

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019**

TAB	DESCRIPTION	ACTION
1	AMENDMENT TO BOARD POLICY V.B. Budget Policies - First Reading	Motion to approve
2	IDAHO STATE UNIVERSITY Planning and Design - Davis Field Project	Motion to approve
3	UNIVERSITY of IDAHO Purchase Agreement – CAFÉ Land	Motion to approve
4	UNIVERSITY of IDAHO Update to Six Year Capital Plan – Include Horse Arena and Greenhouse Improvements	Motion to approve
5	UNIVERSITY of IDAHO Lease Option Agreement – Rock Creek Ranch	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

SUBJECT

Board Policy V.B. – Budget Policies - First Reading

REFERENCE

February 2018	Idaho State Board of Education (Board) approved second reading of amendments to policy V.B. clarifying the guidelines for the Occupancy Cost formula and codifying the institutional 5% reserve target.
December 2018	The institution presidents discussed with the Board the mental health services provided and additional needs at the campuses.

APPLICABLE STATUTE, RULE, OR POLICY

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

ALIGNMENT WITH STRATEGIC PLAN

This agenda item is a non-strategic Board governance agenda item.

BACKGROUND/DISCUSSION

Auxiliary Enterprises are defined as an enterprise that provides a service to students, faculty, or staff and charges a fee related to but not necessarily equal to the cost of services. Board Policy V.B. states that state appropriated funds cannot be allocated to cover any portion of the operating costs of auxiliary enterprises. Student health services have historically been classified as auxiliary enterprises. The proposed changes reflect the discussion during the December Board meeting with the institution presidents and their request to exclude student health services from the definition of auxiliary enterprises. This would clarify that state appropriated funds may be used for student health programs that are directly related to the physical, emotional, and/or mental health of students. Language is also include to allow for state funds to be used for intercollegiate athletics, consistent with Board Policy V.X.

IMPACT

The institutions would be allowed to request and use state appropriated funds for student health services. This change provides consistency regarding state appropriated funds for athletics between Board Policy V.B. and Board Policy V.X.

ATTACHMENTS

Attachment 1 –Board Policy Section V.B – First Reading

STAFF COMMENTS AND RECOMMENDATIONS

During the December 2018 Board meeting, President Satterlee from ISU requested a change in Board Policy V.B. The presidents from all the institutions spoke to the Board regarding the needs for additional student health services, particularly in the mental health environment. The proposed changes would allow

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

the institutions to seek state funds or use other appropriated funds for enhancement of these services.

Staff recommends approval.

BOARD ACTION

I move to approve the first reading of Board Governing Policy and Procedures V.B., Budget Policies, as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

1. Budget Requests

For purposes of Items 1. and 10., the College of Eastern Idaho, College of Southern Idaho, College of Western Idaho, and North Idaho College are included.

a. Submission of Budget Requests

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

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

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

c. Preparation and Submission of Annual Budget Requests

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

d. Presentation to the Board

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

2. Budget Requests and Expenditure Authority

- a. Budget requests must include projected student tuition and fee revenue based on the enrollment of the fiscal year just completed (e.g., the FY 2003 budget request, prepared in the summer of 2001, projected student tuition and fee revenue based on academic year 2001 enrollments which ended with the Spring 2001 semester).
- b. Approval by the Executive Director, or his or her designee, as authorized, for all increases and decreases of spending authority caused by changes in student tuition and fee revenue is required.
- c. Student tuition and fee revenue collected by an institution will not be allocated to another institution. The lump sum appropriation will not be affected by changes in student tuition and fee revenue.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

3. Operating Budgets (Appropriated)

a. Availability of Appropriated Funds

- i. Funds appropriated by the legislature from the State General Fund for the operation of the institutions and agencies (exclusive of funds for construction appropriated to the Permanent Building Fund) become available at the beginning of the fiscal year following the session of the legislature during which the funds are appropriated, except when the appropriation contains an emergency clause.

b. Approval of Operating Budgets

- i. The appropriated funds operating budgets for the institutions and agencies under Board supervision are based on a fiscal year, beginning July 1 and ending on June 30 of the following year.
- ii. During the spring of each year, the chief executive officer of each institution or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the Executive Director for review and formal approval before the beginning of the fiscal year.

c. Appropriation Transactions

i. Chief Executive Officer Approval

The chief executive officer of each institution, agency, office, or department is responsible for approving all appropriation transactions. Appropriation transactions include original yearly set up, object and program transfers, receipt to appropriation and non-cognizable funds.

ii. Institution Requests

Requests for appropriation transactions are submitted by the institutions to the Division of Financial Management and copies provided concurrently to the Office of the State Board of Education.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

4. Operating Budgets (Non-appropriated -- Auxiliary Enterprises)

a. Auxiliary Enterprises Defined

An auxiliary enterprise directly or indirectly provides a service to students, faculty, or staff and charges a fee related to but not necessarily equal to the cost of services. The distinguishing characteristic of most auxiliary enterprises is that they are managed essentially as self-supporting activities, whose services are provided primarily to individuals in the institutional community rather than to departments of the institution, although a portion of student fees or other support is sometimes allocated to them. Auxiliary enterprises should contribute and relate directly to the mission, goals, and objectives of the college or university. Intercollegiate athletics ~~and student health services~~ should be included in the category of auxiliary enterprises if the activities are essentially self-supporting.

All operating costs, including personnel, utilities, maintenance, etc., for auxiliary enterprises are to be paid out of income from fees, charges, and sales of goods or services. No state appropriated funds may be allocated to cover any portion of the operating costs. However, rental charges for uses of the facilities or services provided by auxiliary enterprises may be assessed to departments or programs supported by state-appropriated funds. Student health services may receive state appropriated funds for programs directly related to the physical, emotional, and mental health of students.

b. Operating Budgets

Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

5. Operating Budgets (Non-appropriated -- Local Service Operations)

a. Local Service Operations Defined

Local service operations provide a specific type of service to various institutional entities and are supported by charges for such services to the user. Such a service might be purchased from commercial sources, but for reasons of convenience, cost, or control, is provided more effectively through a unit of the institution. Examples are mailing services, duplicating services, office machine maintenance, motor pools, and central stores.

b. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.

c. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

6. Operating Budgets (Non-appropriated -- Other)

- a. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.
- b. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

7. Agency Funds

- a. Agency funds are assets received and held by an institution or agency, as custodian or fiscal agent for other individuals or organizations, but over which the institution or agency exercises no fiscal control.
- b. Agency funds may be expended for any legal purpose prescribed by the individual or organization depositing the funds with the institution or agency following established institutional disbursement procedures.

8. Major Capital Improvement Project -- Budget Requests

For purposes of Item 8 the community colleges (CEI, CSI, CWI and NIC) are included, except as noted in V.B.8.b.ii.

a. Definition

A major capital improvement is defined as the acquisition of an existing building, construction of a new building or an addition to an existing building, or a major renovation of an existing building. A major renovation provides for a substantial change to a building. The change may include a remodeled wing or floor of a building, or the remodeling of the majority of the building's net assignable square feet. An extensive upgrade of one (1) or more of the major building systems is generally considered to be a major renovation.

b. Preparation and Submission of Major Capital Improvement Requests

i. Permanent Building Fund Requests

Requests for approval of major capital improvement projects to be funded from the Permanent Building Fund are to be submitted to the Office of the State Board of Education on a date and in a format established by the Executive Director. Only technical revisions may be made to the request for a given fiscal year after the Board has made its recommendation for that fiscal year. Technical revisions must be made prior to November 1.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

ii. Other Requests

Requests for approval of major capital improvement projects from other fund sources are to be submitted in a format established by the Executive Director. Substantive and fiscal revisions to a requested project are resubmitted to the Board for approval. This subsection shall not apply to the community colleges.

c. Submission of Approved Major Capital Budget Requests

The Board is responsible for the submission of major capital budget requests for the institutions and agencies under this subsection to the Division of Public Works. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

9. Approval by the Board

Requests for approval of major capital improvement projects must be submitted for Board action. Major capital improvement projects, which are approved by the Board and for which funds from the Permanent Building Fund are requested, are placed in priority order prior to the submission of major capital budget requests to the Division of Public Works.

10. Occupancy Costs.

a. Definitions.

- i. "Auxiliary Enterprise" is an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services.
- ii. "Eligible Space" means all owner-occupied space other than auxiliary enterprise space. Space owned by an institution but leased to another entity is not eligible space. Occupancy costs for "common use" space (i.e. space which shares eligible and auxiliary enterprise space) will be prorated based on its use. When funds are used to expand, remodel, or convert existing space, the eligible space shall be limited to the new, incremental square footage of the expanded, remodeled or converted space, only.
- iii. "Gross Square Feet" (GSF) means the sum of all areas on all floors of a building included within the outside faces of its exterior walls.
- iv. "Occupancy costs" means those costs associated with occupying eligible space including custodial, utility, maintenance and other costs as outlined in the occupancy costs formula.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁸⁹

- v. "Remodel" means the improvement, addition, or expansion of facilities by work performed to change the interior alignment of space or the physical characteristics of an existing facility.
- b. Notification of Eligible Space
 - i. Prior written notification must be provided to the Division of Financial Management (DFM) and the Legislative Services Office Budget and Policy Analysis Division (LSO-BPA) before an institution requests funding for occupancy costs for eligible space in a capital improvement project in which the institution acquires, builds, takes possession of, expands, remodels, or converts facility space. This written notification to DFM and LSO-BPA will be provided following final approval of the project and not later than the first business day of September for occupancy cost requests which would take effect in the subsequent fiscal year. Written notification will be by one of the following entities, using the Occupancy Cost Notification data sheet provided at the Board website at <http://boardofed.idaho.gov>:
 - 1) the State Board of Education or its executive director for projects approved by the Board;
 - 2) the community college board of trustees for projects approved under their authority; or
 - 3) the institution's financial vice president (or functional equivalent) for projects for which, by virtue of their smaller scope, approval authority has been delegated to the institution's chief executive.
 - ii. Written notification shall include:
 - 1) description of the eligible space, its intended use, and how it relates to the mission of the institution;
 - 2) estimated cost of the building or facility, and source(s) of funds;
 - 3) estimated occupancy costs; and
 - 4) estimated date of completion.
 - iii. If an approving authority approves a project after the first business day of September, the notification and/or funding request shall be submitted the following September. If by error or oversight the approving authority fails to submit notification by the September deadline, there is a one-time, one-year grace period such that the approving authority may submit the notification as soon as possible, to be followed by a funding request not later than the first business day of the following September.
- c. Sources of Funds: Institutions may request occupancy costs regardless of the source(s) of funds used to acquire or construct eligible space.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

- d. Required Information: Requests for occupancy costs shall include the following information: (i) projected date of occupancy of the eligible space; (ii) gross square feet of eligible space; and (iii) number of months of the fiscal year the eligible space will be occupied (i.e. identify occupancy of eligible space for a full or partial fiscal year).
- e. Once an institution has taken occupancy of a facility, or the remodeled or expanded area of a facility, the institution shall provide verification to DFM and LSO-BPA of the gross square footage, construction costs, current replacement value, and, if applicable, current or proposed lease space.
- f. Occupancy Costs Formula
 - i. Custodial: Based on the personnel costs (including
 - ii. benefits) for one custodian, pro-rated for each 26,000 GSF [For example, a 13,000 GSF eligible facility would equate to one-half (.50) custodial FTE] In addition, 10¢ per GSF may be requested for custodial supplies.
 - iii. Utility Costs: \$1.75 per GSF.
 - iv. Building Maintenance: 1.5% of the construction costs, excluding pre-construction costs (e.g. architectural/engineering fees, site work, etc.) and moveable equipment.
 - v. Other Costs:
 - 1) 77¢ per GSF for information technology maintenance, security, general safety, and research and scientific safety;
 - 2) .0005 current replacement value for insurance; and
 - 3) .0003 current replacement value for landscape maintenance.
 - vi. The formula rates may be periodically reviewed against inflation.
 - vii. Reversions:
 - 1) If eligible space which received occupancy costs is later:
 - a) razed and replaced with non-eligible space; or
 - b) converted to non-eligible space, then the institution shall revert back to the state the occupancy cost funding at the base level originally funded.
 - 2) If eligible space is razed and replaced with new eligible space, then the institution may retain the base occupancy costs, net the funded GSF against any additional GSF, and request funding for the difference.
- g. Unfunded Occupancy Costs: If occupancy costs for eligible space have been requested but not funded due to budgetary reasons, institutions may request occupancy costs again in the following year. If, however, occupancy costs are

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies

February 2018⁹

denied for non-budgetary reasons, no further requests for occupancy costs related to the space in question will be considered.

11. Program Prioritization

- a. "Program Prioritization" is a process adopted by the Board in setting priorities and allocating resources among programs and services with a specific focus on Mission, Core Themes and Strategic Plans.
- b. Program Prioritization shall be incorporated in the colleges and universities' annual budgeting and program review process.
- c. Annual Program Prioritization updates are to be submitted to the Board by the colleges and universities on the date and in a format established by the Executive Director.

12. Target Reserves

The volatility of state funding, as well as fluctuations in enrollment and tuition revenue, necessitate that institutions maintain fund balances sufficient to stabilize their operating budgets. As such, the Board has set a minimum target reserve of 5%, defined as unrestricted funds available divided by operating expenditures, as defined in the institution's unrestricted net position report, which will be submitted to the Board each year in accordance with the timing and format established by the Executive Director.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

IDAHO STATE UNIVERSITY

SUBJECT

Davis Field renovation and amendment for the Six-Year Capital Improvement Plan to include the Davis Field renovation project

REFERENCE

August 2018

Six-Year Capital Plan approved by the State Board of Education

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.K.2a. and 3a.

ALIGNMENT WITH STRATEGIC PLAN

The request aligns with the following State Board of Education Strategic Plans: Goal 1: Educational System Alignment. The corresponding Objective is: Objective A: Data Access and Transparency

BACKGROUND/DISCUSSION

Idaho State University (ISU) requests permission to proceed with planning and design for renovation of Davis Field. This historic venue was built in 1936 as the original "Spud Bowl". The venue has not had substantial renovations and the bleachers on the East side are unusable and have been condemned, while the bleachers on the West side continue to deteriorate. Currently ISU's track and field and women's soccer teams utilize the facility.

ISU has not hosted a home track meet there since 2007 due to the scheduling needs of two sports, the deterioration of the bleachers, and the facility not meeting regulation sizing standards. Further, ISU is ineligible to host Big Sky or NCAA Regional Championships in either sport as the venue does not meet specifications.

The planned renovation will provide for moving the field events out of the oval and into the venue's south berm area. Planned lighting will extend the hours that the facility can be used by both track and soccer. These renovations will allow ISU track & field to host home meets. The lighted field will increase scheduling capacity for both teams, and allow soccer to play at the prime times for fan and student attendance rather than in the middle of the day. Most importantly, the renovation eliminates significant safety hazards which place student athletes and other users at risk.

In addition, ISU requests permission to amend their FY19 Six-Year Capital Improvement Plan to include a project for renovation of the Davis Field.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

IMPACT

ISU will utilize institutional reserve funds for the planning and design of this project. ISU retained a civil engineer to do a preliminary feasibility and schematic study and cost estimate for this project.

ATTACHMENTS

Attachment 1 – Preliminary schematic design showing proposed renovations
Attachment 2 – Photo of condemned bleachers
Attachment 3 – ISU FY19 Six-Year Capital Improvement Plan - Revised

STAFF COMMENTS AND RECOMMENDATIONS

Board Policy V.K. states that institutions under the governance of the Board shall submit to the Board for its approval a six-year capital construction plan prior to commencing a capital construction project. The proposed plan adds the Davis Field project. The planning and design phase of the project is expected to be \$450,000. The full project is estimated to cost \$4,060,000 as detailed in Attachment 3.

