and attorney fees of whatever nature or type, whether or not litigation is commenced, that the State may incur, by reason of any act or omission of the Authority, its employees or agents or any breach or default of the Authority in the performance of its obligations under this Facilities Lease. The foregoing indemnity shall not apply to any injury, damage or other claim resulting solely from the act or omission of the State.

## ARTICLE 9 ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

**Section 9.1 Alterations, Additions, and Improvements.** The State shall have the right, with the consent of the Authority, which shall not be unreasonably withheld, at any time and from time to time during the term of this Facilities Lease, at the costs and expense of the State, to make such repairs, replacements, alterations, additions, expansions and improvements, structural or otherwise, to the Facilities, as the State shall deem necessary or desirable in connection with its use of the Facilities. Once commenced, all repairs, replacements, alterations, additions, expansions and improvements shall be diligently pursued to completion. All such repairs, replacements, alterations, additions and improvements shall be of such character as to not reduce or otherwise

adversely affect the value of the Facilities or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Facilities shall at all times be free of liens or claims for labor and materials supplied thereto. All repairs, replacements, alterations, additions, fixtures and permanent improvements to the Facilities shall be and become a part of the Facilities and shall become the property of the Authority.

**Section 9.2 Fixtures and Equipment.** The State shall maintain an inventory of all fixtures, equipment and other tangible personal property provided by the Authority with the Facilities and shall have the right to replace, at its expense, such tangible personal property as the State shall deem necessary or desirable in connection with its use of the Facilities.

## ARTICLE 10 DAMAGE, DESTRUCTION, AND CONDEMNATION

**Section 10.1 Damage, Destruction, and Condemnation.** Subject to the provisions of the Civic Plaza Condominium Declaration and the Bond Resolution, in the event of damage, destruction, or condemnation of the Facilities, or any part thereof, the net proceeds of any insurance or condemnation awards with respect to the Facilities and, to the extent necessary, the proceeds of any additional Bonds which may be issued by the Authority for such purpose pursuant to the terms and conditions of the Bonds, shall be used and applied by the Authority in accordance with the terms of the Bonds to repair, restore, rebuild, or replace the Facilities; provided, however, that, the Authority shall not be required to rebuild, replace, restore or repair the Facilities if (1) the Authority shall reasonably determine, as evidenced by a certificate of an independent consulting engineer, that not to do so would not materially adversely affect the operation of the Facilities, or (2)(a) the Authority shall reasonably determine, as evidenced by a certificate of an independent certified public accountant that the proceeds of any insurance or condemnation awards received by the Authority, together with other legally available money of the Authority, will be sufficient to pay the principal of, and premium and interest on the Bonds due up to and including such time as the Bonds may be called for optional redemption, and (b) the Authority irrevocably deposits such insurance proceeds or condemnation awards and other money into an escrow fund to redeem the Bonds on the first date such Bonds may be redeemed. In that event, excess insurance proceeds, if any, remaining after redemption of the Bonds shall be released from the escrow fund back to the Authority. Provided further, however, that notwithstanding the foregoing, the Authority must rebuild, replace, restore and repair the Facilities to the extent necessary to fulfill any duty of lateral and subjacent support imposed on the Facilities or any portion thereof pursuant to the Civic Plaza Condominium Declaration. Any repair, restoration, rebuilding, or replacement of the Facilities may be in accordance with such different design, plans, and specifications approved by the State as will or may provide facilities of the same or different nature or use, so long as any such change therein or thereof shall not reduce or otherwise adversely affect the value of the Facilities or the rental value thereof (except a repair, restoration, rebuilding or replacement performed solely to provide lateral and subjacent support). Notwithstanding any damage, destruction or condemnation of the Facilities, or any part thereof, the State shall continue to pay the Annual Rent due under this Facilities Lease, except to the extent the Authority actually receives proceeds of business interruption or loss of rents insurance described in Section 7.3 hereof.

**Section 10.2 Exercising Powers of an Owner.** The Authority and the State covenant and agree that in exercising any of the powers of an Owner pursuant to the Civic Plaza Condominium Declaration or any other condominium declaration which may be recorded affecting any part of the Facilities, they will cast their vote to build or rebuild, or not, following casualty, damage or

destruction subject to the terms of, and consistent with, this Facilities Lease and the Bond Resolution. The parties further agree that all insurance proceeds and condemnation awards shall be dealt with and applied as provided in this Facilities Lease and the Bond Resolution. If any party to this Facilities Lease receives or is credited with any such proceeds or awards from any condominium declaration affecting any part of the Facilities, it shall receive all such funds and credits subject to its obligations under this Facilities Lease and the Bond Resolution.

## ARTICLE 11 OPTIONS TO PURCHASE

**Section 11.1 Grants of Option to Purchase.** The Authority hereby grants to the State the rights to purchase the Option Space for the purchase price and upon the terms hereafter set forth (the "Options"). The State may exercise the Options at any time after the execution of this Facilities Lease in such increments as the State shall determine.

**Section 11.2 Exercise of Options.** Any Option may be exercised only by written notice from the State to the Authority and trustee of the Bonds specifying the desire to purchase all or a portion of the Option Space and such notice shall reasonably describe the portion of the Option Space to be purchased.

### **Section 11.3 Purchase Price.**

A. The applicable purchase price under any Option shall be an amount reasonably acceptable to the Authority as a "fair price." The Authority shall be permitted to deem acceptable as a "fair price" for any Option Space an amount not less than either (i) the Cost of Acquisition and Construction of such Option Space, or (ii) the fair market value of such Option Space as established by an MAI appraisal rendered by an appraiser acceptable to the Authority.

B. Proceeds from the sale pursuant to exercise of any Option shall be applied in the following order: (1) first, to pay all costs and expenses to be reasonably incurred by the Authority in the sale pursuant to exercise of the Option; (2) second, to pay all costs and expenses in the redemption and/or defeasance, if any, of the Bonds, including costs of conveyance, closing, attorney fees, bond counsel fees, trustee fees and similar expenses; and (3) third, for deposit into the Bond Fund established by the Bond Resolution for payment of principal and interest on the Bonds at maturity, call for redemption or otherwise, in the amount equal to the remaining proceeds from the sale pursuant to exercise of the Option.

C. The applicable Closing of the purchases under any Option shall occur within a reasonable time after the receipt of a notice of exercise of option to purchase by the Authority. Upon closing, the Authority shall convey title to the portion of the Option Space purchased under the Option by Special Warranty Deed to the State, or another entity if so directed by the State, warranting only that the Authority has not encumbered the property except as specifically disclosed in such deed and subject to any encumbrances created by the State. The State shall be responsible for any title insurance relating to such purchases.

## ARTICLE 12 PARTICULAR COVENANTS

**Section 12.1 Compliance with Laws and Regulations.** The State shall, at its own cost and expense, promptly comply with, or cause to be complied with, all laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, the Facilities or the use or manner of use of the Facilities. The State shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

**Section 12.2 Covenant Against Waste.** The State hereby covenants not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Facilities in violation of any State of Idaho or federal laws or regulations and agree to pay all costs, charges, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Facilities by reason thereof.

**Section 12.3 Right of Inspection.** The State hereby covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Facilities at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State.

**Section 12.4 Condition of Facilities.** The Authority makes no representation regarding the condition of the interest in real property represented by Unit No. 101 underlying or adjacent thereto and the Authority shall not be liable for any latent or patent defects therein. The Authority agrees to construct the Facilities in accordance with the plans and specifications approved by the State.

**Section 12.5 Assignment and Subletting.** The State shall not assign or mortgage this Facilities Lease or any right hereunder or interest herein and shall not sublease the Facilities or any portion thereof pursuant to Section 5.1, without prior written consent of the Authority and the Insurer (which consent shall not unreasonably be withheld); provided, that in no event shall the State assign this Facilities Lease or any right hereunder or interest herein or sublease the Facilities or any portion thereof unless the State shall continue to remain liable for the performance of all the terms, covenants, and conditions contained in this Facilities Lease and unless the proposed assignee or sublessee shall agree, in writing, to be bound by all of the terms, covenants, and agreements contained in this Facilities Lease and all other agreements related thereto.

**Section 12.6 Covenant of Quiet Enjoyment.** The Authority covenants that it has full right and lawful authority to enter into this Facilities Lease and that, so long as the State shall pay the Annual Rent and shall duly observe all of their covenants and agreements in this Facilities Lease, the State shall have, hold, and enjoy, during the initial term of this Facilities Lease and each renewal term thereof, peaceful, quiet, and undisputed possession of the Facilities.