Staff recommends approval.

BOARD ACTION

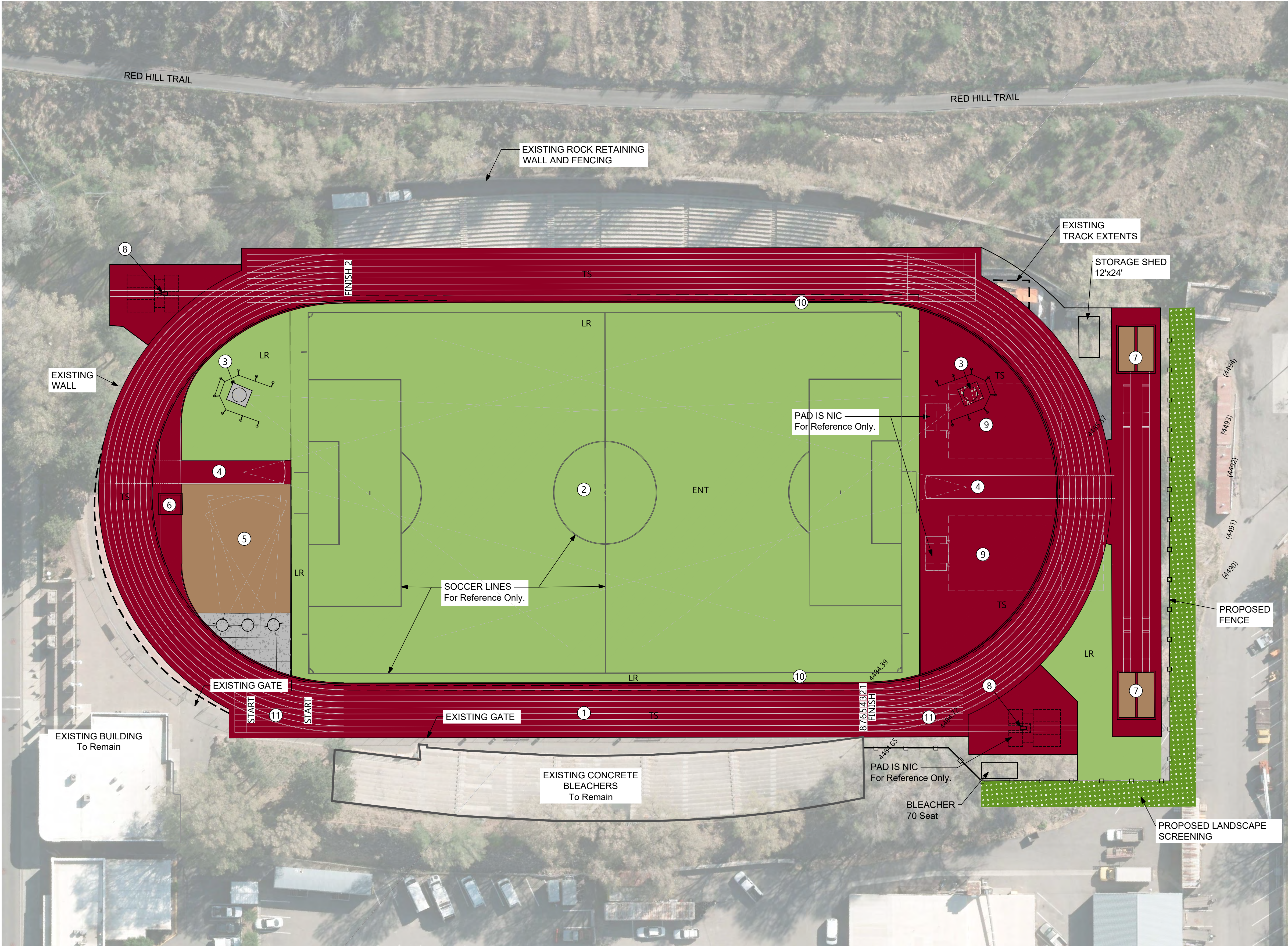
I move to approve the request from Idaho State University to amend their Six-Year Capital Improvement Plan as provided in Attachment 3.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

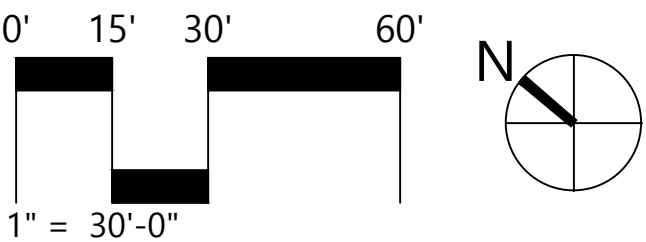
I move to approve the request from Idaho State University to proceed with planning and design for the Davis Field Renovation at an amount not to exceed \$450,000, as described in Attachment 1.




Moved by _____ Seconded by _____ Carried Yes _____ No _____



- KEY NOTES:
- ① Eight lane, 400 meter track, 112' radius, 42 inch lanes. New base rock, asphalt paving and track surfacing. Refer to detail 3/L-401.
 - ② Existing irrigated natural turf field to remain. Field includes sand channel drainage and perimeter concrete curb. Soccer field meets NCAA minimum size: 345' x 210'.
 - ③ Discus: new discus cage, circle, and concrete pad.
 - ④ Javelin Runway: Concrete paving with track surfacing. Refer to details 1 and 2/L-403.
 - ⑤ Shot Put: In ground shot circle (competition), two practice circles, cinders, and concrete header. Refer to details 4, 5, and 6/L-401.
 - ⑥ Steeplechase: New pit form, barrier, and cover. Refer to details 1 and 2/L-402.
 - ⑦ Long/Triple Jump: New in-ground take off boards and sand pit with concrete header. Refer to details 3, 4, and 5/L-402.
 - ⑧ Pole Vault: New in-ground vault boxes. Salvage existing landing pads for re-use. Confirm pad size with Owner. Pad is NIC. Refer to 3 and 4/L-403.
 - ⑨ High Jump: Salvage existing landing pad for re-use.
 - ⑩ Interior 6" track curb per detail 3/L-401.
 - ⑪ Primary 100/110m start lines and extended runout area.

- LEGEND:
- SYNTHETIC TRACK SURFACING
 - GRASS
 - CLAY / SAND / CINDERS
 - CONCRETE PAVING
 - FENCING
 - FENCING
 - LANDSCAPE PLANT SCREENING



				DRAWN: NL		CHECKED: JG/CM		 LANDSCAPE ARCHITECTURE & PLANNING 160 East Broadway Eugene, OR 97401 (503) 485-7385	 DRAFT	 131 SW 5th Avenue, Suite A Meridian, Idaho 83642 (208) 288-1992	IDAHO DEPARTMENT OF PUBLIC WORKS	IDAHO STATE UNIVERSITY - DAVIS FIELD		PROJECT NO. 208106-044	
				DESIGNED:		APPROVED:						PRELIMINARY TRACK SITE PLAN		SHEET NO. L-100	
NO. REVISIONS BY DATE This document or any part thereof in detail or design concept is the personal property of Keller Associates, Inc. and shall not be copied in any form without the written authorization of Keller Associates, Inc. BAHR - SECTION II				VERIFY SCALE: Scales based on 22"x34" prints.		2 Inches									
														TAB 2 Page 1	

Davis Field Bleachers East Side Condemned



Six Year Capital Improvement Budget

Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
College of Technology EAMES Phase 1	\$13,300,000					
Meridian Cadaver Lab and Nursing Expansion	\$7,750,000					
Holt Arena Seating, Code Analysis and Project Planning	\$2,500,000					
Meridian Parking Expansion (Land Acquisition Cost To Be Determined)	\$1,700,000					
Davis Field Renovation	\$4,060,000					
Gale Life Science Remodel or New Building		\$63,000,000				
College of Technology EAMES Phase 2		\$5,000,000				
Upgrade HVAC, Ceilings, & Lighting, Eli Oboler Library		\$9,465,206				
ISU Health and Wellness Center Planning and Design		\$3,500,000				
Remodel Basement, Frazier Hall		\$1,600,000				
Remodel 1st Floor Circulation, Eli Oboler Library		\$3,996,000				
Greenhouse Addition, Plant Sciences		\$1,703,570				
Meridian Dental Hygiene Expansion		\$3,732,850				
College of Technology EAMES Phase 3			\$3,000,000			
ISU Alumni Center			\$8,473,000			
ISU Health and Wellness Center Construction Phase 1			\$6,292,500			
Graveley Hall - Upgrade the heating and cooling system			\$2,875,000			
Beckley Nursing – Asbestos mitigation, ceiling system and lights			\$1,700,000			
ISU Health and Wellness Center Construction Phase 2				\$6,292,500		
Vocarts - Replace, HVAC, Fire Alarm & ADA restrooms				\$1,745,842		
Remodel LEL second floor for additional labs				\$1,050,000		
Campus Housing Renovations & Remodeling				\$10,000,000		
New Museum of Natural History					\$22,444,000	
College of Business - Modernization						\$25,000,000
Reroute campus traffic						\$8,000,000
\$218,180,468	\$29,310,000	\$91,997,626	\$22,340,500	\$19,088,342	\$22,444,000	\$33,000,000
6 year outlay total						

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

UNIVERSITY OF IDAHO

SUBJECT

Acquisition of real property in Minidoka County.

APPLICABLE STATUTE, RULE, OR POLICY

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

ALIGNMENT WITH STRATEGIC PLAN

Goal 1, Objective A and B; Goal 2, Objectives B and D: This acquisition facilitates delivery of new educational modules providing hands on experiences not possible with current facilities and sites, and improves educational access for adult learners. This acquisition is an investment in innovative and relevant programs of current programmatic interest to the University of Idaho (UI). This investment in new academic and research facilities facilitates the creation and development of new ideas and solutions to address Idaho's needs for economic development and the education of its citizens.

BACKGROUND/DISCUSSION

The UI's College of Agricultural and Life Sciences (CALS) has selected a site for the projected 1000-cow research dairy that is a main component of UI's planned Center for Agriculture, Food and the Environment (CAFE). Acquisition of this proposed site is a necessary first step to develop the milking facility and associated animal feed, and nutrient management infrastructure anticipated for the CAFE research dairy operation.

Acquisition of the selected site in the midst of Idaho's substantial dairy industry in the Magic Valley is being facilitated by a cooperative land acquisition arrangement with the foundation established by the Idaho Dairymen's Association (IDA). The proposed arrangement allows the acquisition of approximately 640 contiguous acres of existing cropland which also contains a partially developed, and permitted, dairy site near Rupert, including associated water rights. This property is deemed suitable by CALS to support the size and type of dairy facility needed for the range of programs envisioned for CAFE.

The full parcel has been appraised at \$5.4 million. Portions of the site will be acquired separately by IDA's foundation and by the UI. UI will pay \$2.5 million to purchase approximately 236 contiguous acres that contain crop land as well as the approved and permitted dairy site. IDA's foundation will acquire approximately 302 acres of crop land for a purchase price of \$2 million. The balance of the property consisting of approximately 100 acres of crop land is being donated to UI by the Sellers.

The IDA foundation agrees that when UI has reached a certain minimum level of milking operation as part of the CAFE research dairy, the foundation will convey

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

its property to UI at no cost (See Attachment 2, the “Commitment to Gift”). UI will be required to use this property for the purpose of directly supporting ongoing CAFE operations for a term of 30 years or title will revert back to the IDA’s foundation. This Commitment to Gift means that upon the build-out and operation of the CAFE research dairy, as anticipated, UI will have acquired title to the full 640 acre parcel currently valued at \$5.4 million for a cash payment of \$2.5 million.

IMPACT

Funding for the \$2.5 million purchase by UI will be covered by central reserves. Eventual construction costs estimated to be about \$27 million, will require subsequent Regents approval, and will be supported by anticipated funding from the State of Idaho, UI, and allied industry cooperators. Ongoing operation costs will be supported by College of Agricultural and Life Sciences’ budget as well as funds from the operation of the CAFE research Dairy.

ATTACHMENTS

- Attachment 1 – Purchase and Gift Agreement
- Attachment 2 – Commitment to Gift
- Attachment 3 – Map of subject property
- Attachment 4 – Project Cost and Fundraising Reconciliation

STAFF COMMENTS AND RECOMMENDATIONS

The proposed purchase would require \$2.5 million from institutional reserves. While the entire project is estimated to cost \$45 million, the request before the Board is only for the purchase of the property. This project is in partnership with the Idaho Dairywomen’s Association (IDA) foundation, which is purchasing adjacent land for \$2 million. The property being donated to the University is valued at approximately \$900,000. The University is acquiring approximately \$5.4 million worth of property for a purchase price of \$2.5 million.

IDA requires that the University operate a milking operation by 2024. If the University does not meet that requirement, IDA will be able to sell their portion of the property. UI will have the right of first refusal and could purchase the property from IDA for \$2.5 million.

The CAFE research will focus on the following:

- Efficient water use
- Water and air quality and soil health
- Bio-refining, anaerobic digestion, energy production, recycling and reuse
- Value-added food processing and animal-based byproducts, pathogen-free fiber, recovered chemicals, bio-plastics and petrochemical precursor substitutes

The Project Cost and Fundraising Reconciliation document is provided in Attachment 4. The last column, “Fundraising Cash Analysis” details the land value and commitment from the Division of Public Works. During the 2017 Legislative

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

Session, \$10 million was appropriated for the CAFE project. The bill stated that the \$10 million “shall be expended only after institution presidents have secured pledges for their portion of the project costs for ... the University of Idaho Center for Agriculture, Food, and the Environment.”

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho for authority to acquire certain real property located in Minidoka County for a purchase price of \$2.5 million, under terms in substantial conformance to the Purchase and Gift Agreement submitted as Attachment 1; and to enter into the Commitment to Gift Agreement with the IDA foundation in substantial conformance to Attachment 2 submitted to the Board. This includes authority for the Vice President for Finance and Administration for the University of Idaho to execute all necessary transaction documents as contemplated in the Purchase and Gift Agreement and the Commitment to Gift Agreement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

PURCHASE AND GIFT AGREEMENT

This Purchase and Gift Agreement (this “Agreement”) is made and entered into as of the ____ day of January, 2019 (“Effective Date”) 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 (“Buyer”) and W-4 Dairy, an Idaho Limited Partnership (“Seller”).

- 1) **PURCHASE AND SALE.** Seller agrees to sell and Buyer agrees to purchase all of Seller’s right, title and interest in and to those certain parcels of real property located in Minidoka County, Idaho, and more particularly described in Section 1(a) below (the “Land”), together with all appurtenances thereunto, including all improvements, permits, easement rights, fixtures, minerals and mineral rights, water and water rights, and the leases and personalty, all as more particularly described below (collectively with the Land, the “Property”)

a) Land. The Land subject to this transaction is located in a portion of Section 17 of Township 7 South, Range 24 East, Boise Meridian, Minidoka County, Idaho. At present the Seller owns the entirety of the above described Section 17. The common address of the real property located within Section 17 is 50 West 1300 North, Rupert, Idaho 83350. The real property located within Section 17 is further identified by Minidoka County Tax Parcel Number RP07S24E170001.

On June 15, 2017, Seller obtained a Confined Animal Feeding Operation “CAFO” Permit from Minidoka County, Idaho. Said Permit is identified as Permit Number 69-2017, this CAFO Permit shall be assigned to Buyer consistent with this transaction and Agreement (See Exhibit H). Said CAFO Permit identifies the outer boundary of the permitted dairy site; this outer boundary of the dairy site includes the Land subject to this transaction and extends into adjoining property owned by Seller but not included as part of the Land subject to this transaction. Therefore, a land survey shall establish a new property line between the Land and an adjoining parcel of land to be conveyed separately by Seller to the Idaho Dairy Environmental Action League Research Foundation., Inc. (the “IDEAL Parcel”). The land survey shall further identify that portion of the Land that is to be donated at no additional cost to Buyer (the “Gift Parcel”) and which is to be conveyed by separate deed to Buyer as provided herein.

Seller shall work with Minidoka County to divide the land according to the mutually agreed upon property lines and legal descriptions. Presently, the Buyer believes that once the land survey is completed the Land to be acquired by the Buyer (as two parcels, one of which is the Gift Parcel) shall in total be

approximately 335.65+/- acres of real property. The Land is legally and separately described in Exhibit A, together with all appurtenances and improvements thereon. Thereafter, the remaining portions of Section 17 (the IDEAL Parcel) shall consist of approximately 302.46+/- acres of real property which shall be acquired by IDEAL in a separate Purchase and Sale Agreement simultaneous to the closing of this present transaction.

b) Personalty. The personal property listed on Exhibit B, all of which is located on the Land (“Personal Property”). Any item of personal property that is not specifically identified on Exhibit B is excluded from this Agreement. Any Personal Property shall be conveyed AS-IS, without warranty, in the condition existing at the closing.

c) Water Rights. All water and water rights and other entitlements to water appurtenant to or beneficially used upon the Land including, but not limited to, those described on Exhibit C, and all others represented by any decree, license, permit, claim, permit application or storage entitlement, and all other ditch and canal company, water association, irrigation district, or other water delivery entity shares and entitlements to receive water from any such company, association, district, or other entity, and all ditch rights, easements, and rights of way associated with any irrigation or other water well, pump, delivery ditch, canal, lateral, pipeline, or facilities used to divert, convey or deliver any water, water rights, or entitlements appurtenant to or beneficially used upon the Land (collectively, “Water Rights”).

d) Mineral, Oil, Gas and Geothermal Rights. All minerals and mineral rights, oil and gas rights, and geothermal rights, appurtenant to or pertaining to the Land.

e) Leases. All permits, land, improvement and other leases pertaining to the Land, that have been disclosed to Buyer in writing and are accepted by Buyer in its sole discretion (collectively, the “Leases”).

f) FSA Programs. All rights pertaining to the Property in connection with any programs administered by the Farm Service Agency (“FSA Programs”), including, but not limited to, all base acres and yields and any CRP contracts, leases and/or agreements. Seller will cooperate with Buyer to accomplish such transfers on or after closing, as applicable. Any payments due under this section which are related to the 2018 growing season, or any prior year, even if paid after the closing of this transaction, will be paid directly to Seller and not subject to any offset for the benefit of Buyer.

//
//
//

2) PURCHASE PRICE.

a) Purchase Price. The purchase price shall be Two Million Five Hundred Thousand Dollars (\$2,500,000.00) (the “Purchase Price”).

b) Earnest Money. Seller specifically waives any obligation upon the Buyer to make an earnest money deposit with an Escrow Agent.

c) Seller’s Election to Utilize Internal Revenue Code Section 1031. Seller may elect to utilize Section 1031 of the Internal Revenue Code to complete a deferred exchange. Buyer acknowledges the same and will cooperate to any extent necessary. Buyer agrees that Seller may assign its rights under this Agreement to a qualified intermediary with respect to all or a portion of the Purchase Price and that portion of the Property associated therewith. Such an assignment of this Agreement to a qualified intermediary shall not release Buyer or Seller from any of its respective liabilities and obligations to each other or expand any such respective liabilities or obligations under this Agreement. Seller agrees to indemnify and hold Buyer harmless from any and all claims, costs, liabilities or delays in time resulting from such an exchange.

3) BUYER’S DUE DILIGENCE.

a) Due Diligence Period. Buyer shall have until the Closing Date (as such term is defined below) (such period, the “Due Diligence Period”), to conduct due diligence on the Property. On or before expiration of the Due Diligence Period, Buyer shall deliver a written notice to Seller stating either (i) that Buyer has received the specific approval of its governing board and accepts the condition of the Property and elects to proceed to closing (“Approval Notice”), or (ii) that Buyer has not received the approval of its governing board or determined that the Property is unacceptable (in Buyer’s sole discretion) and that Buyer elects to terminate this Agreement (“Disapproval Notice”). Upon Buyer’s delivery of an Approval Notice, Buyer and Seller shall proceed to closing as set forth in Section 6 below. Upon Buyer’s delivery of a Disapproval Notice both parties shall be relieved of all obligations hereunder, except those obligations that expressly survive the termination of this Agreement.

b) Inspection and Due Diligence Materials. After the Effective Date, Seller shall provide to Buyer any further documents and records related to this transaction as reasonably requested by Buyer, and provided Seller is in possession of the same. If Seller is not in possession of any requested documents and records related to this transaction, Seller shall provide to Buyer any reasonably requested release so that Buyer can obtain the same from others.

//
//
//

1) *Immediately Requested Due Diligence Materials:*

- a. A copy of any and all written lease agreements related to the Land;
- b. Written descriptions of any and all oral lease agreements related to the Land;
- c. A Copy of any and all written agreements with any utility providers related to the Land;
- d. Copies of any and all utility bills for the proceeding twelve months relating to the Land;
- e. A complete copy of any and all records related to the Land in the possession of the Idaho State Department of Agriculture "ISDA";
- f. A copy of the ISDA approved Environmental/Nutrient Management Plan;
- g. A complete copy of any and all information submitted as part of the Minidoka County CAFO application;
- h. A complete copy of any all designs related to the construction of the dairy facility;
- i. A copy of any and all information related to the water rights associated with the Land;
- j. Copies of any and all payments related to any special assessments associated with the Land.

c) Access and Indemnity. During the Due Diligence Period, Buyer and its agents, consultants and contractors shall have access to the Property and may conduct such studies, appraisals, inspections, environmental site assessment(s), surveys or evaluations of the Property as Buyer deems necessary or appropriate. Subject to the limits of liability provided by the Idaho Tort Claims Act, Buyer shall indemnify and hold Seller harmless from and against any and all claims, damages, liability, causes of action, judgments and expenses (including reasonable attorneys' fees and costs) arising from Buyer's inspection of the Property. Buyer shall repair any and all damage to the Property arising out of Buyer's inspection and shall restore the Property to as good a condition as existed on the date immediately preceding the date of such damage. The obligations set forth in this section shall survive the closing or the termination of this Agreement. Buyer shall have no obligation to indemnify Seller from any claim, damage, liability, cause of action, judgment or expense, including mechanic's liens, caused by Seller's negligence or willful misconduct or any physical condition existing on the Property prior to Buyer's inspection of the Property.

- 4) **CONDITION OF PROPERTY.** Subject to Section 1(b) above, Seller represents and warrants to Buyer as to those matters set forth on Exhibit D, attached hereto, which representations and warranties shall be deemed to be made by Seller as of the Effective Date and at the Closing Date, and which shall be a condition of Buyer's obligation to close. Except for such representations and warranties, and those set forth in the conveyance

instruments identified in herein, Seller makes no other representations or warranties concerning the Property.

- 5) **TITLE INSURANCE.** As soon as practicable, but in any event not later than ten (10) business days after the Effective Date, Seller shall provide Buyer with an ALTA commitment for title insurance issued by Title Agent, or its designee, in the amount of the Purchase Price (the “Title Commitment”). Buyer shall notify Seller of its approval or disapproval of any exception shown in the Title Commitment within thirty (30) days of being provided the same by written notice (the “Title Notice”). Any exception shown on the Title Commitment which is not disapproved in writing within said thirty (30) days shall be deemed approved by Buyer and shall be a “Permitted Exception”; provided, however, any financial encumbrance shall be deemed to be disapproved unless otherwise specifically indicated by Buyer in writing. Seller shall, within ten (10) business days after the receipt of such Title Notice, remove the disapproved exceptions or give reasonable written assurances to Buyer that such disapproved exception(s) will be removed on or before closing. If Seller fails or refuses to remove such exceptions or to provide assurances to Buyer within such 10-day period, then Buyer may, at its option, terminate this Agreement by giving notice of such termination to Seller. All obligations of Seller and Buyer under this Agreement shall terminate, except those obligations that expressly survive the termination of this Agreement. Buyer shall not be required to close if any exception disapproved by Buyer as herein provided cannot be removed by closing; provided, however, that Buyer may elect to close in spite of any disapproved exceptions and close on the remaining terms, but such closing shall not be a waiver of Seller’s obligation to provide title as approved by the Buyer. Notwithstanding the foregoing, Seller shall remove any defect or encumbrance attaching by, through or under Seller after the date of this Agreement. Exceptions to be discharged by Seller may be paid out of the Purchase Price at closing.

6) **CLOSING AND RELATED MATTERS.**

a) Closing Date. If (i) Buyer delivers an Approval Notice, (ii) Buyer is satisfied with the condition of the title to the Property pursuant to Section 5 above, and (iii) Buyer’s other closing conditions have been satisfied or waived in writing, then the closing shall take place March 1, 2019 (the “Closing Date”), *provided that* the parties may advance the Closing Date to an earlier date by mutual agreement of all parties. Buyer shall be entitled to exclusive possession of the Property on the Closing Date.

b) Closing. The closing shall take place at TitleOne Corporation, 237 N. Lincoln, P.O. Box 349, Jerome, Idaho 83338, Attention: Laury Lamb, (208) 324-3357, llamb@titleonecorp.com (“Title Agent”). At least three (3) business days before the Closing Date, Buyer and Seller shall deposit with Title Agent all instruments and documents as necessary to complete the transaction in accordance with this Agreement. On or before the Closing Date, Buyer shall deposit with the Title Agent

all monies, including the Purchase Price (payable in cash, by wire funds or official bank check, and the proration(s) described below), as necessary to complete the transaction in accordance with this Agreement. Title Agent's closing fees shall be equally divided between Seller and Buyer. Seller shall pay for the Title Policy (defined below). Buyer shall pay for any title insurance desired by Buyer in addition to the Title Policy, and for the cost of any tests or inspections of the Property desired by Buyer, including, but not limited to, equipment inspections, soils tests, water right evaluation, well water productivity test, level 1 environmental study, and flood certification. The income and expenses with respect to the Property, including, but not limited to, Leases, if any, assessments and utility charges, and those expenses described herein shall be prorated as of the Closing Date.

c) Conveyance and Other Instruments. At closing, the parties shall execute and deliver the following:

- (1) *Warranty Deeds*, in the form set forth in Exhibit E, conveying good and marketable title to the Property to Buyer free and clear of all liens, claims and encumbrances;
- (2) *Notice of Change in Water Right Ownership* ("Notice") in the form set forth in Exhibit G, thereby transferring the Seller's interest in the decreed water rights identified in Exhibit C to the Buyers.
- (3) *Bill of Sale*, in the form set forth in Exhibit F, conveying good and marketable title to the Personal Property listed in Exhibit B to Buyer free and clear of all liens, claims and encumbrances;
- (4) All other documents or instruments reasonably requested by Buyer or Title Agent to complete the transactions contemplated by this Agreement, including any assignments or other documents required in connection with the transfer of any FSA Programs, Water Rights, or other entitlements related to the use of the Property, an Affidavit of Non-foreign Status (FIRPTA), and the No-Lien Affidavit described in Section 17 below.

d) Title Insurance. As soon as it is available after closing, Seller shall provide Buyer with an ALTA standard coverage title insurance policy pursuant to the Title Commitment, dated as of the Closing Date and insuring Buyer in the amount of the Purchase Price against loss or damage by reason of any defect in Buyer's title to the Property subject only to the printed exclusions and general exceptions shown on the Title Commitment or appearing in the policy form, and the Permitted Exceptions ("Title Policy").

e) Risk of Loss, Condemnation. Risk of loss of or damage to the Property shall be borne by Seller until the Closing Date. If the Property is or becomes the subject of any condemnation proceeding prior to closing, then Buyer may, at its option,

terminate this Agreement by giving notice of such termination to Seller on or before the Closing Date. Upon such termination this Agreement shall be of no further force or effect, however, that Buyer, in its sole discretion, may elect to purchase the Property, in which case the Purchase Price shall be reduced by the amount of any condemnation award received by Seller at or prior to closing. At closing, Seller shall assign to Buyer all of Seller's right, title and interest in and to any future condemnation awards or other proceeds payable or to become payable by reason of any taking. Seller agrees to notify Buyer in writing of any threatened or pending condemnation proceeding immediately upon Seller having knowledge thereof.

- 7) **BROKERAGE.** Both Seller and Buyer represent and warrant that they have not used a broker or agent in this transaction.
- 8) **NOTICES.** Any notice under this Agreement shall be in writing and be delivered in person, by electronic mail, by public or independent private courier service (so long as such service provides written confirmation of delivery), or certified mail, return-receipt requested. All notices shall be addressed to the parties at the addresses contained herein or at such other addresses as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on (a) actual delivery or refusal, (b) three days after mailing by registered or certified mail or (c) the day electronic mail delivery is verified as completed by the transmitting system.

If to Buyer:

Board of Regents of the University of Idaho
Attn: Vice President Finance and Administration
University of Idaho
875 Perimeter Dr MS 3168
Moscow ID 83844-3168

If to Seller:

W-4 Dairy Limited Partnership
116 North River Island Road
Rupert, Idaho 83350

With a copy to:

- 9) **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all together shall constitute one and the same Agreement.

Delivery of an executed counterpart of a signature page to this Agreement via electronic mail shall be as effective as delivery of an original signed copy.

- 10) **BINDING EFFECT; ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Buyer may assign this Agreement prior to closing upon written notice of such assignment to Seller.
- 11) **INTEGRATION; AMENDMENT.** This Agreement contains the entire agreement between the parties relating to the Property, and supersedes any prior agreement, arrangement or understanding between the parties, whether oral, written, electronic or otherwise. This Agreement may only be amended, modified, or changed by a traditional written document properly executed by Buyer and Seller. Such amendment may be transmitted by e-mail or other method permitted by the provisions for giving notice in this Agreement.
- 12) **REMEDIES.** If either Buyer or Seller defaults in the performance of this Agreement, the non-defaulting party may seek any right or remedy provided at law or equity, including specific performance of this Agreement, damages or rescission. In any suit, action or appeal therefrom to enforce or to interpret this Agreement, the prevailing party shall be entitled to recover all of its costs incurred therein, whether of right or discretionary, including reasonable attorneys' fees, and including such costs and reasonable attorneys' fees on appeal or incident to collection or enforcement of a judgment.
- 13) **WAIVER.** Waiver of performance of any provision of this Agreement shall not be a waiver of, nor prejudice, the party's rights otherwise to require performance of the same provision or any other provision.
- 14) **TIME OF THE ESSENCE; BUSINESS DAYS AND HOURS.** Time is of the essence in this Agreement. A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the Property is located. A business day shall not include any Saturday or Sunday nor shall a business day include any legal holiday recognized by the State of Idaho as set forth in Idaho Code § 73-108. The time in which any act required under this Agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday or a weekend then the time for performance shall be the next subsequent business day.
- 15) **SELLER COOPERATION; CONTINUED OPERATIONS.** Seller shall cooperate in connection with Buyer's efforts to obtain inspections, reports, permits, consents and approvals as Buyer deems necessary or appropriate in connection with the Property. From

the Effective Date through the Closing Date, Seller shall continue to operate, keep and maintain the Property in the ordinary course of business and at a level consistent with prior practices.