**Section 12.7 Tax Covenant.** The State hereby covenants for the benefit of the holders of the Series 2003A Bonds and the Authority that during the term of this Facilities Lease, the State will not take any action or omit to take any action with respect to the Series 2003A Bonds, the proceeds thereof, any other funds of the State or any Facilities financed or refinanced with the proceeds of the Series 2003A Bonds if such action or omission (i) would cause the interest on the Series 2003A Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of



the Code, (ii) would cause the Series 2003A Bonds to become "specified private activity bonds" with the meaning of Section 57(a)(5)(C) of the Code, or (iii) would cause interest of the Series 2003A Bonds to lose its exclusion from Idaho taxable income under present Idaho law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2003A Bonds until the date on which all obligations of the State and the Authority in fulfilling the above covenant under the Code have been met.

## ARTICLE 13 DEFAULT

**Section 13.1 Events of Default.** The following shall be events of default under this Facilities Lease:

- (1) Failure by the State to pay the Annual Rent as the same shall become due, or
- (2) Failure by the State or anyone contracting with the State to observe and perform any other covenant, condition, or agreement to be observed or performed under this Facilities Lease for a period of 30 calendar days after written notice, specifying such failure and requesting that it be remedied, given to the State by the Authority or trustee of the Bonds, unless the Authority or trustee shall agree in writing to an extension of such time prior to its expiration.

**Section 13.2 Remedies.** Whenever any event of default referred to in Section 13.1 hereof shall occur, the Authority may take any one or more of the following remedial steps:

- (1) Declare all Annual Rent payable for the applicable lease term then in effect to be immediately due and payable, together with applicable interest thereon.
- (2) Re-enter and take possession of the Facilities, exclude the State and their subtenants from possession thereof, and terminate this Facilities Lease.
- (3) Take such action at law or in equity as may appear necessary or desirable to collect all sums due and thereafter to become due, or to enforce performance and observation of any obligation, agreement, or covenant of the State under this Facilities Lease.

**Section 13.3 Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the exercise of any remedy reserved to the Authority in this Article 13, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

## ARTICLE 14 SURRENDER OF FACILITIES

**Section 14.1 Surrender of Facilities.** In the event that the State elects not to renew or extend the term of this Facilities Lease or this Facilities Lease is otherwise terminated, the State

shall immediately quit and surrender the Facilities to the Authority in the same condition in which it existed at the date the construction of all Facilities was completed by the Authority, ordinary wear and tear excepted.

## ARTICLE 15 LIMITATION ON OBLIGATIONS

**Section 15.1 Obligations of Authority and State Limited to Certain Resources.** Notwithstanding any other provisions of this Facilities Lease, no obligation assumed by or imposed upon the Authority by this Facilities Lease shall require the performance of any act by the Authority except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Bonds issued by the Authority or from other funds legally available to the Authority to meet the cost and expense of such performance, and no obligation assumed by or imposed upon the State by this Facilities Lease shall require the performance of any act by the State, including, but not limited to, the payment of Annual Rent, except to the extent that funds may be available for such performance or payment from state general appropriations or, solely in the case of the University, from other funds legally available therefor. This Facilities Lease shall not be construed as obligating the Legislature of the State of Idaho to make future appropriations for the payment of Annual Rent or the performance of any other obligations under this Facilities Lease beyond the initial rental term or for any renewal term hereof. In the event that appropriated funds or, solely in the case of the University, other funds are not legally available for payment of Annual Rent or other obligations hereunder for any term, then this Facilities Lease shall be terminated. The liability of the State for payment of Annual Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Facilities for the then-current lease term.

## ARTICLE 16 MISCELLANEOUS

**Section 16.1 Pledge of Rent, Proceeds, and Lease.** It is expressly understood and agreed by the parties hereto that the Authority has the right to pledge and assign the Annual Rent, all proceeds receivable by the Authority from any sale of the Facilities, and its rights and interest under this Facilities Lease to secure: (i) the payment of the principal of and the interest on and redemption premium, if any, on the Bonds; and (ii) other obligations of the Authority under the terms and conditions of the Bonds.

**Section 16.2 Notices.** All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by certified mail, postage prepaid, addressed as follows:

(1) If to the State, a copy of such notice shall be provided to:

(a) the University of Idaho, Vice President for Finance and Administration, Administration Building, Room 211, Moscow, Idaho 83844-3168; and

(b) the Idaho Department of Water Resources and the Idaho Water Resource Board, Attention Director, P.O. Box 83720-0098, Boise, Idaho, with a copy to Department of Administration, 650 West State Street, P.O. Box 83720-0098, Boise, Idaho 83720-0098.

(c) the Department of Administration, to the attention of Deputy Attorney General, Department of Administration, Post Office Box 83720, Boise, Idaho 83720-0003.

(2) If to the Authority, to the attention of Executive Director, Idaho State Building Authority, Post Office Box 2802, Boise, Idaho 83701.

The State or the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice.

**Section 16.3 Severability.** In case any one or more of the provisions of this Facilities Lease shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Facilities Lease, but this Facilities Lease shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

**Section 16.4 Attorney Fees.** In the event either party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

**Section 16.5 Headings.** The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Facilities Lease.

**Section 16.6 Counterparts.** This Facilities 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.

**Section 16.7 Amendments.** The Authority and the State shall not, without the written consent of the trustee of the Bonds or other legally-authorized representative of the interests of the owners of the Bonds, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Facilities Lease which will reduce the payments required to be made by the State hereunder during the initial term or any renewal term hereof, or which will in any manner materially impair or adversely affect the rights of the Authority hereunder, and any action by the Authority or the State in violation of this covenant shall be null and void as to the Authority and the State. Furthermore, any voluntary amendment, modification or termination of this Facilities Lease shall require the written consent of all parties to this Facilities Lease.

**Section 16.8 Effective Date.** This Facilities Lease shall be effective as of the date stated above upon its execution.




IN WITNESS WHEREOF, the parties hereunto have caused this Facilities Lease to be executed as of the day and year first hereinabove set forth.

**AUTHORITY:**

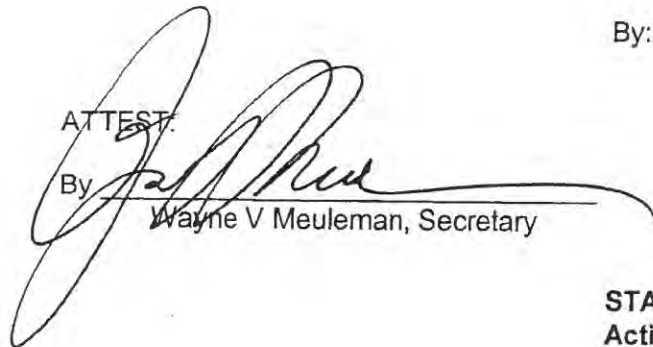
**IDAHO STATE BUILDING AUTHORITY**

By:

  
V. L. Bud Tracy, Chairman

ATTEST:

By:

  
Wayne V Meuleman, Secretary

**STATE OF IDAHO**

**Acting Through:**

**IDAHO WATER RESOURCE BOARD**

By:

\_\_\_\_\_  
Joseph L. Jordan, Chairman

**THE IDAHO DEPARTMENT OF WATER  
RESOURCES**

By:

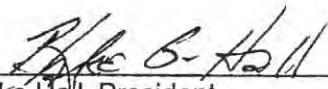
\_\_\_\_\_  
Karl J. Dreher, Director

**DEPARTMENT OF ADMINISTRATION**


By:

\_\_\_\_\_  
Pamela Ahrens, Director

BOARD OF REGENTS OF THE  
UNIVERSITY OF IDAHO

By:   
Blake Hall, President

UNIVERSITY OF IDAHO

By:   
Robert A. Hoover, President,  
University of Idaho

## EXHIBIT A (to Facilities Lease)

## Unit 101:

Unit 101, as shown on the Plat for Civic Plaza Condominiums appearing in the Records of Ada County, Idaho, in Book 85 of Plats, Pages 9420 to 9432 as Instrument No. 102116493 and defined and described in the Declaration of Covenants and Restrictions Establishing a Plan of Condominium Ownership for Civic Plaza Condominiums ("Declaration"), recorded in the Records of Ada County, Idaho as Instrument No. 102116495.

TOGETHER WITH the percentage of the common areas appurtenant to each such Unit as set forth in the Declaration, as supplemented from time to time, which percentage shall automatically change in accordance with supplemental declarations as the same are filed of record pursuant to the Declaration, and together with additional common areas in the percentages set forth in such supplemental declarations, which percentages shall automatically be deemed to be conveyed effective as of the date of each such supplemental declaration as though conveyed hereby.

## Unit 302A

Unit 302A, as shown on the Plat for Civic Plaza Condominiums appearing in the Records of Ada County, Idaho, in Book 85 of Plats, Pages 9420 to 9432 as Instrument No. 102116493 and defined and described in the Declaration of Covenants and Restrictions Establishing a Plan of Condominium Ownership for Civic Plaza Condominiums ("Declaration"), recorded in the Records of Ada County, Idaho as Instrument No. 102116495.

TOGETHER WITH the percentage of the common areas appurtenant to each such Unit as set forth in the Declaration, as supplemented from time to time, which percentage shall automatically change in accordance with supplemental declarations as the same are filed of record pursuant to the Declaration, and together with additional common areas in the percentages set forth in such supplemental declarations, which percentages shall automatically be deemed to be conveyed effective as of the date of each such supplemental declaration as though conveyed hereby.

## Unit 302B

Unit 302B, as shown on the Plat for Civic Plaza Condominiums appearing in the Records of Ada County, Idaho, in Book 85 of Plats, Pages 9420 to 9432 as Instrument No. 102116493 and defined and described in the Declaration of Covenants and Restrictions Establishing a Plan of Condominium Ownership for



Civic Plaza Condominiums ("Declaration"), recorded in the  
Records of Ada County, Idaho as Instrument No. 102116495.

TOGETHER WITH the percentage of the common areas appurtenant to each such Unit as set forth in the Declaration, as supplemented from time to time, which percentage shall automatically change in accordance with supplemental declarations as the same are filed of record pursuant to the Declaration, and together with additional common areas in the percentages set forth in such supplemental declarations, which percentages shall automatically be deemed to be conveyed effective as of the date of each such supplemental declaration as though conveyed hereby.

Exhibit B to Sublease <sup>ATTN</sup>

1 LEVEL 4 ARCHITECTURAL FLOOR PLAN  
1/8" = 1'-0"

GENERAL FLOOR PLAN NOTES:

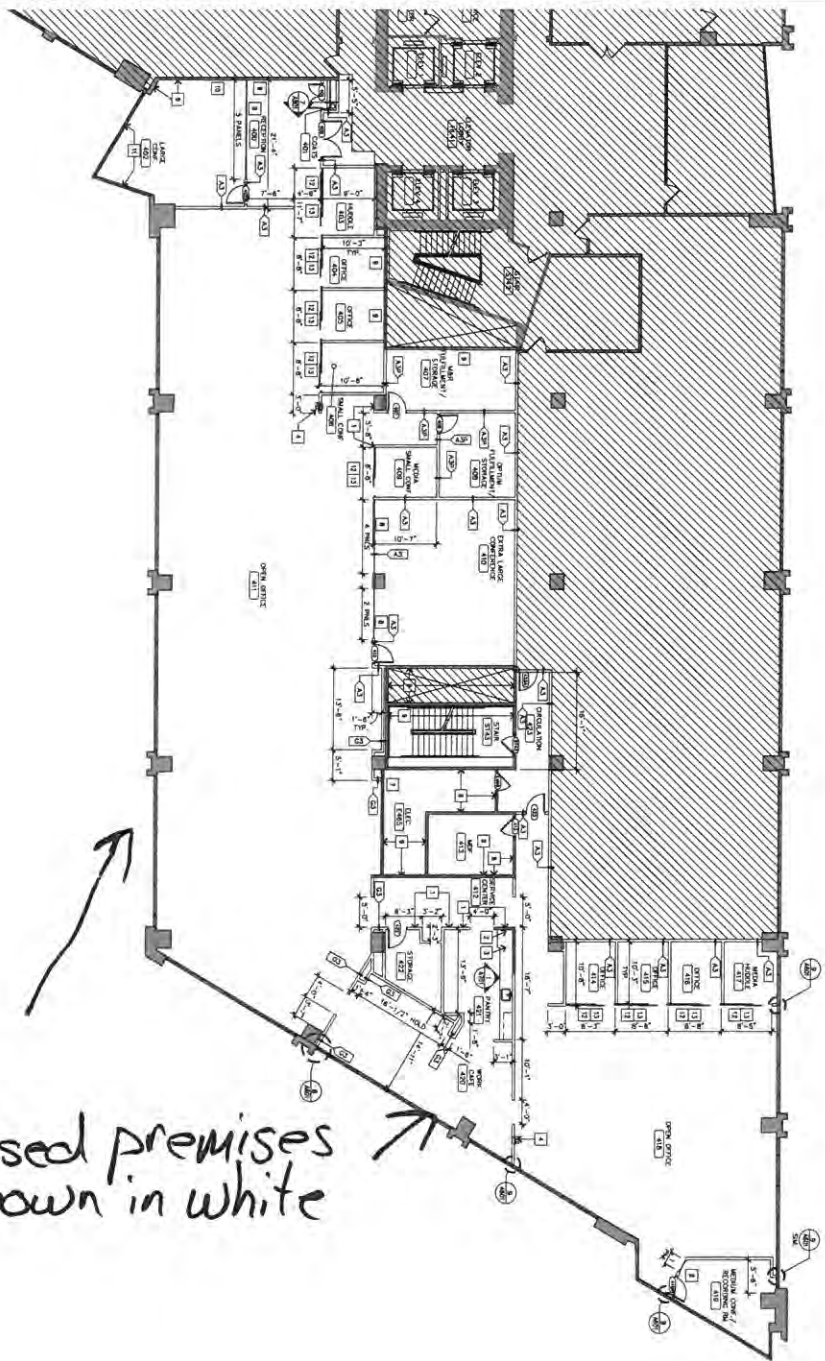
- [illegible]

## KEYNOTES:

- [illegible]

## KEYNOTES:

- 82C BROADWAY, NEWYORK, NEW YORK, 10012  
 82C BROADWAY, NEWYORK, NEW YORK, 10012  
 82C BROADWAY, NEWYORK, NEW YORK, 10012



Leased premises  
shown in white



## KEY PLAN

LEVEL

ARCHITECTU  
FLOOR PLAN

## CONSENT - BAHR - SECTION II

A101

## EXHIBIT "C"

## Estimated 2019 Recoverable Operating Costs

Recoverable Expenses for 12,295 usf:	Total/usf/yr
Alarm & Security/Building Security	\$0.28
Professional Services/G&A	\$1.10
Grounds Maintenance/Landscape Services	\$0
Utilities	\$1.60
Repairs & Maintenance/Repairs & Supplies	\$1.88
Janitorial & Cleaning/Janitorial	\$1.42
Insurance/Insurance	\$0.24
Real Estate Taxes	-
<b>Total Recoverable Expenses</b>	<b>\$6.51</b>



**EXHIBIT "D"****Rules and Regulations**

1. Sublessee shall not obstruct or permit its agents, clerks or servants to obstruct, in any way, the sidewalks, entry passages, corridors, halls, stairways or elevators of the Building, or use the same in any other way than as a means of passage to and from the offices of Sublessee; bring in, store, test or use any materials in the Building which could cause a fire or an explosion or produce any fumes or vapor; make or permit any improper noises in the Building, smoke in the elevators; throw substances of any kind out of the windows or doors, or in the halls and passageways of the Building; sit on or place anything upon the window sills; or clean the exterior of the windows.

2. Sublessee shall not attach or hang any artwork, plants or any other items to the walls or ceilings without written permission from Sublessor.

3. Building hours shall be 7:30 AM through 10:00 PM Monday through Saturday. During that time, security guard, HVAC and lighting services will be provided. For services required outside of the building hours, said services may be provided for an additional fee.

4. Sublessee shall conduct all equipment and furniture moving pursuant to the Move-in / Move-out procedures contained within the Tenant Handbook and Emergency Procedures.

5. Water closets and urinals shall not be used for any purpose other than those for which they are constructed; and no sweepings, rubbish, ashes, newspaper or any other substances of any kind shall be thrown into them. Waste and excessive or unusual use of electricity or water is prohibited.

6. Sublessee shall not (i) obstruct the windows, doors, partitions and lights that reflect or admit light into the halls, or other places in the Building, or (ii) inscribe, paint, affix, or otherwise display signs, advertisements or notices in, on, upon or behind any windows or on any door, partition or other part of the interior or exterior of the Building without the prior written consent of Sublessor. If such consent be given by Sublessor, any such sign, advertisement, or notice shall be inscribed, painted or affixed by Sublessor, or a company approved by Sublessor, but the cost of the same shall be charged to and be paid by Sublessee, and Sublessee agrees to pay the same promptly, on demand.

7. No contract of any kind with any supplier of towels, water, ice, toilet articles, waxing, rug shampooing, Venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, removal of waste paper, rubbish or garbage, or other like service shall be entered into by Sublessee, nor shall any vending machine of any kind be installed in the Building, without the prior written consent of Sublessor.