- 16) **AUTHORITY.** Each individual executing this Agreement represents and warrants that he or she is duly authorized to execute and to deliver this Agreement on behalf of the party such individual represents and that this Agreement is binding upon said party in accordance with its terms.
- 17) **PARTIES IN POSSESSION; LIENS.** Seller represents and warrants to Buyer, as of the date of this Agreement and as of the Closing Date, that the Property is not subject to any leases, tenancies or rights of persons in possession except as have been disclosed to Buyer in writing. Prior to closing, Seller shall execute and deliver to Title Agent or Buyer an executed No-Lien Affidavit, in a form reasonably acceptable to Buyer, confirming the nonexistence of any liens or rights to any liens on the Property.
- 18) **CONSTRUCTION.** Both the Seller and the Buyer have been, or have had the opportunity to be, represented by legal counsel in the course of the negotiations for the preparation of this Agreement. Accordingly, in all cases, the language of this Agreement shall be construed simply, according to its plain meaning, and not strictly for or against either party regardless of which party caused the preparation of this Agreement.
- 19) **CONFIDENTIALITY AND NO-SHOP.** Subject to applicable public records and meetings laws, from the Effective Date until the Closing Date or earlier termination of this Agreement, Buyer and Seller shall maintain strict confidentiality regarding the existence of the parties' negotiations, this Agreement, the proposed transaction and all other matters related thereto. Notwithstanding the foregoing, each party shall be entitled to disclose to its legal and financial advisors such information to the extent necessary for the advisors to provide advice to such party and if each such advisor acknowledges, in writing, that it is bound by this provision. In addition, Seller agrees that, during the period noted above, it will not list or advertise the Property for sale or lease, or accept any offer or contract, or engage in any negotiation or discussion regarding the sale, lease, hypothecation, or any other transaction relating to the Property (or any merger or sale of equity which would involve a change of control of Seller) and will immediately disclose any unsolicited offers or inquiries to Buyer.
- 20) **CHOICE OF LAW.** This Agreement and any issues or disputes arising out of, relating to, or in any manner in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by, and construed in accordance with, the laws of the State of Idaho, without giving effect to its conflict of laws principles. In the event of any dispute arising

out of this Agreement or any action to enforce the terms hereof, the parties expressly submit to jurisdiction and agree to venue in the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls, and irrevocably and unconditionally waive any right to argue that any such court constitutes an inconvenient forum. Further, the parties expressly consent to accept service of any pleading or motion related to enforcing this Agreement by the prosecuting/moving party by mailing, hand delivering, or overnight expressing a copy to the other party and the other party's attorneys, if any. THE PARTIES HEREBY WAIVE TRIAL BY JURY.

The parties have executed this Agreement effective the day and year first above written.

SELLER:

W-4 Dairy, an Idaho Limited Partnership

By: _____
Stacey Jackson, General Partner

By: _____
Brandon Whiteside, General Partner

By: _____
Brent Whiteside, General Partner

BUYER:

Board of Regents of the University of Idaho

By: _____
Brian Foisy, Vice President Finance and Administration
University of Idaho

Exhibits

Exhibits:

- Exhibit A – Legal Descriptions of the Land
- Exhibit B – Description of Included Personal Property
- Exhibit C – Water Rights
- Exhibit D – Seller Representations and Warranties
- Exhibit E – Warranty Deeds
- Exhibit F – Bill of Sale
- Exhibit G- Notice of Change in Water Right Ownership
- Exhibit H - CAFO Transfer Application

ACKNOWLEDGMENT AND AGREEMENT:

TitleOne Corporation hereby acknowledges receipt of a fully-executed copy of this Agreement and agrees to be bound by the terms thereof.

TITLEONE CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND**

Part of Section 17 in Township 7 South, Range 24 East of the Boise Meridian, Minidoka County, State of Idaho.

Beginning at the Northwest Corner of Section 17 in T.7 S., R.24 E., B.M. said corner marked by a $\frac{5}{8}$ " rebar which shall be the Point of Beginning;

THENCE North 89 degrees 43 minutes 45 seconds East along the north line of Section 17 for a distance of 5270.51 feet to a $\frac{5}{8}$ " rebar at the Northeast Corner of Section 17;

THENCE South 00 degrees 07 minutes 38 seconds East along the east line of Section 17 for a distance of 2713.82 feet;

THENCE North 86 degrees 48 minutes 01 seconds West for a distance of 23.96 feet to a $\frac{1}{2}$ " rebar;

THENCE North 86 degrees 48 minutes 01 seconds West for a distance of 894.18 feet to a $\frac{1}{2}$ " rebar;

THENCE North 18 degrees 24 minutes 10 seconds West for a distance of 1382.22 feet to a $\frac{1}{2}$ " rebar;

THENCE South 89 degrees 26 minutes 20 seconds West for a distance of 1274.32 feet to a $\frac{1}{2}$ " rebar;

THENCE South 88 degrees 45 minutes 09 seconds West for a distance of 1350.02 feet;

THENCE North 27 degrees 42 minutes 13 seconds West for a distance of 61.93 feet;

THENCE North 12 degrees 11 minutes 50 seconds East for a distance of 1325.40 feet;

THENCE South 89 degrees 43 minutes 45 seconds West for a distance of 596.50 feet;

THENCE along a non-tangent curve to the left for a distance of 1378.48 feet, said curve having a radius of 1350.00 feet, a delta angle of 58 degrees 30 minutes 17 seconds, and a long chord bearing of South 44 degrees 36 minutes 51 seconds West for a distance of 1319.37 feet;

THENCE South 00 degrees 09 minutes 10 seconds East for a distance of 930.57 feet to a $\frac{1}{2}$ " rebar;

THENCE South 89 degrees 50 minutes 50 seconds West for a distance of 25.00 feet to the west line of Section 17;

THENCE North 00 degrees 09 minutes 10 seconds West along said section line for a distance of 1890.33 feet to the Point Of Beginning.

Said property contains 163.02 acres more or less and is subject to any easements or right of ways, existing or of record.

AND

Part of Section 17 in Township 7 South, Range 24 East of the Boise Meridian, Minidoka County, State of Idaho.

Beginning at the Northwest Corner of Section 17 in T.7 S., R.24 E., B.M. said corner marked by a $\frac{5}{8}$ " rebar; Thence South 00 degrees 09 minutes 10 seconds East along the west line of Section 17 for a distance of 1890.33 feet to the Point of Beginning;

THENCE North 89 degrees 50 minutes 50 seconds East for a distance of 25.00 feet to a $\frac{1}{2}$ " rebar;

THENCE along a non-tangent curve to the left for a distance of 1065.87 feet to a $\frac{1}{2}$ " rebar, said curve having a radius of 1420.00 feet, a delta angle of 43 degrees 00 minutes 24 seconds, and a long chord bearing of South 45 degrees 17 minutes 56 seconds East for a distance of 1041.02 feet;

THENCE North 89 degrees 19 minutes 52 seconds East for a distance of 768.84 feet to a $\frac{1}{2}$ " rebar;

THENCE North 81 degrees 54 minutes 35 seconds East for a distance of 504.94 feet to a $\frac{1}{2}$ " rebar;

THENCE North 61 degrees 17 minutes 29 seconds East for a distance of 111.82 feet to a $\frac{1}{2}$ " rebar;

THENCE North 28 degrees 16 minutes 21 seconds East for a distance of 275.45 feet to a $\frac{1}{2}$ " rebar;

THENCE along a non-tangent curve to the left for a distance of 1009.06 feet to a $\frac{1}{2}$ " rebar, said curve having a radius of 1320.00 feet, a delta angle of 43 degrees 47 minutes 57 seconds, and a long chord bearing of North 22 degrees 49 minutes 20 seconds East for a distance of 984.67 feet;

THENCE North 89 degrees 26 minutes 20 seconds East for a distance of 1274.32 feet to a $\frac{1}{2}$ " rebar;

THENCE South 18 degrees 24 minutes 10 seconds East for a distance of 1382.22 feet to a $\frac{1}{2}$ " rebar;

THENCE North 89 degrees 01 minutes 32 seconds West for a distance of 279.79 feet to a $\frac{1}{2}$ " rebar;

THENCE along a non-tangent curve to the left for a distance of 850.18 feet, said curve having a radius of 1301.00 feet, a delta angle of 37 degrees 26 minutes 30 seconds, and a long chord bearing of South 77 degrees 03 minutes 13 seconds West for a distance of 835.13 feet;

THENCE along a curve to the left for a distance of 442.36 feet to a ½" rebar, said curve having a radius of 1301.00 feet, a delta angle of 19 degrees 28 minutes 53 seconds, and a long chord bearing of South 48 degrees 35 minutes 30 seconds West for a distance of 440.23 feet;

THENCE South 48 degrees 35 minutes 30 seconds West for a distance of 362.24 feet to a ½" rebar;

THENCE along a non-tangent curve to the left for a distance of 981.29 feet to a ½" rebar, said curve having a radius of 1440.00 feet, a delta angle of 39 degrees 02 minutes 40 seconds, and a long chord bearing of North 43 degrees 06 minutes 13 seconds West for a distance of 962.42 feet;

THENCE South 89 degrees 19 minutes 52 seconds West for a distance of 1351.90 feet to a ½" rebar;

THENCE South 53 degrees 06 minutes 36 seconds West for a distance of 358.71 feet to a ½" rebar;

THENCE North 89 degrees 34 minutes 17 seconds West for a distance of 335.26 feet to a ½" rebar;

THENCE North 89 degrees 34 minutes 17 seconds West for a distance of 25.00 feet to the west line of Section 17;

THENCE North 00 degrees 09 minutes 10 seconds West along said section line for a distance of 986.18 feet to the Point Of Beginning.

Said property contains 72.63 acres more or less and is subject to any easements or right of ways, existing or of record.

AND, also included as part of Land but separately identified as "Gift Parcel" as provided in Section 1a of this Agreement.

Part of Section 17 in Township 7 South, Range 24 East of the Boise Meridian, Minidoka County, State of Idaho.

Beginning at the Northwest Corner of Section 17 in T.7 S., R.24 E., B.M. said corner marked by a ⅝" rebar; Thence South 00 degrees 09 minutes 10 seconds East along the west line of Section 17 for a distance of 1890.33 feet; Thence North 89 degrees 50 minutes 50 seconds East for a distance of 25.00 feet to a ½" rebar which shall be the Point of Beginning;

THENCE North 00 degrees 09 minutes 10 seconds West for a distance of 930.57 feet;

THENCE along a non-tangent curve to the right for a distance of 1378.48 feet, said curve having a radius of 1350.00 feet, a delta angle of 58 degrees 30 minutes 17 seconds, and a long chord bearing of North 44 degrees 36 minutes 51 seconds East for a distance of 1319.37 feet;

THENCE North 89 degrees 43 minutes 45 seconds East for a distance of 596.50 feet;

THENCE South 12 degrees 11 minutes 50 seconds West for a distance of 1325.40 feet;

THENCE South 27 degrees 42 minutes 13 seconds East for a distance of 61.93 feet;

THENCE North 88 degrees 45 minutes 09 seconds East for a distance of 1350.02 feet to a ½" rebar;

THENCE along a non-tangent curve to the right for a distance of 1009.06 feet to a ½" rebar, said curve having a radius of 1320.00 feet, a delta angle of 43 degrees 47 minutes 57 seconds, and a long chord bearing of South 22 degrees 49 minutes 20 seconds West for a distance of 984.67 feet;

THENCE South 28 degrees 16 minutes 21 seconds West for a distance of 275.45 feet to a ½" rebar;

THENCE South 61 degrees 17 minutes 29 seconds West for a distance of 111.82 feet to a ½" rebar;

THENCE South 81 degrees 54 minutes 35 seconds West for a distance of 504.94 feet to a ½" rebar;

THENCE South 89 degrees 19 minutes 52 seconds West for a distance of 768.84 feet to a ½" rebar;

THENCE along a non-tangent curve to the right for a distance of 1065.87 feet to a ½" rebar, said curve having a radius of 1420.00 feet, a delta angle of 43 degrees 00 minutes 24 seconds, and a long chord bearing of North 45 degrees 17 minutes 56 seconds West for a distance of 1041.02 feet to the Point Of Beginning.

Said property contains 100.00 acres more or less and is subject to any easements or right of ways, existing or of record.

These descriptions total approximately 335.65 acres and constitute the "Land" as defined herein.

** Legal Descriptions to be amended following receipt of the Title Commitment.

EXHIBIT B

DESCRIPTION OF INCLUDED PERSONAL PROPERTY

All personal property located on the Land as of the Effective Date for uses related to irrigation of the farmland, including, but not limited to, all irrigation wells, 2 pivots, all pumps, equipment, water lines, irrigation equipment and associated pivot power units.

Specifically including the following items of personal property:

- 1) Valley Pivot Model 8000 Order # 1029555;
- 2) Valley Pivot Model 8000 Order # 1029558;
- 3) North Parcel Pump 200 hp US Electric Motor;
- 4) Johnston Turbine Pump;
- 5) 25 hp Booster Pump Baldor Electric Motor.

EXHIBIT C
WATER RIGHTS

All water and water rights, and other entitlements to water, appurtenant to or beneficially used upon the Land, including but not limited to the following decreed water rights identified in the records of the Idaho Department of Water Resources:

- 1) 36-7932
- 2) 36-16810
- 3) 36-17710

EXHIBIT D

SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as of the Effective Date of this Agreement, and upon the Closing Date shall be deemed to represent and warrant to Buyer, as follows:

1. Seller has good and marketable title to the Property. There are no exceptions to or defects in title, except as set forth on the Title Commitment, and to Seller's knowledge there is not any defect, exception, encroachment or any fact, matter or circumstances which, with notice or the passage of time, may constitute or result in any such defect, exception or encroachment on or to the Property. Seller has and will be capable of conveying access to the Property consistent with Seller's present and past use of the Property and otherwise adequate for use of the Property for agricultural purposes as currently conducted by the Seller.

2. Seller, and the person(s) signing on behalf of Seller, if applicable, have all requisite right, power and authority to execute this Agreement. Seller has, or prior to the closing shall have, all requisite right, power and authority to perform its obligations hereunder.

3. The execution, delivery and performance by Seller of this Agreement and such other instruments and documents to be executed and delivered in connection herewith by Seller do not, and will not, result in any violation of, or conflict with any agreement or any mortgage, deed of trust, indenture, lease, security agreement, or other instrument or agreement to which Seller is a party or by which the Property is bound, or any judgment, writ, decree, order, injunction, rule or governmental regulation to which Seller or the Property is subject.

4. To Seller's knowledge there are no existing, pending, anticipated or threatened litigation, condemnation, zoning, land use or similar proceedings against Seller or involving the Property, or any other claim, action, suit or other proceeding threatened or pending which would adversely affect Buyer's right, title or interest in and to, or enjoyment or use of the Property, or which will or could adversely affect Seller's ability to consummate the transactions contemplated by this Agreement.

5. Neither Seller nor any of its members is currently in bankruptcy or has ever filed, or had filed against it, any petition seeking protection under federal bankruptcy laws or had any judgment entered against it seeking payment of a debt or made any assignment to or for the benefit of creditors. Neither the Seller nor any of its members is insolvent.

6. There are no outstanding and enforceable leases, tenancies, options, rights of first refusal, licenses, or operating or other agreements applicable to or affecting the Property to which Seller is a party or as to which Seller has knowledge. Other than this Agreement, there are no contracts or agreements relating to the sale, exchange or transfer of the Property or any part thereof or interest therein.