8. When electric wiring of any kind is introduced, it must be connected as directed by Sublessor, and no stringing or cutting of wires will be allowed, except with the prior written consent of Sublessor (such consent not to be unreasonably withheld), and shall be done only by contractors approved by Sublessor. The number and location of telephones, telegraph instruments, electric appliances, call boxes, etc., shall be subject to Sublessor's approval. No Sublessee shall lay linoleum

or other similar floor covering so that the same shall be in direct contact with the floor of the Leased Premises; and if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor by a paste or other material, the use of cement or similar adhesive material being expressly prohibited.

9. No additional lock or locks shall be placed by Sublessee on any door in the Building, without prior written consent of Sublessor. Two keys will be furnished Sublessee by Sublessor; two additional keys will be supplied to Sublessee by Sublessor, upon request, without charge; any additional keys requested by Sublessee shall be paid for by Sublessee. Sublessee, its agents and employees, shall not have any duplicate key made and shall not change any locks. All keys to doors and washrooms shall be returned to Sublessor at the termination of the tenancy, and, in the event of loss of any keys furnished, Sublessee shall pay Sublessor the cost of replacing the lock or locks to which such keys were fitted and the keys so lost.

10. Sublessee shall not employ any person or persons other than Sublessor's janitors for cleaning the Leased Premises, without prior written consent of Sublessor. Sublessor shall not be responsible to Sublessee for any loss of property from the Leased Premises however occurring, or for any damage done to the effects of Sublessee by such janitors or any of its employees, or by any other person or any other cause.

11. No bicycles, vehicles or animals (except for seeing eye dogs) of any kind shall be brought into or kept in or about the Leased Premises.

12. Sublessee shall not conduct, or permit any other person to conduct, any auction upon the Leased Premises; manufacture or store goods, wares or merchandise upon the Leased Premises, without the prior written approval of Sublessor, except the storage of usual supplies and inventory to be used by Sublessee in the conduct of its business; permit the Leased Premises to be used for gambling; make any unusual noises in the Building; permit to be played any musical instruments in the Leased Premises; permit to be played any radio, television, recorded or wired music in such a loud manner as to disturb or annoy other Sublessees; or permit any unusual odors to be produced upon the Leased Premises.

13. No awnings or other projections shall be attached to the outside walls of the Building. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Leased Premises, without the prior written consent of Sublessor (such consent not to be unreasonably withheld). Such curtains, blinds and shades must be of a quality, type, design, and color, and attach in a manner approved by Sublessor.

14. Canvassing soliciting and peddling in the Building are prohibited, and Sublessee shall cooperate to prevent the same. Retail sales will be limited to the ground level and lower level retail store area.

15. There shall not be used in the Leased Premises or in the Building, either by Sublessee or by others in the delivery or receipt of merchandise, any hand trucks except those equipped with rubber tires and side guards, and no hand trucks will be allowed in passenger elevators.

16. Sublessee before closing and leaving the Leased Premises, shall ensure that all entrance doors are locked.

17. Sublessor shall have the right to prohibit any advertising by Sublessee which in Sublessor's opinion tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Sublessor, Sublessee shall refrain from or discontinue such advertising.

18. Sublessor hereby reserves to itself any and all rights not granted to Sublessee hereunder, including, but not limited to, the following rights which are reserved to Sublessor for its purpose in operating the Building:

(a) The exclusive right to the use of the name of the Building for all purposes, except that Sublessee may use the name as its business address and for no other purpose;

(b) The right to change the name or address of the Building, without incurring any liability to Sublessee for so doing;

(c) The right to install and maintain a sign or signs on the exterior of the Building;

(d) The exclusive right to use or dispose of the use of the roof of the Building;

(e) The right to limit the space on the directory of the Building to be allotted to Sublessee; and

(f) The right to grant to anyone the right to conduct any particular business or undertaking in the Building.

19. Sublessee and Sublessee's employees shall park their automobiles only in such number of spaces, if any, as Sublessor may fix, taking into consideration the need for customer parking and other factors. The spaces, if any, assigned to Sublessee and Sublessee's employees shall be limited to any parking area designated by Sublessor for use of office Sublessees, and the right to use spaces so assigned to Sublessee and its employees shall be subject to such regulations as Sublessor may reasonably promulgate from time to time to prevent parking by unauthorized parties or parking in prohibited areas.

20. All safes shall stand on a base of such size as shall be designated by Sublessor. Sublessor reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part. No machinery of any kind or articles of unusual weight or size will be allowed in the Building, without the prior written consent of Sublessor. Business machines and mechanical equipment, if so consented to by Sublessor, shall be placed and maintained by Sublessee, at Sublessee's expense, in settings sufficient to absorb and prevent all vibration, noise and annoyance.



21. The Leased Premises shall not be used for lodging or sleeping purposes, and cooking therein is prohibited (except with respect to the customary office use of microwave ovens).

22. During times of heightened security, all persons entering or leaving the Building may be required to identify themselves to a watchman by registration or otherwise and to establish their rights to enter or leave the Building. Sublessor or its agents may exclude from the Building during such periods all persons who do not present satisfactory identification. Each Sublessee shall be responsible for all persons for whom he requests admission and shall be liable to Sublessor for all acts of such persons.

23. In addition to all other liabilities for breach of any provision of these Rules and Regulations, Sublessee shall pay to Sublessor all damages caused by such breach. The violation of any such provision may also be restrained by injunction.

24. Sublessor reserves the right to rescind, alter, waive or add, any Rule or Regulation at any time prescribed for the Building when, in the judgment of Sublessor, Sublessor deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of Sublessees or others in the Building. No rescission, alteration, waiver or addition of any Rule or Regulation in respect of one Sublessee shall operate as a rescission, alteration or waiver in respect of any other Sublessee.

**EXHIBIT "E"****Sublessee Improvements Schedule**

The actions identified below are to be completed on or before the dates identified therefor except to the extent that parties mutually agree in writing to change one or more of the dates.	
<b><u>Action</u></b>	<b><u>Applicable Date</u></b>
Deadline for Sublessor to deliver to Sublessee proposed revisions to the Plans	December 22, 2018
Sublessor's approval of the Plans	December 31, 2018
Sublessor's acquisition of necessary permits to commence construction of the Sublessee Improvements	January 16, 2019
Complete execution of the general contract for the Sublessee Improvements	February 5, 2019
Commencement of on-site construction work	February 18, 2019
Substantial completion of Sublessee Improvements	June 21, 2019

## EXHIBIT "F"

## UNITEDHEALTH GROUP

## Authorization for Electronic Funds Transfer (ACH)

Please Print or Type

Please allow 2-3 weeks for direct deposit to take effect

Payee Name	Address	Telephone #
Email Address	Tax ID #	

Action (Check one): ☐ Enroll ☐ Change ☐ Cancel

1. I hereby authorize UnitedHealth Group, 9900 Bren Road East, Minneapolis MN, hereinafter called COMPANY, to initiate credit entries to my account indicated below and the depository name below, hereinafter called DEPOSITORY, to credit the same account.

2. Deposit to the following account:

☐ Checking Account ☐ Depository Account (ACH ABA number required)

3. To ensure my account is properly credited, I have attached a voided check (deposit ticket is not acceptable) or a verification letter on Bank letterhead containing the Depository Transit/ABA routing number and my account number.

Depository Bank Name	Depository Address
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Bank Transit Number	Account Number
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4. I agree to allow the COMPANY to stop payment or posting of, reverse or adjust any entry erroneously credited to my account.

5. This authorization is to remain in full force and effect until the COMPANY has received written notification from me of its termination in such time and manner as to afford the COMPANY a reasonable opportunity to act on it.

Print Name	Title (if applicable)	Date
Signature		

Mail completed form with voided check to:

United HealthGroup  
 Deb Wisner, MN008-W235  
 9900 Bren Rd E  
 Minnetonka, MN 55343

OR

Email completed form with voided check to:

vendor\_maint\_ap@uhc.com

Please contact Deb Wisner with questions regarding this form at: (952) 936-6328



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**UNIVERSITY OF IDAHO**

**SUBJECT**

Request for approval to construct West Campus Utilities Improvements.

**REFERENCE:**

August 2017	Idaho State Board of Education (Board) approved Capital Budget Request in the University of Idaho (UI) six-year plan.
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October 2017	The Board authorized Planning and Design Phases for the proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion.
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**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

This item aligns with the goals and objectives of the State Board of Education FY2019-2024 Strategic Plan as it provides for asset of infrastructure improvements aimed at providing the necessary utility systems in place to support multiple future building sites. The exact nature, use and scope of those future structures is yet to be determined, although current thought includes planning and load assumptions for a variety of general education, academic and research facilities.

**BACKGROUND/DISCUSSION**

This agenda item is an authorization request to allow UI to proceed with the bid, award and construction phases a capital project to construct West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion.

**Planning Background**

The October 2017 request for planning and design authorization for the proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion detailed the history of the university's Long Range Campus Development Plan (LRCDP) and related utilities systems planning efforts. The proposed project is the result of these planning efforts and seeks to provide the necessary infrastructure systems in place to support future facility initiatives as they may be developed in alignment with both the LRCDP and the university's Strategic Plan.

**Proposed Project Description**

The scope of the proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion project is to design and implement utility distribution system improvements in the west campus core neighborhood.

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This is an area generally bounded by Rayburn Street on the east and south, Stadium drive on the west and Sixth Street on the north. The LRCDP identifies multiple potential building sites in this neighborhood. The intent of this proposed effort is to ensure utilities distribution systems such as steam distribution, chilled water distribution, electrical distribution, domestic water distribution, reclaimed water distribution, sanitary sewer collection, storm water collection, and data/fiber distribution are in place with sufficient capacity to serve these sites.

The site immediately adjacent to the ASUI Kibbie Activity Center has been long identified in the LRCDP for an event arena, and the proposed Idaho Central Credit Union Arena is currently being planned for this site. The remainder of the sites are identified in the LRCDP as potential future building sites, with no current determination made as to the exact building program to be assigned to each site. In general, however, these sites are in a neighborhood envisioned to support academic education and research facilities. The project will assume loads and capacities based upon this general assumption and seek to ensure utility distribution systems and infrastructure in the areas are sized for the future successful integration of facilities on these sites.

Parametrix Engineering, in partnership with MW Engineers, was selected by the UI to via a qualifications based RFQ process to perform the design phase services for this project. Parametrix, MW and University of Idaho Engineering and Planning staff have worked over the course of the past year to plan and design this set of infrastructure improvements. The initial deliverable is a planning document which looks at the neighborhood as a whole. Systems studied and planned include:

- Central Steam Service and Distribution and Condensate Return;
- Central Chilled Water Service and Distribution and Return;
- Domestic Water Service and Distribution;
- Reclaimed Water Service and Distribution;
- Sanitary Sewer Collection and Trunk Mains;
- Storm Water Collection and Trunk Mains;
- 13.2 Kv Electrical Service and Distribution;
- Data and Information Systems Infrastructure.

Subsequently, an initial set of improvements was identified for implementation and to serve as Phase One. This Initial Phase will serve the proposed Idaho Central Credit Union Arena, and provide for capacity for future connection of the ASUI Kibbie Activity Center and the Hartung Theater to the Steam and Chilled Water utilities. The Steam and Chilled water distribution and return mains will be sized in anticipation of a future west camps loop of these systems, as well as the possible location of a future west campus steam generation facility. The Phase One project also provides for the Sanitary Sewer and Storm Water Collection utilities to serve the Idaho Central Credit Union Arena as well as multiple identified future building sites fronting on Stadium Drive between the ASUI Kibbie Activity Center and 6<sup>th</sup> Street. Last, the project provides for the relocation of Domestic Water, Reclaimed Water, Electrical Distribution and Data and Information Systems Infrastructure

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necessary to make available the site for the Idaho Central Credit Union Arena as well as a future building site located to the east of the Arena for a facility yet to be identified.

The project will be funded with proceeds remaining from the Series 2014 General Revenue Bonds.

Parametrix has now designed the West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion, Phase One project, and construction documents are currently in production in support of bid phase activities. It is anticipated that the project will be bid concurrently with the Idaho Central Credit Union Arena project. The intent is to bid this effort in January and February of 2019. This will allow for award in February and March with ground breaking to occur in the spring of 2019. Completion is anticipated in 2020.

**Authorization Request**

This request is for the requisite capital project bidding and construction phase authorization necessary to bid, award and construct the proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion, Phase One effort on the main campus of the University of Idaho, Moscow, Idaho.

The project is consistent with the strategic goals and objectives of UI. The project is fully consistent with the University of Idaho Strategic Plan, specifically the project seeks to develop a robust and capable infrastructure with capacity to support facilities which may be demanded by the UI's strategic goals.

In addition, the project is fully consistent with the principles, goals, and objectives of the UI's Long Range Campus Development Plan (LRCDP), specifically those goals and objectives related to the development of the campus infrastructure and utility distribution systems.

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**IMPACT**

The fiscal impact of this effort will be overall project expenditures of \$3,500,000.

**Overall Project**

**Funding**

State	\$
Federal (Grant)	
Other (UI)	
Gifted Funds &	
Gifts in Kind	
Student Fee	
Series 2014 General Revenue	
Bond Proceeds	<u>3,500,000</u>

Total                   \$   3,500,000

**Estimate Budget**

Administrative Support	\$	3,800
A/E & Professional Fees		353,000
Construction, Contractor		2,500,000
Construction, Other		110,000
Const. Contingency		250,000
Owner Costs & FFE		117,100
Project Cont.		<u>166,100</u>

Total                   \$   3,500,000

**ATTACHMENTS**

Attachment 1 – Capital Project Tracking Sheet

**STAFF COMMENTS AND RECOMMENDATIONS**

The excess bond proceeds remain from the Integrated Research and Innovation Center Building project, which was completed under budget. The bond proceeds must be used within a certain amount of time, and must be used for a qualified project (one that does not create private use considerations). After consulting with bond counsel, UI determined that the utility project would be an appropriate use of the funds.

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by the University of Idaho to implement the bid, award and construction phases of a Capital Project to construct a proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion, Phase One, on the main campus of the University of Idaho, Moscow, Idaho for a total cost of \$3,500,000, as described in the materials submitted to the Board. Authorization includes the authority to execute all necessary and requisite consulting and vendor contracts to fully implement the bid award and construction phases of the project.

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



**Office of the Idaho State Board of Education**  
**Capital Project Tracking Sheet**  
As of December, 2018

**History Narrative**

- 1 Institution/Agency:** University of Idaho      **Project:** Capital Project Authorization Request, Bid, Award, and Construction Phases, for the West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion, Phase One, on the main campus of the University of Idaho, Moscow, Idaho.
- 2 Project Description:** A Capital Project to provide for the planning, and design of project to design and construct a proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion, on the main campus of the University of Idaho, Moscow, Idaho.
- 3 Project Use:** Design and implement utility distribution system improvements in the west campus core neighborhood. The LRCDP identifies multiple potential building sites in this neighborhood. The intent of this proposed effort is to ensure utilities distribution systems such as steam distribution, chilled water distribution, electrical distribution, domestic water distribution, reclaimed water distribution, sanitary sewer collection, storm water collection, and data/fiber distribution are in place with sufficient capacity to serve these sites.
- 4 Project Size:** The west campus core neighborhood is an area generally bounded by Rayburn Street on the east and south, Stadium drive on the west and Sixth Street on the north.

Project Cost History:	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning*	Use of Funds Const.**	Other***	Total Uses
Initial Cost of Project. Planning, and Design Phase Authorization request. October 2017	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	\$ 350,000	\$ 2,750,000	\$ 400,000	\$ 3,500,000
<b>History of Revisions:</b>								
Revised Cost of Project. Bid, Award and Construction Phase Authorization Request. December 2018. (Minor Redistribution of Project Contingency to Planning and Construction)	\$ -	\$ -	\$ -	\$ -	\$ 6,803	\$ 110,000	\$ (116,803)	\$ -
<b>Total Project Costs</b>	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	\$ 356,803	\$ 2,860,000	\$ 283,197	\$ 3,500,000

\* Includes: Administrative Support Costs @ \$3,800 + A/E and Professional Fees for Design and Construction Phases @ \$353,003.

\*\* Includes: Direct Construction Costs @ \$2,500,000 + Other Construction Costs @ \$110,000 + Construction Contingency @ \$250,000.

\*\*\* Includes: Owner Costs, Technology and FF&E @ \$ 117,104+ Overall Project Contingency @ \$166,093.

History of Funding:	PBF	ISBA	Other Sources of Funds				Total Other	Total Funding
			Institutional Funds (Gifts/Grants)	Student Revenue	Other****			
Initial Cost of Project. Planning and Design Phase Authorization Request. October 2017	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000		\$ 3,500,000	\$ 3,500,000
Revised Cost of Project. Bid, Award and Construction Phase Authorization Request. December 2018. (No Change)	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000		\$ 3,500,000	\$ 3,500,000

\*\*\*\* Series 2014 General Revenue Bond Remaining Proceeds

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**SUBJECT**

Institution President Approved Alcohol Permits

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies and Procedures, I.J.2.b.