7. To Seller's knowledge during all times that the Property was owned or occupied by Seller, no hazardous substances or wastes have been used, located or deposited upon the Property. To Seller's knowledge, prior to Seller's acquisition of the Property, no hazardous substances or wastes have ever been used, located or deposited upon the Property. Seller has not conducted, and to Seller's knowledge no others have conducted, any activity on the Property which could have toxic, unlawful or detrimental results to the Property or the use or enjoyment thereof. Seller has not received any notice of any proceeding or any inquiry by any governmental agency with respect to hazardous substances or wastes on the Property. Seller has received no notice of, and has no reason to believe, that any matter or circumstance has occurred which, with notice or the passage of time would constitute or result in, any violations of any local, state or federal statutes or laws governing the generation, treatment, storage, disposal, or clean-up of hazardous substances or wastes, as the same may have been amended from time to time. As used herein "hazardous substances or wastes" shall mean any hazardous substance, waste or pollutants, contaminants or hazardous waste as presently defined by the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1990 and any amendments thereto, the Resource Conservation and Recovery Act and any amendments thereto or any similar state, local or federal law, rule or regulation, including, without limitation, asbestos or asbestos containing materials, PCBs, petroleum and petroleum products and urea-formaldehyde.

8. To Seller's knowledge, Seller's ownership, use, occupation, operation and maintenance of the Property is not currently and has never been in violation of any applicable orders, laws, ordinances or regulations of any local, county, state or federal governmental entity or agency. Seller has not received any notice, written or oral, that any such violation exists, has ever existed or, with notice or the passage of time, may exist in the future.

9. To Seller's knowledge, Seller has and has always had and maintained all permits, licenses, certificates and authorizations required by applicable orders, laws, ordinances and regulations relating to the ownership, use, occupation, operation and maintenance of the Property.

10. There are no liens of any type, including without limitation mortgages, deeds of trust, judgment, encumbrance, labor, mechanic or materialman (collectively, "Liens"), currently attached to the Property and Seller has no knowledge of any fact, matter or circumstance which, with notice or the passage of time, could result in any such Lien. No labor or material has been provided on or in connection with the Property during the last ninety (90) days which has not been paid for and which could form the basis of a mechanic's or materialman's Lien.

11. All taxes accruing against or assessed upon the Property by any local, county, state or federal taxing authority or government have been timely paid in accordance with applicable laws and regulations; the Property is not and during Seller's ownership has not ever been encumbered by any Lien arising from or in connection with the payment of taxes; Seller has not received any notice, oral or written, from any taxing authority threatening a Lien on the Property.

12. Seller has good and marketable title to all the Personal Property. There are no Liens or security interests in, on or attached to the Personal Property, and Seller has no knowledge of any fact, matter or circumstance which could result in any such Lien or security interest.

13. To Seller's knowledge, Seller has provided to Buyer true, accurate and complete copies of all documents and records reasonably requested by Buyer incident to this Agreement and Buyer's Due Diligence. To the extent the Due Diligence Materials were not prepared by Seller, Seller is making no warranty as to the accuracy or quality of work included therein, but Seller has no knowledge of any inaccuracy or misstatement of fact therein.

14. As used in this Exhibit D, the term "to Seller's knowledge" shall mean: (a) the current and actual knowledge and belief of Seller, including that of its Partners, (b) items set forth and described in the Title Commitment; (c) items set forth and described in the Due Diligence Materials, attached hereto.

15. Except for the express representations and warranties set forth above, and set forth in the documents of conveyance, Seller makes no warranty or representation, express or implied or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability or fitness for a particular purpose, with respect to the Property.

EXHIBIT E
WARRANTY DEED

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, W-4 Dairy, an Idaho Limited Partnership, ("Grantor"), does hereby grant, bargain, sell and convey unto the Board of Regents of the University of Idaho, a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho, whose current mailing address is Vice President Finance and Administration, University of Idaho, 875 Perimeter Dr MS3168, Moscow ID 83844-3168 ("Grantee"), the following described real property, located in Minidoka County, Idaho, to wit (the "Premises"):

See Exhibit A attached hereto and incorporated herein by this reference.

TOGETHER WITH all water and water rights and other entitlements to water appurtenant to or beneficially used upon the Premises including, but not limited to, those described on Exhibit B, and all others represented by any decree, license, permit, claim, permit application or storage entitlement, and all other ditch and canal company, water association, irrigation district, or other water delivery entity shares and entitlements to receive water from any such company, association, district or other entity, and all ditch rights, easements, and rights of way associated with any irrigation or other water well, pump, delivery ditch, canal, lateral, pipeline, or facilities used to divert, convey or deliver any water, water rights, or entitlements appurtenant to or beneficially used upon the Premises, and all minerals and mineral rights appurtenant thereto, and all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all estate, right, title and interest in and to the Premises, as well in law as in equity.

TO HAVE AND TO HOLD the Premises with its appurtenances unto Grantee, its successors and assigns, forever, and subject to the matters set forth on Exhibit C to this Warranty Deed attached hereto and incorporated herein (the "Permitted Exceptions"). Grantor does hereby covenant to and with Grantee, and its successors and assigns forever, that Grantor is owner in fee simple of the Premises; that Grantor has a good right to convey the fee simple; that the Premises is free from any and all liens, claims, encumbrances or other defects of title except the Permitted Exceptions; that Grantor shall and will warrant and defend the quiet and peaceful possession of said Premises by Grantee, and its successors and assigns forever, against all other claims whatsoever except as excluded or excepted herein and that Grantor and its successors and assigns will, on demand of the Grantee or its successors or assigns, execute any instrument necessary for the further assurance of the title to the Premises that may be reasonably required.

//

//

//

//

DATED effective as of the ____ day of _____, 2019.

W-4 Dairy, an Idaho Limited Partnership

By: _____
Stacey Jackson, General Partner

By: _____
Brandon Whiteside, General Partner

By: _____
Brent Whiteside, General Partner

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of _____, 2019, before me, a Notary Public in and for said state, personally appeared Stacey Jackson, who executed the instrument on behalf of the Partnership, and acknowledged to me that such Partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of _____, 2019, before me, a Notary Public in and for said state, personally appeared Brandon Whiteside, who executed the instrument on behalf of the Partnership, and acknowledged to me that such Partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of _____, 2019, before me, a Notary Public in and for said state, personally appeared Brent Whiteside, who executed the instrument on behalf of the Partnership, and acknowledged to me that such Partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

Exhibit A to Warranty Deed

[Legal Description to be attached]

Exhibit B to Warranty Deed

WATER RIGHTS

All water and water rights, and other entitlements to water, appurtenant to or beneficially used upon the Land, including but not limited to the following decreed water rights identified in the records of the Idaho Department of Water Resources:

- 1) 36-7932;
- 2) 36-16810;
- 3) 36-17710.

Exhibit C to Warranty Deed

[Permitted Exceptions to Come]

EXHIBIT F
BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, W-4 Dairy, an Idaho Limited Partnership (“Seller”) does hereby grant, bargain, sell, convey, warrant, and transfer to Board of Regents of the University of Idaho, (“Buyer”), all of its right, title and interest in and to the personal property, fixtures and equipment listed on Exhibit A and/or which is located on the real property described on Exhibit B (collectively, the “Personal Property”) unless specifically excluded in the attached Exhibit A. The said Personal Property is transferred and conveyed by Seller to Buyer AS-IS, in its present condition, without warranty as to condition, express or implied. Seller hereby covenants with Buyer that Seller is the lawful owner of the Personal Property, has good right to sell and convey the Personal Property to Buyer, that the Personal Property is free from all liens, claims and encumbrances, and that Seller will defend the same from and after the date hereof, and that the Seller will execute, acknowledge and deliver any further assignments, conveyances and other assurances, documents and instruments of transfer reasonably requested by Buyer and its successors and assigns for the purpose of assigning, transferring, granting, conveying and confirming the Personal Property to Buyer.

This Bill of Sale shall be binding upon, shall inure to the benefit of, and shall be enforceable by the parties and their respective legal representatives, successors and assigns.

Dated this _____ day of _____, 2019.

Attachments:

Exhibit A — Description of Personal Property

Exhibit B — Legal Description of Real Property

SELLER:

W-4 Dairy, an Idaho Limited Partnership

By: _____
Stacey Jackson, General Partner

By: _____
Brandon Whiteside, General Partner

By: _____
Brent Whiteside, General Partner

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of _____, 2019, before me, a Notary Public in and for said state, personally appeared Stacey Jackson, who executed the instrument on behalf of the Partnership, and acknowledged to me that such Partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of _____, 2019, before me, a Notary Public in and for said state, personally appeared Brandon Whiteside, who executed the instrument on behalf of the Partnership, and acknowledged to me that such Partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of _____, 2019, before me, a Notary Public in and for said state, personally appeared Brent Whiteside, who executed the instrument on behalf of the Partnership, and acknowledged to me that such Partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

Exhibit A to Bill of Sale

Description of Included Personal Property

All personal property located on the Land as of the Effective Date for uses related to irrigation of the farmland, including, but not limited to, all irrigation wells, 2 pivots, all pumps, equipment, water lines, irrigation equipment and associated pivot power units.

Specifically including the following items of personal property:

- 1) Valley Pivot Model 8000 Order # 1029555;
- 2) Valley Pivot Model 8000 Order # 1029558;
- 3) North Parcel Pump 200 hp US Electric Motor;
- 4) Johnston Turbine Pump;
- 5) 25 hp Booster Pump Baldor Electric Motor.

Exhibit B to Bill of Sale

Legal Description of Real Property

EXHIBIT G

Notice of Change in Water Right Ownership

- 1) This will be added following a discussion on the water right issue relating to the multiple deeds.**

EXHIBIT H

CAFO Transfer Application

- 1) This will be added following a determination from the County.**

COMMITMENT TO GIFT

Between: Idaho Dairy Environmental Action League Research Foundation, Inc., an Idaho Nonprofit Corporation with its principal office located at 195 River Vista Place, Suite 308, Twin Falls, Idaho, 83301 (hereinafter “the IDEAL Foundation”);

And: 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, by and through the University of Idaho Foundation, Inc., an Idaho Nonprofit Corporation with its principal office located at 875 Perimeter Drive, Moscow, Idaho, 83844 (hereinafter “the University”);

Effective Date: the ____ day of _____, 20____.

RECITALS

A. The IDEAL Foundation desires and intends to complete the Prospective Transaction and subsequently gift the Property to the University for the purpose of directly supporting a research dairy, but only provided that the dairy become Operational before such gift is made, with the intent that the dairy be maintained and operated to conduct dairy research, where the Idaho Dairymen’s Association will always participate in an advisory capacity while the CAFÉ research dairy is operational;

B. The Board of Regents is agreeable to this gift and association because it is expected that the University of Idaho and State of Idaho will realize educational and research opportunities as a result of its Gift from the IDEAL Foundation. In consideration of the IDEAL Foundation’s generosity, the University will dedicate the Property to directly support the research dairy that is part of the CAFE Capital Project, it will appoint the Idaho Dairymen’s Association to serve on search committees for all management positions, and it will ensure that the Idaho Dairymen’s Association always serves in an advisory capacity thereafter.

AGREEMENT

WHEREFORE, the parties acknowledge the understandings expressed in the above Recitals, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to this Commitment to Gift as follows:

//

//

1. **Definitions.** As used in this Commitment, the following words and terms shall have the following meanings, unless otherwise indicated:
 - a. “Commitment” shall mean this Commitment to Gift;
 - b. “Gift” shall mean the IDEAL Foundation’s intention to give and surrender title to and dominion over the Property it acquires in the Prospective Transaction, and to deliver the deed to the Property to the University of Idaho Board of Regents, in accordance with the terms of this Commitment. The Property which will be gifted to the University is intended to be used to directly support the CAFE research dairy and no other use shall impair the use of the property for this purpose. In the event at any time prior to December 31, 2054, the University fails to use the Property to directly support the CAFE research dairy (including if operations (As defined by 1(c)) of the CAFE research dairy cease), title shall revert to the IDEAL Foundation. At any time after January 1, 2055 the University may cease operations (As defined by 1(c)) of the CAFE research dairy and retain title to the Property without restriction on use.
 - c. “Operational” and/or “Operations” shall mean that the research dairy is fully operative and is milking one hundred (100) cows at least twice daily for a period of thirty (30) consecutive days to directly support the CAFÉ research dairy. During the period of time that the University commences operations (Day 1 of the 30-Day period to become fully operative) and until the time period in which the transaction closes (Gift Deed Provided) IDEAL will be a third-party receiver of Dairy byproducts generated by the University for purposes of its Nutrient Management Plan and/or Environmental Management Plan.
 - d. “Property” shall mean the 302.46 acres of real property of which 263.46 is irrigated acres (the two Southern pivots). This consists of a portion of the 640-acre parcel that will be acquired by the IDEAL Foundation and the University of Idaho Board of Regents in the Prospective Transaction and subsequently gifted to the University; and
 - e. “Prospective Transaction” shall mean the purchase of the Property by the IDEAL Foundation from W-4 Dairy Limited Partnership. The details of this transaction are contained in the Purchase and Sale Agreement, attached as **Exhibit A**.
2. **Commitment to Gift.** The IDEAL Foundation commits to gift the University the land it will acquire in the Prospective Transaction when the research dairy becomes Operational. This Commitment is contingent on the Prospective Transaction being fully completed, and is also contingent on the University’s ability to secure the other parcels needed to complete the entire research dairy facility and necessary supporting acreage. The details of the IDEAL Foundation’s Prospective Transaction and the Property it will purchase are detailed in **Exhibit A**, the Purchase and Sale Agreement.

The University shall have until December 31, 2024, to make the research dairy Operational. The IDEAL Foundation may, in its sole discretion, grant time extensions at the University's request. If the University does not make the dairy Operational by said date, the IDEAL Foundation reserves the right to sell its property, together with all improvements now existing or hereafter constructed.

During the time frame set out in 1(b) relating to the reversionary interest, the University agrees that use of the Property, which Property is described in **Exhibit A**, shall be for the purpose of directly supporting the research dairy and no other use shall impair the use for this purpose. In the event that the University fails to use the Property during this time frame to directly support the research dairy (including if operations (As defined by 1(c)) of the CAFE research dairy cease), title to the Property shall revert to the IDEAL Foundation. The research dairy shall be operated in accordance with generally accepted agricultural practices. At any time after January 1, 2055 the University may cease operations (As defined by 1(c)) of the CAFE research dairy and retain title to the Property without restriction on use.

In consideration of this Commitment, the University also agrees that the Idaho Dairymen's Association will serve on search committees for all management positions at the dairy, and will always serve in an advisory capacity thereafter.

3. **Right of First Refusal.** In the event that the University fails to make the research dairy Operational by December 31, 2024, or in the event that title to the Property reverts to the IDEAL Foundation due to the University's failure to use the Property to directly support the research dairy, the IDEAL Foundation reserves the right to sell the Property, together with all improvements now existing or hereafter constructed. If the University wishes to purchase the Property before an offer from a third party is received, the University has the option to purchase the property at \$2,500,000 or the appraised value of the real property, whichever is higher.

If an offer from a third party is received before the University offers to purchase the Property, then the University shall have the first right to match the financial terms of any offer to purchase the Property. If the IDEAL Foundation receives a bona fide written offer from a third party seeking any sale of the Property, whether in whole or in part, the IDEAL Foundation agrees to immediately furnish the University with a copy of the offer. The University shall have the right within thirty (30) days after it receives such copy to match the financial terms of the offer and agree in writing to match such terms of the offer. Such writing shall be in the form of a contract substantially similar to the offer. If the University chooses not to exercise this right or fails to provide written notice to the IDEAL Foundation within the thirty (30) day period, the IDEAL Foundation may sell the Property interest pursuant to the offer, subject to the terms of this Commitment.