**ALIGNMENT WITH STRATEGIC PLAN**

Governance/Oversight required through Board policy to assure a safe environment for students conducive to the institution's mission of educating students.

**BACKGROUND/DISCUSSION**

The chief executive officer of each institution may waive the prohibition against possession or consumption of alcoholic beverages only as permitted by, and in compliance with, Board policy. Immediately upon issuance of an Alcohol Beverage Permit, a complete copy of the application and the permit shall be delivered to the Office of the State Board of Education, and Board staff shall disclose the issuance of the permit to the Board no later than the next Board meeting.

The last update presented to the Board was at the Regular August 2018 Board meeting. Since that meeting, Board staff has received seventeen (17) permits from Boise State University, thirteen (13) permits from Idaho State University, fourteen (14) permits from the University of Idaho and two (2) permits from Lewis-Clark State College.

Attachment 1 lists the alcohol permits that have been approved by the President's since the last Board meeting.

**ATTACHMENTS**

Attachment 1 - List of Approved Permits by Institution

**BOARD ACTION**

I move to accept the report on institution president approved alcohol permits.

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

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**ATTACHMENT 1**

<b>APPROVED ALCOHOL SERVICE AT BOISE STATE UNIVERSITY November 2018 – January 2019</b>				
<b>EVENT</b>	<b>LOCATION</b>	<b>Institution Sponsor</b>	<b>Outside Sponsor</b>	<b>DATE (S)</b>
EMBA Informational Sessions	College of Business and Economics		X	11/15/2018
Epilepsy Gala	Stueckle Sky Center		X	11/17/2018
A Magical Cirque Christmas	Morrison Center		X	11/19/2018
Tour of the Center for the Fine Arts	College of Business and Economics		X	11/20/2018
Under the Streetlamp	Morrison Center		X	11/28/2018
Mountain West Championship Reception	Stueckle Sky Center	X		11/30/2018
Neurolink Christmas Party	Student Union Building		X	11/30/2018
Finding Neverland	Morrison Center		X	12/1/2018
Oak Ridge Boys Christmas	Morrison Center		X	12/3/2018
Deal Forum with Venture College	Student Union Building		X	12/4/2018
Physicians Task Force Meeting	Alumni and Friends Center		X	12/7/2018
LCA Architect Christmas Party	Alumni and Friends Center		X	12/8/2018
The Nutcracker	Morrison Center		X	12/13/2018
Osher Winter Celebration	Simplot Ballroom		X	12/13/2018
Idaho Regional Ballet alumni Reception	Student Union Building		X	12/15/2018
Darci Lynne	Morrison Center		X	12/21/2018
Idaho Water Quality Workshop	Student Union Building		X	1/29/2019

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<b>APPROVED ALCOHOL SERVICE AT IDAHO STATE UNIVERSITY November 2018 – December 2018</b>				
<b>EVENT</b>	<b>LOCATION</b>	<b>Institution Sponsor</b>	<b>Outside Sponsor</b>	<b>DATE (S)</b>
Idaho State Civic Symphony Concert	Stephens Performing Arts Center		X	11/2/2018
CW HOG Ski Party	Student Union Building		X	11/3/2018
Idaho State Civic Symphony Concert	Stephens Performing Arts Center		X	11/7/2018
Jonathan Lawson Memorial Service	Stephens Performing Arts Center		X	11/10/2018
Festival of Trees	Stephens Performing Arts Center		X	11/27- 12/1/2018
ISU Credit Union Employee Dinner	Stephens Performing Arts Center		X	12/1/2018
Idaho State Civic Symphony Concert	Stephens Performing Arts Center		X	12/7/2018
Another Geeky X-Mas	Museum Natural History		X	12/7/2018
NFR Viewing Party	Student Union Building		X	12/8/2018
Idaho State Civic Symphony Concert	Stephens Performing Arts Center		X	11/8/2018
President's Holiday Open House	Student Union Building	X		12/11/2018
New Year's Eve Gala	Stephens Performing Arts Center		X	12/31/2018



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<b>APPROVED ALCOHOL SERVICE AT UNIVERSITY OF IDAHO September 2018 – February 2019</b>				
<b>EVENT</b>	<b>LOCATION</b>	<b>Institution Sponsor</b>	<b>Outside Sponsor</b>	<b>DATE (S)</b>
Crosstoberfest 7	Sandpoint Campus		X	9/30/2018
Law Advisory Council Reception	Menard Law Building	X		10/18/2018
Wildfire Symposium Reception	Idaho Law and Justice Center – Boise	X		10/19/2018
Navy and Marine Corps Birthday Ball	Bruce Pitman Center		X	11/3/2018
CNR Open House	Idaho Water Center	X		11/8/2018
President's Faculty, Staff & Retiree Holiday Reception	Bruce Pitman Center	X		11/30/2018
College of Science Holiday Party	Bruce Pitman Center	X		12/3/2018
SAS Talks-Short and Sweet Research Speaker Series	Integrated Research and Innovation Center	X		12/4/2018
Advancement Campaign Priorities Social	Bruce Pitman Center	X		12/6/2018
President/Provost Holiday Reception	Presidents House	X		12/12/2018
American Institute of Architects/Department Social	Idaho Water Center	X		12/13/2018
TVEP Holiday Reception	Idaho Water Center	X		12/18/2018
Chinese New Celebration	Integrated Research and Innovation Center	X		2/1/2019

<b>APPROVED ALCOHOL SERVICE AT LEWIS-CLARK STATE COLLEGE December 2018</b>				
<b>EVENT</b>	<b>LOCATION</b>	<b>Institution Sponsor</b>	<b>Outside Sponsor</b>	<b>DATE (S)</b>
Winter Revels – Employee Gathering	Center for Arts and History	X		12/7/2018
It's a Wonderful Life	Center for Arts and History		X	12/7-8/2018

**CONSENT**  
**DECEMBER 20, 2018**

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**LEWIS-CLARK STATE COLLEGE**

**SUBJECT**

Facilities Naming – Career Technical Education Center - “Schweitzer Career & Technical Education Center”

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures,  
Section: I.K. Naming/Memorializing Building and Facilities

**ALIGNMENT WITH STRATEGIC PLAN**

This request aligns with the State Board of Education’s Goal 3: Workforce Readiness which states, “The educational system will provide an individualized environment that facilitates the creation of practical and theoretical knowledge leading to college and career readiness.”

**BACKGROUND/DISCUSSION**

Lewis-Clark State College (LCSC) requests approval to name the future career technical education facility in honor of the Schweitzers, in recognition for the generosity illustrated by Schweitzer Engineering Laboratories (SEL) and SEL Founder and President Ed and Beatriz Schweitzer. Schweitzer Engineering Laboratories will give \$2 million to fund Lewis-Clark State College’s new career technical education (CTE) Center to be built in the Lewiston Orchards. Additionally, the Schweitzers will personally donate \$1 million to the project, bringing the total to \$3 million. As part of the donation agreement, SEL and LCSC are collaborating in a variety of ways, including curriculum concept development for electrical technician training, identifying and hiring of qualified instructors for the program, and promoting the CTE center and its programs throughout the region. The education opportunities made possible by the CTE Center will benefit students, businesses and the Lewis-Clark Valley and community for generations to come.

**IMPACT**

LCSC believes that the naming of the CTE facility in honor of the Schweitzers will assist in generating revenue to support continued fundraising efforts for the project. The partnership will also further strengthen LCSC’s ability to collaborate with industry, directly influencing curriculum concept development, and bolstering the employment pipeline. No substantive costs related to the renaming will be required other than signage.

**STAFF COMMENTS AND RECOMMENDATIONS**

Board Policy I.K.1.b, outlines the requirements by which a building, facility, or administrative unit may be named for someone other than a former employee of the system of higher education. These include consideration of the nature of the individuals gift and its significance to the institution; the eminence of the individual whose name is proposed; and the individual’s relationship to the institution.

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Based on the information provided by Boise State University the request complies with Board policy.

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by Lewis-Clark State College to name the future career technical education facility the "Schweitzer Career & Technical Education Center."

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

**CONSENT  
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**PROFESSIONAL STANDARDS COMMISSION**

**SUBJECT**

Emergency Provisional Certificates

**REFERENCE**

October 2017	Board approved four (4) provisional certificates for the 2017-18 school year.
December 2017	Board approved seventeen (17) provisional certificates for the 2017-18 school year.
February 2018	Board approved seven (7) provisional certificates for the 2017-18 school year.
April 2018	Board approved three (3) provisional certificates for the 2017-18 school year.
June 2018	Board approved six (6) provisional certificates for the 2017-18 school year.
October 2018	Board approved one (1) provisional certificate for the 2018-19 school year.