4. Gift Closing and Related Matters.

- a. **Closing Date.** The property shall be gifted on a date soon after the dairy becomes Operational (hereinafter “Closing Date”). The Gift shall not be completed after December 31, 2024, unless the IDEAL Foundation has granted a time extension, in its sole discretion, upon the University’s request. The parties may advance closing of the Gift to an earlier date by mutual agreement of all parties. The IDEAL Foundation shall retain sole ownership of the Property until the dairy is Operational, although the University may occupy and lease the Property pursuant to the Lease Agreement.
- b. **Closing.** The closing shall take place at TitleOne Corporation, 237 N. Lincoln, P.O. Box 349, Jerome, Idaho 83338, Attention: Laury Lamb, (208) 324-3357, llamb@titleonecorp.com (“Title Agent”). At least three (3) business days before the Closing Date, the parties shall deposit with Title Agent all instruments and documents as necessary to complete the Gift in accordance with this Agreement. Title Agent’s closing fees shall be equally divided between the parties. The University shall pay for the Title Policy. The University shall also pay for any title insurance desired by the University in addition to the Title Policy, and for the cost of any tests or inspections of the Property desired by the University, including, but not limited to, equipment inspections, soils tests, water right evaluation, well water productivity test, level 1 environmental study, and flood certification. The income and expenses with respect to the Property, including, but not limited to, leases, if any, assessments and utility charges, and those expenses described herein shall be prorated as of the Closing Date.
- c. **Conveyance and Other Instruments.** At closing, the parties shall execute and deliver the following:
 - (1) *Warranty Deeds*, in the form set forth in Exhibit, conveying good and marketable title to the Property to the University free and clear of all liens, claims and encumbrances;
 - (2) *Notice of Change in Water Right Ownership* (“Notice”) in the form set forth in Exhibit, thereby transferring the IDEAL Foundation’s interest in the decreed water rights identified in Exhibit to the University.
 - (3) All other documents or instruments reasonably requested by the University or Title Agent to complete the transactions contemplated by this Commitment, including any assignments or other documents required in connection with the transfer of any FSA Programs, Water Rights, or other entitlements related to the use of the Property.

5. **BINDING EFFECT; ASSIGNMENT.** This Commitment shall be binding upon and inure to the benefit of the parties and their successors and assigns. The University may not assign this Commitment prior to closing the Gift.
6. **INTEGRATION; AMENDMENT.** This Commitment contains the entire agreement between the parties relating to the Gift, and supersedes any prior agreement, arrangement or understanding between the parties, whether oral, written, electronic or otherwise. This Commitment may only be amended, modified, or changed by a traditional written document properly executed by the University and the IDEAL Foundation. Such amendment may be transmitted by e-mail.
7. **AUTHORITY.** Each individual executing this Commitment represents and warrants that he or she is duly authorized to execute and to deliver this Commitment on behalf of the party such individual represents and that this Commitment is binding upon said party in accordance with its terms.
8. **CONSTRUCTION.** Both the the IDEAL Foundation and the the University have been, or have had the opportunity to be, represented by legal counsel in the course of the negotiations for the preparation of this Agreement. Accordingly, in all cases, the language of this Commitment shall be construed simply, according to its plain meaning, and not strictly for or against either party regardless of which party caused the preparation of this Agreement.

EXECUTED by the parties or their duly authorized representatives, to be effective as provided above.

The University of Idaho:

By: _____
Brian Foisy, Vice President
Finance and Admin

The IDEAL Foundation:

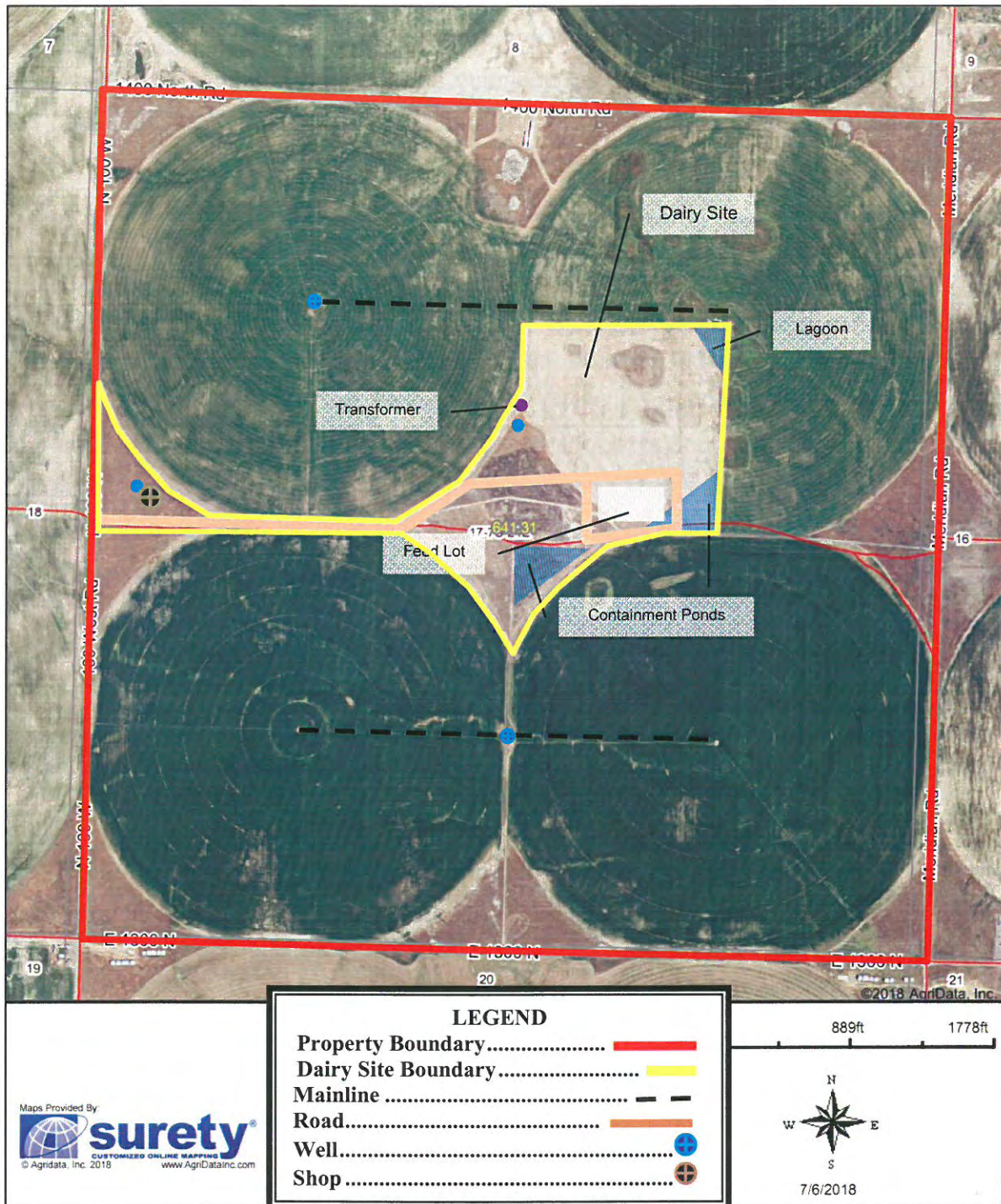
By: _____
Pete Wiersma, President
Idaho Dairy Environmental Action
League Research Foundation, Inc.

The University of Idaho Foundation, Inc.:

By: _____
Joy Fisher, Executive Director

Exhibit A

TRACT 3 DESCRIPTION AERIAL MAP



ATTACHMENT 4

CAFE Construction Analysis

Land (Dairy Site)	5,400,000
Land (Outreach Site)	1,000,000
Construction + Contingency	30,000,000
FF&E Costs	4,000,000
Miscellaneous Costs	4,600,000
CASH/GIK REQUIRED	45,000,000

Fundraising Revenue Analysis

State - DPW/PBF	10,000,000
IDA	2,000,000
University of Idaho	2,500,000
Whiteside Family (GIK)	900,000
SUBTOTAL	15,400,000
Surplus Property A (est)	4,000,000
Surplus Property B (est)	1,000,000
SUBTOTAL	20,400,000
Prospect A	3,000,000
Prospect B	2,000,000
Prospect C	5,000,000
SUBTOTAL	30,400,000
Prospect D	1,000,000
Prospect E	1,000,000
Prospect F	90,000
TOTAL PROJECT REVENUE	32,490,000

Fundraising Cash Analysis

State - DPW/PBF	10,000,000
IDA	2,000,000
University of Idaho	2,500,000
Whiteside Family (GIK)	900,000
SUBTOTAL	15,400,000
Surplus Property A (est)	-
Surplus Property B (est)	-
SUBTOTAL	15,400,000
Prospect A	-
Prospect B	-
Prospect C	-
SUBTOTAL	15,400,000
Prospect D	-
Prospect E	-
Prospect F	-
AVAILABLE CASH	15,400,000

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

UNIVERSITY OF IDAHO

SUBJECT

Updated Six-Year Capital Plan (FY2020-2025)

REFERENCE

August 2018

Board approved Six-Year Capital Plan

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.K.2.a and b.

ALIGNMENT WITH STRATEGIC PLAN

Goal 3: Objective A: Workforce Alignment – Prepare students to efficiently and effectively enter and succeed in the workforce.

BACKGROUND/DISCUSSION

The University of Idaho (UI) is providing an updated Six-Year Capital Plan to reflect the addition of two projects to the plan.

6th Street Greenhouses Expansion and Improvements

The College of Agricultural and Life Sciences (CALS) operates the 6th Street Greenhouses on the main campus of UI in Moscow. This greenhouse complex supports teaching, research and extension activities within CALS. The most recent major renovation to the 6th Street Greenhouses occurred in approximately 1995, more than 20 years ago. At that time, provisions included in the master plan were made for eventual expansion of the greenhouses complex. CALS now wishes to proceed with this long-planned expansion. The project is envisioned to include the addition of three new greenhouse bays to the existing greenhouse wings, creation of a technology equipped classroom, and necessary building system renovations, utility infrastructure improvements, and site development.

Equine Pavilion and Display Arena

CALS has a vision to design and construct an Equine Pavilion and Display Arena within the West Farm neighborhood to serve a variety of animal display and competition events and activities. The new facility will serve CALS, and the greater community by hosting a variety of events in support of the research and extension mission of UI. The project is envisioned to include the design and construction of the proposed Equine Pavilion and Display Arena and necessary utility infrastructure, and site development.

IMPACT

These two facilities are key in the success of UI's strategic plan, supporting Goal 2, Engage, Goal 3, Transform, and Goal 4, Cultivate, engaging the community and enriching the collegiate experiences and careers of the students of UI. There is

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

no material financial impact from approval of the updated Six-Year Capital Plan. UI will seek approval of the individual construction projects described above in compliance with Board policy, at which time the financial impact of each project will be addressed in accordance with applicable policy.

ATTACHMENTS

Attachment 1 – Revised Six-Year Capital Plan

STAFF COMMENTS AND RECOMMENDATIONS

Board Policy V.K. states that institutions under the governance of the Board shall submit to the Board for its approval a six-year capital construction plan prior to commencing a capital construction project. The proposed plan adds two projects to the institution's six-year plan in accordance with Board policy.

Staff recommends approval.

BOARD ACTION

I move to approve the revision to the FY20–25 University of Idaho's six-year capital plan as submitted in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

SET C: SIX YEAR CAPITAL IMPROVEMENT PLAN
(Major Capital Projects greater than \$1 mil Total Project Cost)
FY 2020 THROUGH FY 2025
(\$ in 000's)

Institution: University of Idaho

FY2020 REVISED SUBMITTAL Feb 19

Project Title	Est. Cost	Prev. Fund.	FY 2020			FY 2021			FY 2022			FY 2023			FY 2024			FY 2025		
			PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total
Aquaculture Research Facility CP140029	2,350	2,350	In Punchlist Status as of 1 Aug 18																	
Admin Bldg. Entry Foyer & Stair Life Safety Imp & Renovations CP150004, DPW 15-251	2,318	2,318	In Punchlist Status as of 1 Aug 18																	
WWAMI Medical Education Tenant Improvements at Gritman MOB CP170041	3,000	3,000	In Punchlist Status as of 1 Aug 18																	
Northern Idaho Collaborative Education Facility (NICE) CP150079, DPW 16-251	9,728	9,728	In Construction Status as of 1 Aug 18																	
University House CP160071	1,950	1,950	In Construction Status as of 1 Aug 18																	
WWAMI Medical Education Building Improvements and Expansion CP180006, DPW 18-256	4,625	4,625	In Construction Status as of 1 Aug 18																	
NMCREEC Classroom and Office Building, Salmon CP180024	2,500	2,500	In Bid Award Status as of 1 Aug 18																	
ICCU Idaho Arena CP170040	45,800	45,800	In Design Status as of 1 Aug 18																	
West Campus Utilities Extension CP180021	3,500	3,500	In Design Status as of 1 Aug 18																	
Nuclear Seed Potato Germplasm & Storage Building CP190012, DPW 19-250	5,500	5,500	In Design Status as of 1 Aug 18																	
Bruce M. Pitman Center Exterior Envelope Repairs CP190013, DPW 19-262	1,622	1,622	In Design Status as of 1 Aug 18																	
Idaho Center for Agriculture, Food, and Environment (CAFÉ)	45,000	10,000	5,000	20,000	25,000		10,000	10,000												
Tribal and Diversity Center Facility	7,500	0	125		125	3,688		3,688	3,688		3,688									
Engineering/STEM Education/Classroom Facility	40,000	0	600		600	3,700	32,000	35,700	3,700		3,700									
CALS Parma Extension and Analytics Center	6,100	0		600	600		5,500	5,500												
College of Education, Health and Human Sciences Innovation Lab	7,000	0		500	500		6,500	6,500												
6th Street Greenhouses Expansion and Improvements	1,500	0		1,500	1,500															
CALS Equine Pavilion and Display Arena	3,500	0		3,500	3,500															
Idaho Avenue Extension Repairs and Repaving	1,005	0				1,005		1,005												
Life Sciences South HVAC Upgrades, Ph. 3, PBF A&R	1,298	0										1,298		1,298						
Gibb Hall HVAC Upgrades, Ph. 2, PBF A&R	1,296	0													1,296		1,296			
Steam Plant Emergency Generator	1,103	0													1,103		1,103			
Perimeter Drive Replace Paradise Creek Undercrossing	1,012	0																1,012		1,012
Admin Bldg. HVAC, Ph. 2, PBF A&R	1,299	0																1,299		1,299
Gibb Hall HVAC Upgrades, Ph. 3, PBF A&R	1,299	0																1,299		1,299
Library Collections Maintenance Facility #	TBD	0																		
Coll. of Agricultural & Life Sciences New Meats Laboratory #	7,220	0																		
McCall Field Campus Improvements per the 2014 Master Plan #	7,000	0																		
Pedestrian Walkway Improvements, phase 1 #	1,000	0																		
New Undergraduate Housing, Phase 1 #	36,000	0																		
	253,024	92,893	5,725	26,100	31,825	8,392	54,000	62,392	7,388	0	7,388	1,298	0	1,298	2,400	0	2,400	3,610	0	3,610

S:\Facilities\CapitalPlanning\Capital Budget\FY 20 State Request\Six Year Plan (Set C)\FY 2020 Six Year Plan.

Project schedule is TBD and dependent upon funding availability.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

UNIVERSITY OF IDAHO

SUBJECT

Revised Transaction - Rinker Rock Creek Ranch

REFERENCE

December 2017	Description of the Rock Creek Ranch real property and project. Description of donation of real property by the Rinker family to support UI acquisition of title to the ranch property. Approval by the Board for the University to include the Rinker family name in the name of the facility should the University acquire title to the real property
October 2018	Approval for the purchase of the Rock Creek Ranch property.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I
Real and Personal Property and Services

ALIGNMENT WITH STRATEGIC PLAN

Goal 2, Objective A: Higher Level of Educational Attainment

BACKGROUND/DISCUSSION

A change in circumstance has resulted in the need to restructure the University of Idaho's (UI's) acquisition of the Rock Creek Ranch. Acquisition of the ranch by direct purchase was approved by the Board in October, 2018. However, in the interim, UI and the Sellers have learned that the Natural Resources Conservation Service (NRCS), an agency within the US Department of Agriculture that is in charge of the conservation easements encumbering the Rock Creek Ranch, is unwilling or unable to revise indemnification language contained in the original easement documents which would apply to the owners. This language requires a broader indemnification of the federal agency by the owner than UI is able to agree to pursuant to state law.