**APPLICABLE STATUTE, RULE, OR POLICY**

Sections 33-1201 and 33-1203, Idaho Code

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1: A Well Educated Citizenry, Objective A: Access

**BACKGROUND/DISCUSSION**

Twenty-two (22) emergency provisional applications were received by the State Department of Education from the school districts listed below. Emergency provisional applications allow a district/charter to request one-year emergency certification for a candidate who does not hold a current Idaho certificate/credential, but who has the strong content background and some educational pedagogy, to fill an area of need that requires certification/endorsement. While the candidate is under emergency provisional certification, no financial penalties will be assessed to the hiring district.

**Boise Independent District #001**

**Applicant Name:** Chung, Michelle

**Content & Grade Range:** Family and Consumer Sciences 6-12

**Educational Level:** BA, Liberal Arts 4/2004

**Declared Emergency:** July 9, 2018, Boise Independent School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were no applicants for this position, but there were four interviews of current subs. Ms. Chung was the most qualified candidate due to long term substituting in Family Consumer Science (FCS)



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classroom in the past. No other candidates had any FCS experience. Ms. Chung did not meet the qualifying score on the Uniform Standard for Evaluating Content Competency (USECC) rubric and therefore did not qualify for an Alternative Authorization – Content Specialist, but she is enrolled in a teacher prep program through the University of Idaho.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Boise Independent School District's request for Michelle Chung without reservation.

**Cassia County Joint School District #151**

**Applicant Name:** Brackenbury, Carie

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BS, Family and Human Development 6/1998

**Declared Emergency:** June 21, 2018, Cassia County Joint School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were four applicants and three interviews. Ms. Brackenbury was selected because of her experience, compatibility with staff and knowledge of the schools and the educational culture. Ms. Brackenbury did not meet the qualifying score on the USECC rubric and therefore did not qualify for an Alternative Authorization – Content Specialist.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Cassia County Joint School District's request for Carie Brackenbury without reservation.

**Cassia County Joint School District #151**

**Applicant Name:** Campos, Grace

**Content & Grade Range:** English as a Second Language (ESL) K-12

**Educational Level:** AA, Liberal Arts 5/2014

**Declared Emergency:** August 16, 2018, Cassia County Joint School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were six applicants and two interviews. Ms. Campos is enrolled in Western Governors University's BA teacher prep program but has not reached her student teaching year. She has 13 years experience in migrant/ESL.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Cassia County Joint School District's request for Grace Campos without reservation.

**Cassia County Joint School District #151**

**Applicant Name:** Ramirez, Erin

**Content & Grade Range:** All Subjects K-8

**Educational Level:** AA, Elementary Education 5/2012

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**Declared Emergency:** August 16, 2018, Cassia County Joint School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were eight applicants and four interviews. The interview panel felt that she was the best candidate for the position. Ms. Ramirez is enrolled in Western Governors University's teacher prep program.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Cassia County Joint School District's request for Erin Ramirez without reservation.

**Heritage Academy, Inc. #479**

**Applicant Name:** Carpenter, Ana

**Content & Grade Range:** All Subjects K-8

**Educational Level:** AA, Bilingual Education 5/2002

**Declared Emergency:** August 16, 2018, Heritage Academy, Inc. Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were four applicants and three interviews with two open positions. Mrs. Carpenter has significant experience working as a Head Start teacher, in bilingual classrooms and as a paraprofessional in elementary classrooms. She has worked as a teaching intern at Heritage for three years and is currently enrolled in Western Governors University teacher preparation program and is scheduled to student teach in Fall 2019.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Heritage Academy, Inc.'s request for Ana Carpenter without reservation.

**Holy Rosary Catholic School #556**

**Applicant Name:** Martens, Kayla

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BS, General Studies 12/2016

**Declared Emergency:** May 14, 2018, Holy Rosary Catholic School's Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were nine applicants and six interviews (three out of state - took other positions or were not interested in moving to Idaho). None of the applicants had Idaho certificates. Ms. Martens had the most teaching experience and lived in Idaho Falls.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Holy Rosary Catholic School's request for Kayla Martens without reservation.

**Kendrick Joint School District #283**

**Applicant Name:** Parkins-Hansen, Kodette

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BS, Elementary Education 5/2001

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**Declared Emergency:** August 15, 2018, Kendrick Joint School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** This position was not posted as the candidate was already employed by the district in this role while on an interim certificate with conditions. Ms. Parkins-Hansen was unable to complete the conditions within three years. The district would like Ms. Parkins-Hansen to have more time to complete the Praxis II exam.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Kendrick Joint School District's request for Kodette Parkins-Hansen without reservation.

**Minidoka School District #331**

**Applicant Name:** Perrigot, Chris

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BA, Recreation 2/1996

**Declared Emergency:** April 16, 2018, Minidoka School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were two applicants and two interviews. Mr. Perrigot had the most experience and is enrolled in ABCTE, but did not qualify on the USECC rubric.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Minidoka School District's request for Chris Perrigot without reservation.

**Minidoka School District #331**

**Applicant Name:** Pratt, Cami

**Content & Grade Range:** Mathematics 6-12 and Mathematics 5-9

**Educational Level:** BS, Radiographic Science 8/2018

**Declared Emergency:** June 4, 2018, Minidoka School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were three applicants and two interviews. One applicant took other employment. Another applicant did not qualify for an Emergency Provisional. Ms. Pratt was the most qualified candidate and has enrolled in ABCTE, but did not qualify on the USECC.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Minidoka School District's request for Cami Pratt without reservation.

**Minidoka School District #331**

**Applicant Name:** Bair, Linsey

**Content & Grade Range:** Health K-12 and Physical Education (PE) K-12

**Educational Level:** BS, Exercise Physiology 4/2017

**Declared Emergency:** July 16, 2018, Minidoka School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

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**Summary of Recruitment Efforts:** There were two applicants and two interviews. One applicant took other employment. Ms. Bair was the most qualified candidate and has enrolled in CSI, but did not qualify on the USECC.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Minidoka School District's request for Linsey Bair without reservation.

**Minidoka School District #331**

**Applicant Name:** Bishop, Amanda

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BS, Child Development 4/2018

**Declared Emergency:** June 4, 2018, Minidoka School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There was one applicant and one interview. Ms. Bishop was the only candidate and has enrolled in College of Southern Idaho, but did not qualify on the USECC.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Minidoka School District's request for Amanda Bishop without reservation.

**Nampa School District #131**

**Applicant Name:** Cayler, Diana

**Content & Grade Range:** Music K-12

**Educational Level:** 148 credits – no apparent degree

**Declared Emergency:** September 11, 2018, Nampa School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There was one applicant and one interview. Ms. Cayler is currently enrolled in a music program at NNU and is willing to teach for one year only while the district continues to find a qualified music teacher for the next school year.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Nampa School District's request for Diana Cayler without reservation.

**Nampa School District #131**

**Applicant Name:** Sene, Jared

**Content & Grade Range:** Music K-12

**Educational Level:** BA, Music 2018

**Declared Emergency:** September 11, 2018, Nampa School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were five applicants and three interviews. Mr. Sene is familiar with the students and staff, as he had finished the 2017-18 school year as a long term sub. He is enrolled in a teacher prep program with Northwest Nazarene University. He was the most qualified candidate.



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**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Nampa School District's request for Jared Sene without reservation.

**St. Maries Joint School District #41**

**Applicant Name:** Amos, Mikalynn

**Content & Grade Range:** Biological Science 6-12 and Chemistry 6-12

**Educational Level:** 122 credits

**Declared Emergency:** August 13, 2018, St. Maries School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were seven applicants and five interviews for two positions. Ms. Amos is enrolled in University of Idaho and has passed the General Science and Biology Praxis assessments. She has not completed all of the requirements for her bachelor's degree and will not be doing her student teaching this school year.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends St. Maries School District's request for Mikalynn Amos without reservation.

**Twin Falls School District #411**

**Applicant Name:** Nelson, Mari

**Content & Grade Range:** School Counselor K-12

**Educational Level:** MSc, Professional Counseling 11/2012

**Declared Emergency:** September 10, 2018, Twin Falls School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were five applicants and four interviews. Two of the four interviewed declined the position. Ms. Nelson is enrolled in Grand Canyon University.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Twin Falls School District's request for Mari Nelson without reservation.