General Counsel for UI, in reviewing the underlying conservation easements, initially believed that a revision of the indemnification language would be a simple matter based on revisions in the applicable federal law that occurred after the initial easements were granted. Proposed revisions sent to NRCS have been met with significantly more resistance than anticipated, and thus the need to propose a revision in the transaction.

The revised structure for the transaction consists of a 99 year lease/option granting sole occupancy and possession of the ranch to UI as well as an option to purchase

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

fee title under substantially identical terms as the initial purchase transaction. Rent under the lease consists of a single initial payment equal to the purchase payment initially agreed upon. UI then has the option, upon payment of \$100, to acquire full title at any time during the term of the lease. It is UI's intention to do so once the issue of the easement indemnification language is resolved. Resolution of the easement indemnification language can occur either through agreement with the NRCS which UI intends to pursue or through other ownership structures available to UI.

There is a time element to this transaction that also necessitates the revision now to a long-term lease/option. As was described in the materials presented to the Board in October 2018, the Rinker Rock Creek Ranch property is available to UI because the Nature Conservancy and the Wood River Land Trust jointly purchased the property from the Rinker family under a bargain purchase agreement. The Nature Conservancy has been able to replace nearly all of the funds it used for the purchase through fund raising. The Wood River Land Trust still needs approximately \$1.2 million plus accruing interest to replenish its funds. The shortfall formed the basis for the agreed purchase price for the property which was approved in 2018. Interest on these funds continues to accrue (which UI has agreed to pay as part of the purchase price). The trust has other worthy conservation projects that these funds can advance. Converting the transaction to a 99 year lease/option with a single rent payment allows the transaction to close and replenish the trusts' funds and avoids further accrual of interest.

IMPACT

There is no new financial impact to UI resulting from the conversion of the transaction from the previously approved direct purchase to the proposed 99 year lease/option. UI's anticipated uses of the Rinker Rock Creek Ranch property will not be affected by the new transaction structure.

ATTACHMENTS

Attachment 1 – Rock Creek Lease-Option Agreement

STAFF COMMENTS AND RECOMMENDATIONS

At the October 2018 Board meeting, the Board approved a direct purchase of this property for \$1,252,388. The original purchase agreement was met with resistance from the US Department of Agriculture regarding the easements surrounding the Rock Creek Ranch. In order to move forward with this project, the purchase needs to be changed to a long-term lease option (99 years) with an option to purchase full title to the property for an additional \$100. There is no difference between the long-term lease and the previously approved purchase price.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 14, 2019

BOARD ACTION

I move to approve the request by the University of Idaho to enter into a 99 year Lease/Option Agreement for the Rinker Rock Creek Ranch Property in substantial conformance with the terms set out in Attachment 1 submitted to the Board. This approval includes authorization for the Vice President of Finance and Administration of the University of Idaho to execute and deliver all necessary documents contemplated thereby.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

EXCLUSIVE LEASE-OPTION AGREEMENT
BETWEEN
THE NATURE CONSERVANCY,
THE WOOD RIVER LAND TRUST
AND
THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO

THIS EXCLUSIVE LEASE-OPTION AGREEMENT (hereinafter this “**Lease**” or this “**Agreement**”) is made and entered into effective this _____ day of _____, _____, by and between **THE WOOD RIVER LAND TRUST (“WRLT”)**, an Idaho non-profit corporation, and **THE NATURE CONSERVANCY (“TNC”)**, a District of Columbia non-profit corporation registered to conduct business in the State of Idaho, (hereinafter identified by name or jointly as “**Landlord**”), and **THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO**, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho (hereinafter the “**University**” or “**Tenant**”).

RECITAL

The parties enter into this Agreement in order to effect the long term possession and acquisition by the University of the below-described Subject Property. It is the goal of the parties that the University acquire the Subject Property. The parties have elected to enter into this Agreement while the parties work collaboratively to resolve issues created by the language of the below-described Conservation Easements, specifically as to the Subject Property owner’s indemnification of the Natural Resources Conservation Service (“NRCS”). The University is subject to limitations imposed by law on its ability to enter into unlimited and unqualified indemnification agreements, including but not limited to Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, and Idaho Code 59-1015. It is the mutual goal of the parties to resolve this issue in a manner acceptable to the University, thereby allowing the University to exercise its option under this Agreement.

SECTION A – LEASE

A.1 Lease. Subject to the terms of this Agreement, Landlord hereby leases exclusively to Tenant the subject property described in **Exhibit A** hereto, together with all rights, title and interest, in the buildings, structures (surface and sub-surface) and other improvements, including such fixtures, located thereon, and all water rights, easements, if any, benefiting the subject property; and all rights and appurtenances pertaining to the subject property, including any right, title and interest of Landlord in and to rights of way; all tenements, hereditaments, buildings, appurtenances, rights, privileges, licenses, leases, permits, easements, and rights-of-way incident thereto (collectively, the “**Subject Property**”), which Subject Property shall include the following:

- (a) **Real Property.** All of the Land which is described on **Exhibit A**. For purposes of this Agreement, the “**Real Property**” shall include buildings or improvements which are added to the Land by the Tenant after the Execution Date.

(b) **Tangible Personal Property.** All tangible personal property owned, used, maintained or operated by the Landlord or otherwise located on the Subject Property, including, without limitation, all equipment, furniture, fixtures, machinery, vehicles, office furnishings, instruments, leasehold improvements, spare parts and, to the extent assignable or transferable by the Landlord, all rights to warranties of any manufacturer or vendor with respect thereto (“**Tangible Personal Property**”) shall be leased to Tenant as of the Execution Date. The Tangible Personal Property is fully described on **Exhibit A.1**, attached hereto and incorporated herein.

(c) **Grazing Leases and Permits.** All grazing leases and permits associated with or part of the Subject Property shall be assigned to Tenant, effective the Execution Date.

(d) **Replacements, Improvements and Enhancements.** Replacements of, enhancements of, additions to and improvements of the Subject Property made by Landlord, with Tenant’s prior consent as provided below, during the Lease Term or any Renewal Term shall be considered and shall become part of the Subject Property. Replacements of, enhancements of, additions to and improvements of the Subject Property made by Tenant during the Lease Term or any Renewal Term (“**Tenant RIE**”) shall be treated as follows:

(i) Tenant RIE which are affixed to the Real Property such that removal of the Tenant RIE would cause damage to the Real Property shall become part of the Real Property;

(ii) Tenant RIE which can be removed without damaging the Real Property shall, at the option of Tenant, either remain the property of Tenant or shall become part of the Subject Property. Tenant may elect the status of the said Tenant RIE either at the time of acquisition, at the time of Tenant’s exercise of the Option to Purchase, or upon termination of this Lease and surrender of the Subject Property to the Landlord. Tenant shall promptly notify the Landlord in writing of its election. Tenant RIE which are retained by Tenant shall hereinafter be referred to as “**Tenant Retained Property**”.

A.2 Title Insurance. Tenant, at Tenant’s expense, shall obtain a Standard ALTA Title Insurance Policy insuring Tenant’s interests in the Subject Property. The Policy shall insure title subject only to the Exceptions shown in Schedule B of the ALTA Commitment for Title Insurance which is attached hereto as **Exhibit A.2** (the “**Commitment**”).

A.3 Term of Lease.

(a) **Initial Lease Term.** The Initial Lease Term of this Lease shall be ninety-nine (99) years. It shall commence on the Execution Date and continue thereafter until midnight of _____, 21__, unless terminated earlier pursuant to the provisions of this Agreement.

(b) **Option to Renew Lease.** Tenant shall have the option to extend this Lease for additional Lease renewal terms of ten (10) years each (each a “**Renewal Term**”), so long as Tenant is not in default of the terms of this Lease at the time the option is exercised and at the time the renewal time is to commence. The other terms and conditions of this Lease shall govern during the Lease Renewal Terms. Exercise of this option to renew shall be by written notice given to the Landlord at least ninety (90) days prior to the expiration of the then-existing Lease Term; provided, should Tenant fail to provide such notice at the end of the Term or any Renewal Term, Tenant shall retain the right to hold over and renew this Lease until such time that Landlord notifies Tenant in writing that Landlord does not consent to Tenant’s holding over. Upon receipt of such notice, Tenant shall have 30 days to provide written notice of its intention to exercise its option to renew. Failure of Tenant to respond to Landlord’s notice shall be deemed to confirm Tenant’s intention to not exercise its option to renew, in which case Tenant shall vacate the Subject Property.

A.4 Payment of Rent.

(a) **Rent.** The rent for Tenant’s lease of the Subject Property shall be ONE MILLION TWO HUNDRED FIFTY-TWO THOUSAND THREE HUNDRED AND EIGHTY-EIGHT DOLLARS AND 00/100 (\$1,252,388), which shall be payable on the Execution Date, in one lump sum, as rent for the entire Lease Term and all Renewal Terms. The distribution at closing of the Rent shall be \$1,220,888 to the WRLT and \$31,500 to TNC. The parties recognize and agree that the Rent is substantially below a fair market value Rent for the Property, and therefore the Tenant agrees to the reservation by Landlord of the right to terminate this Lease and re-acquire the Subject Property in the event that Tenant desires to assign its rights under this Agreement, as described in Section A.16 below. Assuming that Landlord has fully complied with all of Landlord’s obligations under the terms of this Agreement and the closing of this transaction occurs later than November 1, 2018, the Rent shall be increased by the sum of \$67.26 per day for each day after November 1, until the closing of the execution of this Lease.

(b) **Triple Net.** It is the intention of the parties that the WRLT and TNC shall receive the Rent net of any costs or offsets, save and except only such costs of closing this transaction, if any, as are allocated to WRLT and TNC by agreement of the parties. During the Lease Term and any Renewal Term, all costs and expenses associated with the ownership and operation of the Subject Property shall be the sole responsibility of the University; provided, the University shall not be responsible for any costs which the WRLT or TNC elect to incur in their capacity as Landlord, unless the University has agreed in advance to reimburse the WRLT and/or TNC for the subject cost.

A.5 Memorandum of Lease-Option Agreement. Concurrently with the execution of this Agreement, the parties shall execute the *Memorandum of Lease-Option Agreement* which is attached hereto as **Exhibit B** and shall cause such Memorandum to be filed on record with the Office of Recorder of Blaine County, Idaho.

A.6 Use of Subject Property.

(a) Exclusive Possession of Subject Property.

(i) Tenant shall be entitled to the exclusive possession of the Subject Property on the Execution Date. Tenant acknowledges that Landlord has certain grant agreements, listed in **Exhibit C**, pertaining to habitat restoration on the

Property that were entered into prior to this Agreement and which have on-going obligations that will survive transfer of the Property. Tenant agrees not to interfere with Landlord's ability to meet these obligations. Tenant also acknowledges that its exclusive right of possession of the Subject Property shall be subject to any claim or encumbrance of any nature based on activities and the various mining laws relating to the McCoy mine site located in Section 31 T2N R18E, Boise Meridian.

Landlord shall not during the Lease Term or any Renewal Term grant any other person or entity any lease, easement, license or other right of use or occupation of the Subject Property, or any portion thereof, without Tenant's prior written consent, which may be granted or withheld by Tenant in Tenant's sole discretion.

(ii) Tenant shall take possession of the Subject Property in its "as is" condition as of the Execution Date, which condition is generally documented in the following reports:

1. That certain report made by Assessment and Compliance Services (ACS) titled "Phase I Environmental Site Assessment of 10,400 Acres Along Rock Creek" dated November 2013, and ACS's "Limited Follow-Up Sampling at the McCoy Mine Property, Blaine County, Idaho" dated 2/6/14;
2. That certain "NRCS GRP Baseline Report" (No. 8302111301DF9) dated November 8, 2013;
3. That certain NRCS GRP Baseline Report" (No. 8302111301DFS) dated November 11, 2013;
4. That certain June 2018 Update to the aforesaid Phase 1 Environmental Site Assessment; and,
5. That certain "Current Conditions Report" documenting restoration work conducted by the Conservation Parties which shall be prepared by the Landlord for review by Tenant prior to closing of this transaction.; Tenant's approval of the Report shall be a condition of closing of this transaction.

(b) **Use of the Subject Property by Tenant.** The Subject Property has certain natural, scenic, conservation, wildlife habitat, and open space values which are protected by the terms of the Grasslands Reserve Program Easements in favor of the U.S. Natural Resources Conservation Service which are of record on the Subject Property (the "**Conservation Easements**"). The University will continue to engage in agricultural and related uses of the Subject Property, will further use the Subject Property to establish a sustainable rangeland research and education facility in the heart of Idaho where ranching, conservation, and recreation interests intersect and may also engage in any other land uses not prohibited by the terms of the Conservation Easements. The rangeland research and education facility will focus on innovative, interdisciplinary and collaborative approaches to address important challenges impacting ranching and conservation on western rangelands, should continue to provide opportunities for managed public access and recreation on portions of the Subject Property and should serve as a podium for education on conserving and enhancing fish and wildlife habitat and livestock management on Idaho rangelands. The above provisions notwithstanding, the parties acknowledge that activities may occur on the Subject Property during the University's lease of the Subject Property

over which the University does not and cannot exercise control. By way of example and not limitation, these might include actions of the public and activities of third parties pursuant to rights which were created prior to the Execution Date and subject to which the University took its leasehold title to the Subject Property. The parties agree that such activities and actions shall not create any liability or obligations for the University under the terms of this Agreement.

A.7 Utilities. Tenant shall pay for all water, sewer, electrical, telephone, trash removal, snow removal and all other utility services used by Tenant upon or in conjunction with the Subject Property.

A.8 Property Taxes and Assessments. Pursuant to Idaho Code 63-605, Exemptions From Taxation, Landlord shall make diligent efforts to secure and maintain such exemption throughout the Term of this Lease and all Renewal Terms for the Subject Property by timely annually filing an appropriate application with Blaine County. Tenant shall cooperate as needed in such efforts. To the extent that, despite such efforts, and that with or without such exemption the Subject Property is subject to County property taxes, Tenant shall pay before delinquency all such taxes.

A.9 Conformance to Laws/Regulations. Tenant shall use all reasonable caution to prevent waste, damage or injury to the Subject Property, and shall, in the use and occupancy of the Subject Property, conform to all laws, orders and regulations of the Federal, State and Municipal governments, or any of their departments which are applicable to Tenant and Tenant's land uses.

A.10 Entry by the Landlord. Landlord and its agents shall have access to the Subject Property upon reasonable prior notice given to Tenant, for the purpose of examining the same to confirm compliance with the terms of this Agreement.

A.11 Liens. Tenant agrees that it will pay or cause to be paid all costs for work done by it on the Subject Property, and Tenant will keep the Subject Property free and clear of all mechanics' liens on account of work done by Tenant or persons claiming under Tenant. Subject to the limitations imposed by law, including but not limited to Idaho Code 59-1016 and Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, Tenant agrees to and shall indemnify and save the Landlord free and harmless against liability, loss, damage, costs, attorney's fees, and all other expenses on account of claims of lien for laborers or materialmen or others for work performed or materials or supplies furnished to Tenant or persons claiming under Tenant. Pursuant to Idaho Law, nothing in this agreement, including the indemnity under this Section A.11 shall be construed to obligate the Legislature of the State of Idaho to make future appropriations for the payment of any future obligation of the University, and any such obligation is an independent obligation of the University and not of the State of Idaho.