**Twin Falls School District #411**

**Applicant Name:** Sauer, Alyson

**Content & Grade Range:** Physical Education (PE) 6-12 and Health 6-12

**Educational Level:** BS, Exercise Science 5/2018

**Declared Emergency:** September 10, 2018, Twin Falls School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were 10 applicants and two interviews. Ms. Sauer was the most qualified candidate and had the desire to coach volleyball for the district.

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**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Twin Falls School District's request for Alyson Sauer without reservation.

**Twin Falls School District #411**

**Applicant Name:** Ziegler, Hannah

**Content & Grade Range:** Mathematics 6-12

**Educational Level:** BA, Liberal Arts 8/2017

**Declared Emergency:** September 10, 2018, Twin Falls School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were 13 applicants and six interviews. Ms. Ziegler was the only candidate willing to work half-time. She is enrolled in ABCTE for Science, but is not interested in taking Math.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Twin Falls School District's request for Hannah Ziegler without reservation.

**Wendell School District #232**

**Applicant Name:** Henderson, Paul

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BS, Business Management 12/2016

**Declared Emergency:** May 15, 2018, Wendell School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were three applicants and three interviews. Mr. Henderson has a passion to work with kids. His interview was great - instructional strategies, classroom management, etc. He also speaks Spanish. The candidate has enrolled in ABCTE, but was unable to meet the minimum requirement on the USECC.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Wendell School District's request for Paul Henderson without reservation.

**Wendell School District #232**

**Applicant Name:** Meyerhoeffer, Hannah

**Content & Grade Range:** All Subjects K-8

**Educational Level:** BS, Psychology 12/2016

**Declared Emergency:** July 17, 2018, Wendell School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were three applicants and three interviews. Ms. Meyerhoeffer was the most adaptive and best fit for the job. The team chose her due to growth potential and her family background in education. She is enrolled in ABCTE, but did not meet the minimum requirement on the USECC rubric.

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**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Wendell School District's request for Hannah Meyerhoeffer without reservation.

**Wendell School District #232**

**Applicant Name:** Clough, Marika

**Content & Grade Range:** English 6-12 and Health 6-12

**Educational Level:** BS, Education 5/2014

**Certified:** ESL K-12, History 6-12

**Declared Emergency:** July 17, 2018, Wendell School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were seven applicants and four interviews. Ms. Clough's husband was hired in the district. She was willing to go through the ABCTE program for English and agreed to help out for Health only for this school year.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Wendell School District's request for Marika Clough without reservation.

**Wendell School District #232**

**Applicant Name:** Funkhouser, Lonnie

**Content & Grade Range:** Natural Science 6-12

**Educational Level:** BS, Physical Education 5/1995

**Certified:** P.E. K/12 and Health K/12

**Declared Emergency:** August 21, 2018, Wendell School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were three candidates and two interviews. Only one candidate had a certificate, but she accepted a position at a nearby district.

**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Wendell School District's request for Lonnie Funkhouser without reservation.

**Wendell School District #232**

**Applicant Name:** Wert, Kirstin

**Content & Grade Range:** Mathematics 5-9

**Educational Level:** 146 credits

**Declared Emergency:** May 15, 2018, Wendell School District Board of Trustees declared an emergency area of need exists for the 2018-2019 school year.

**Summary of Recruitment Efforts:** There were two positions posted with four applicants and three interviews. Ms. Wert has a strong background in education. Her mother and father are educators in the same building and she is enrolled in WGU and will do her student teaching in Fall 2019.

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**PSC Review:** The Professional Standards Commission Authorizations Committee met October 10, 2018. The committee recommends Wendell School District's request for Kirstin Wert without reservation.

**IMPACT**

If the emergency provisional certificate is not approved, the school district will have no certificated staff to serve in the position and funding could be impacted.

**STAFF COMMENTS AND RECOMMENDATIONS**

Pursuant to Section 33-1201, Idaho Code "every person who is employed to serve in any elementary or secondary school in the capacity of teacher, supervisor, administrator, education specialist, school nurse or school librarian shall be required to have and to hold a certificate issued under the authority of the State Board of Education...." Section 33-1203, Idaho Code, prohibits the Board from authorizing standard certificates to individuals who have less than four (4) years of accredited college training except in occupational fields or emergency situations. When an emergency is declared, the Board is authorized to grant one-year provisional certificates based on not less than two (2) years of college training. The two year college training minimum requirement could be interpreted to mean the individual has attended a postsecondary institution without regard to the number of credits taken each year, or the individual attended full time for two or more years. Historically, the later interpretation has been applied by the Board office. The Board defines a full time student as a student taking 12 or credits (or equivalent) per semester pursuant to Board policy III.P.7. Full-Time Students. An individual with 48 or more credits would then be considered as receiving two years of college training.

Section 33-512, Idaho Code, defines substitute teachers as "as any individual who temporarily replaces a certificated classroom educator..." Neither Idaho Code, nor administrative rule, limits the amount of time a substitute teacher may be employed to cover a classroom. In some cases, school districts may use an individual as a long-term substitute prior to requesting provisional certification for the individual.

The Department receives applications from the school districts for requests for provisional certifications, Department staff then work with the school districts to ensure the applications are complete. The Professional Standards Commission then reviews requests for the one-year provisional certificates, and those that are complete and meet the minimum requirements are then brought forward by the Department to the Board for consideration with a recommendation from the Professional Standards Commission.

**BOARD ACTION**

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificates for Michelle Chung, Carie Brackenbury, Grace Campos, Erin Ramirez, Ana Carpenter, Kayla Martens, Kodette Parkins-Hansen, Chris Perrigot, Cami Pratt, Linsey Bair, Amanda Bishop,



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Diana Cayler, Jared Sene, Mikalynn Amos, Mari Nelson, Alyson Sauer, Hannah Ziegler, Paul Henderson, Hannah Meyerhoeffer, Marika Clough, Lonnie Funkhouser and Kirstin Wert to teach the content area and grade ranges at the specified school districts as provided herein for the 2018-2019 school year.

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

OR

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Michelle Chung to teach Family and Consumer Sciences grades six (6) through twelve (12) in the Boise Independent School District #001 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Carie Brackenbury to teach All Subjects grades kindergarten through eight (8) in the Cassia County Joint School District #151 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Grace Campos to teach English as a Second Language (ESL) grades kindergarten through twelve (12) in the Cassia County Joint School District #151 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Erin Ramirez to teach All Subjects grades kindergarten through eight (8) in the Cassia County Joint School District #151 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Ana Carpenter to teach All Subjects grades kindergarten through eight (8) in the Heritage Academy, Inc. #479 for the 2018-2019 school year.

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

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I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Kayla Martens to teach All Subjects grades kindergarten through eight (8) in the Holy Rosary Catholic School #556 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Kodette Parkins-Hansen to teach All Subjects grades kindergarten through eight (8) in the Kendrick Joint School District #283 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Chris Perrigot to teach All Subjects grades kindergarten through eight (8) in the Minidoka County Joint School District #331 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Cami Pratt to teach Mathematics grades six (6) through twelve (12) and five (5) through nine (9) in the Minidoka County Joint School District #331 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Linsey Bair to teach Health and Physical Education (PE) grades kindergarten through twelve (12) in the Minidoka County Joint School District #331 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Amanda Bishop to teach All Subjects grades kindergarten through eight (8) in the Minidoka County Joint School District #331 for the 2018-2019 school year.

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

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I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Diana Cayler to teach Music grades kindergarten through twelve (12) in the Nampa School District #131 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Jared Sene to teach Music grades kindergarten through twelve (12) in the Nampa School District #131 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Mikalynn Amos to teach Biological Science and Chemistry grades six (6) through twelve (12) in the St. Maries School District #041 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Mari Nelson to work as a School Counselor grades kindergarten through twelve (12) in the Twin Falls School District #411 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Alyson Sauer to teach Health and Physical Education (PE) grades six (6) through twelve (12) in the Twin Falls School District #411 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Hannah Ziegler to teach Mathematics grades six (6) through twelve (12) in the Twin Falls School District #411 for the 2018-2019 school year.

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

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I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Paul Henderson to teach All Subjects grades kindergarten through eight (8) in the Wendell School District #232 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Hannah Meyerhoeffer to teach All Subjects grades kindergarten through eight (8) in the Wendell School District #232 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Marika Clough to teach English and Health grades six (6) through twelve (12) in the Wendell School District #232 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Lonnie Funkhouser to teach Natural Science grades six (6) through twelve (12) in the Wendell School District #232 for the 2018-2019 school year.

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

I move to approve the request by the Professional Standards Commission for the one-year emergency provisional certificate for Kirstin Wert to teach Mathematics grades five (5) through nine (9) in the Wendell School District #232 for the 2018-19 school year.

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