If any lien is filed against the Subject Property on account of work done by Tenant or persons claiming under Tenant, Tenant may contest any such lien by posting reasonable security for Tenant's obligation of indemnity and diligently prosecuting such contest to conclusion. In the event that Tenant shall not have paid such lien or notified Landlord of its intention to contest such lien within ten (10) days after demand from the Landlord, Landlord may (but shall not be required to) pay the claim and any costs and, subject to the limitations of law stated hereinabove, the amount so paid, together with reasonable attorney's fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord, with interest at the rate allowed by law from the dates of the Landlord's payments.

A.12 Tenant's Rights. It is the intention of the parties that this Agreement shall grant Tenant the exclusive and sole right of possession of and control over the Subject Property, subject only to the terms and covenants of this Agreement and the underlying Conservation Easements. By way of example and not limitation Tenant's rights shall include the following:

- (a) The right to determine and engage in any and all uses of the Subject Property allowed by this Agreement and the Conservation Easements;
- (b) The right to disturb and alter the Subject Property in the course of the conduct by Tenant of the activities and operations allowed hereunder and under the Conservation Easements;
- (c) The right to construct buildings and other structures on the Subject Property;
- (d) The right to repair, maintain, alter, replace or remove existing buildings or structures on the Subject Property;
- (e) The right to grant or enter into a lease, easement, license to use or other possessory interest in the Subject Property, or portion thereof, for a term which, including the tenant's or licensee's right to renew, does not exceed ten (10) years;
- (f) The right to grant public access to the Subject Property or to place restrictions on or deny same to address resource, research, safety or other management needs or to assure compliance with the Conservation Easements; provided, as to the portion of the Subject Property which is encumbered by the Conservation Easements (the "**Eased Property**"), the University shall not deny non-motorized public access to more than 20% of the spatial extent of the Eased Property for a period of longer than 12 months out of any 24 month consecutive period without the prior written approval of the Landlord; and,
- (g) The right to engage in or refrain from engaging in agricultural activities.

A.13 Landlord's Covenants: During the Lease Term or any Renewal Term, Landlord shall not, without Tenant's prior written consent, which may be granted or withheld by Tenant in Tenant's sole discretion:

- (a) Grant any other person or entity any lease, easement, license or other right of use or occupation of the Subject Property, or any portion thereof;
- (b) Allow any lien, mortgage, or encumbrance to be placed on the Subject Property;
- (c) Grant or dedicate any rights-of-way, easements or other rights of use to the Subject Property to the public;
- (d) Enter into any contracts or agreements related to the Subject Property which would materially impair or interfere with Tenant's exclusive rights under this Agreement; or,
- (e) Take any other actions which would be materially inconsistent with Tenant's exclusive interests granted in this Agreement.
- (f) Landlord hereby releases Tenant from and agrees to indemnify Tenant, its Board of Trustees, and its agents, and employees (collectively, the "Tenant Parties") against, and defend and hold the Tenant Parties harmless from, any and all demands,

claims, causes of action, fines, penalties, damages, losses, liabilities, judgments, costs and expenses (including without limitation attorneys' fees and court costs) suffered or incurred by the Tenant by reason of or arising out of Landlord's breach of the covenants made in this Section A.13.

A.14 Insurance. Subject to the limits of liability specified in Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, Tenant participates in the Risk and Insurance program administered through the State of Idaho. Coverage includes but is not limited to: Property, General Liability, and Auto Liability. Tenant self-insures for Workman's Compensation. During the Lease Term and any Renewal Term, Tenant shall continue its aforesaid participation or shall maintain such alternative risk management protection as Tenant deems prudent.

A.15 Damage by Casualty. If any buildings or structures on the Subject Property are damaged or destroyed by reason of fire or any other cause, Tenant shall promptly deliver written notice thereof to the Landlord and Tenant shall have and exercise sole discretion as to whether to repair or rebuild the building or structure. Any such repair or replacement shall be at Tenant's sole cost, absent agreement between the parties to the contrary. Tenant shall be entitled to the proceeds for the loss from Tenant's aforesaid Risk and Insurance Program.

A.16 Assignment. The University shall be entitled to assign its rights and interests under this Agreement without the consent or approval of the Landlord, subject to the following terms and conditions:

(a) **Notice.** In the event that the University at any time desires to assign its rights under this Agreement (an "**Assignment**"), the University shall give the WRLT and TNC (hereafter in this Section A.16 also referred to as the "**Conservation Parties**") written notice of the intended Assignment prior to executing any binding assignment documents. This written notice shall be delivered to the Conservancy and to WRLT at the addresses provided below. The notice shall describe the Assignment and shall include any disclosure by the University as described below in Section A.16 (q) of this Agreement.

(b) **Exercise.** One or both of the Conservation Parties may give written notice to the University within sixty (60) days from receipt of the University's notice of intent to Assign that such party or parties desires to exercise the right to terminate this Agreement (the "**Termination Right**") and, thereby, return to the exclusive possession of and control over the Subject Property (the "**Termination Notice**"). The parties agree that either Conservation Party shall have the right, separately, to exercise the Termination Right but if both Conservation Parties desire to exercise the Termination Right they must do so jointly as tenants-in-common or in such form as otherwise agreed by the Conservation Parties. If either or both of the Conservation Parties exercises their Termination Right, termination of this Agreement shall be in accordance with the terms and conditions described below. The party exercising the Termination Right, whether it be the Conservation Parties jointly, or either of them separately, shall be referred to herein as the "**Terminating Party**."

(c) **Termination Price.** The price to be paid to Tenant by the Terminating Party shall be a sum equal to the Rent paid by Tenant to Landlord, as defined in Section A.4(a) above, plus an amount equal to interest thereon at the rate of Two Percent (2%) per annum from the date hereof to the effective date of the termination (the "**Termination Price**").

(d) **AS IS.** The Terminating Party shall take possession of the Subject Property AS IS, WHERE IS and without any warranties, express or implied, from Tenant save and except only warranties made in this Agreement.

(e) **Sharing in Assignment Proceeds.**

(i) In the event that the Notice referred to in Section A.16(a) above is delivered to the Conservation Parties within the first ten (10) years following the Execution Date, and the Conservation Parties decline to exercise their Termination Right, as provided in this Agreement, and the University enters into an Assignment, as aforesaid, then the proceeds received by the University from the Assignment shall be allocated and distributed as follows:

- (1) First, to the University's costs of closing the Assignment, including closing costs, attorneys' fees and commissions;
- (2) Second, to the University up to the amount of the Termination Price;
- (3) Third, the balance, if any, to the Conservation Parties.

(ii) In the event that the Notice referred to in Section A.16(a) above is delivered to the Conservation Parties after the elapse of the first ten (10) years following the Execution Date, the following provisions shall apply:

(A) If the Conservation Parties, or either of them, exercise their Termination Right, as provided in this Agreement, and the Terminating Party resells the Subject Property within five (5) years after the date of termination, then the proceeds from the resale shall be allocated and distributed as follows:

- (1) First, to the Terminating Party's costs of closing the sale, including closing costs, attorneys' fees and commissions;
- (2) Second, to the Terminating Party up to the amount of the Termination Price plus The Nature Conservancy's initial investment made in acquiring the Subject Property (\$1,110,000) that subsequently allowed for the University's Lease at substantially below fair market value;
- (3) Third, the balance to be divided equally by thirds to the University and the Conservation Parties.

(B) If the Conservation Parties decline to exercise their Termination Right, as provided in this Agreement, and the University concludes the Assignment, then the proceeds received by the University from the University's Assignment shall be allocated and distributed as follows:

- (1) First, to the University's costs of closing the Assignment, including closing costs, attorneys' fees and commissions;
- (2) Second, to the University up to the amount of the Termination Price;

- (3) Third, to The Nature Conservancy up to the amount of their initial investment made in acquiring the Property (\$1,110,000);
- (4) Fourth, the balance divided equally by thirds to the University and the Conservation Parties.

(f) Waiver. If neither of the Conservation Parties exercise the Termination Right described in Section A.16(a)-(e) above, within sixty (60) days after receipt of the notice described in Section A.16(a) above, the Termination Right shall automatically and, without further action by any party, be extinguished and the University shall be free to enter into an Assignment and this Agreement shall have no further effect upon completion of such Assignment except as to the provisions regarding the sharing in the proceeds of the Assignment provided in Subsection A.16(e) above. Notwithstanding the foregoing, if the University does not actually close on the Assignment within one (1) year after the date of the notice described in Section A.16(a) above then the Termination Right described in this Agreement shall be reinstated and this Agreement shall be in full force and effect with respect to any future Assignment.

(g) Termination Date. Closing on any exercise of the Termination Right will be within one hundred twenty (120) days after the date the Terminating Party gives notice of its intent to Terminate as provided in Section A.16 (b) above or as soon thereafter as the conditions for closing set out in this agreement have been met (the “**Termination Closing**”). Termination Closing may be held in escrow through an agent designated by the Terminating Party or as otherwise agreed to by the parties.

(h) Evidence of Title. Upon exercise of the Termination Right, the Terminating Party may obtain a preliminary title insurance commitment covering the Subject Property from a title insurance company (the “**Title Company**”) selected by the Terminating Party. If requested, then at Termination Closing the Title Company shall issue to the Terminating Party an ALTA Owner’s Policy of Title Insurance in the amount of the Terminating Price, insuring fee simple title to the Subject Property, subject only to the Exceptions which are contained in the Commitment which is attached hereto as **Exhibit A.2**, together with any additional Encumbrances which have been created with the agreement or consent of the parties during the Lease Term or any Renewal Term. The cost of the title insurance commitment and the final policy to be issued at Termination Closing shall be the responsibility of the University.

(i) Title. At Termination Closing, the title to the Subject Property shall be good, insurable and marketable. “Good, insurable and marketable title” for purposes of this Agreement shall mean the condition of the title to the Subject Property on the Execution Date, together with any encumbrances placed or allowed to be placed on the Property by the University or by Landlord with the other’s consent (together, the “**Terminating Party Permitted Encumbrances**”).

(j) Title Defects. If, due to actions of the University during the Lease Term or any Renewal Term to which the Landlord did not consent, title to the Subject Property on the Termination Closing Date does not comply with Section (i) above, the Terminating Party may a) accept the Subject Property with title as it exists or b) require the University to diligently pursue all reasonable efforts to correct the problem, including bringing any necessary quiet title actions or other lawsuits. If an objection to title is based upon

outstanding oil, gas or mineral leases, interests or reservations created by the University during the Lease Term or any Renewal Term, without the Landlord's consent, the Terminating Party may alternatively require the University to obtain such surface waiver or non-drilling agreements from the owner(s) of the outstanding interests as the Terminating Party deems necessary. Without limitation, the Subject Property shall not be considered to be in compliance with this Agreement's title requirements unless all structures and improvements, including any driveways and accessory structures placed on the Property by the University during the Lease Term or any Renewal Term, if any, are located within the lot lines of the Subject Property and do not encroach upon or under any property not within such lot lines.

(k) Documents for Closing. The University shall execute and deliver at Termination Closing a recordable Quit Claim Deed, the purpose of which shall be to eliminate any cloud on the title to the Subject Property created by the Memorandum of Lease-Option Agreement, and, any other documents reasonably necessary to close in accordance with the terms of this Agreement. These documents will be prepared at the University's expense. The proposed deed and other documents to be prepared by the University for closing must be submitted to the Terminating Party at least 30 days before Termination Closing. Any documents to be prepared by the Terminating Party shall be provided to the University at least 30 days before Termination Closing.

(l) Property Taxes. To the extent any of the following exist, any delinquent real property taxes, all real property taxes which are due in the year of closing and all levied assessments and any recoupment of taxes due because of assessment of the property as agricultural land are the University's responsibility and should be satisfied of record by the University at or before Termination Closing, if possible. Any real estate taxes assessed against the Subject Property in the year of closing, but which are not yet due and payable, will be prorated to the date of closing based upon the most recent available tax statements.

(m) Closing Expenses. The Terminating Party will pay any escrow or closing fees and recording fees.

(n) Possession. The University will deliver possession of the Subject Property to the Terminating Party at Termination Closing subject only to: (a) any leases or reserved rights which have been granted by the University for land uses and/or activities which are allowed by the terms of the Grassland Reserve Program Conservation Easements which are of record on the Property; and, (b) rights created prior to the Execution Date and subject to which the University entered into this Agreement.

(o) Condition of Property/Risk of Loss. After the University's receipt of the Termination Notice, the University shall not transfer or encumber any interest in the Subject Property prior to the Termination Closing. The University shall make reasonable efforts to remove from the Subject Property prior to closing all rubbish or trash placed on the Subject Property by the University during the Lease Term or any Renewal Term, and to remove any hazardous or toxic chemical substances or materials which the University has caused to be stored on the Subject Property. The University shall otherwise keep the Subject Property in the condition in which it existed at the time of the University's receipt of the Termination Notice until Termination Closing.

In the event of any adverse change in the condition of the Subject Property occurring between the University's receipt of the Termination Notice and the Termination

Closing which change is caused by the actions of the University, the Terminating Party may elect to: a) accept the Subject Property as is, or b) require restoration of the Subject Property to its condition at the time of the University's receipt of the Termination Notice.

The above provisions notwithstanding, the parties acknowledge that activities may occur on the Subject Property between the University's receipt of the Termination Notice and the Termination Closing over which the University does not and cannot exercise control. By way of example and not limitation, these might include actions of the public and activities pursuant to rights which were created prior to the Execution Date and subject to which the University entered into this Agreement. The parties agree that the University shall not be responsible for such actions or activities or any remediation or restoration which may be required as a result of such actions or activities.

(p) Right of Entry/Inspection. The Terminating Party and its agents shall have the right to enter upon the Subject Property at reasonable times for surveying, conducting an environmental inspection and assessment to detect hazardous or toxic substances, conducting an inspection of the buildings on the Subject Property to determine the condition and performance of the buildings' condition, structure and systems, and other reasonable purposes related to this transaction.

(q) Tenant's Warranties and Representations. The University will warrant and represent to the Terminating Party at the time of Termination Closing, the following matters; and , subject to the limitations imposed by law, including but not limited to Idaho Code 59-1016 and Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, the University agrees to indemnify, defend and hold the Terminating Party harmless from any loss or liability resulting from these matters, with the intent that these representations, warranties and indemnities shall survive closing for a period of one year following closing:

(i) Hazardous Substances. To the best of the University's knowledge:

(A) Other than as specifically disclosed to the Terminating Party by the University, there has been no production, use, treatment, storage, transportation, or disposal of any Hazardous Substance (as defined below) on the Subject Property during the Lease Term or any Renewal Term by the University or an agent of the University except in compliance with applicable laws and regulations;

(B) Other than as specifically disclosed to the Terminating Party by the University, there has been no release by the University or an agent of the University of any Hazardous Substance, pollutant or contaminant into, upon, or over the Subject Property or into or upon ground or surface water at the Subject Property or within the immediate vicinity of the Subject Property during the Lease Term or any Renewal Term, save and except a release made or remediated in compliance with applicable laws and regulations;

(C) Other than as specifically disclosed to the Terminating Party by the University, the Subject Property is not subject to any "superfund" or similar lien or any claim by any government regulatory agency or third party related to the release or threatened release of any Hazardous Substance.

The term "Hazardous Substance(s)" means any substance that is defined as a hazardous substance, hazardous material, hazardous waste, petroleum product, pollutant or contaminant under any environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et seq., the Clean Water Act, 42 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C., Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., and any and all regulations promulgated thereunder, or any similar federal, state or local laws, ordinances or regulations adopted under these acts.

(ii) Tanks/Wells. Other than as specifically disclosed to the Terminating Party by the University, the University has not placed or caused to be placed any underground or aboveground storage tanks, septic tanks or wells located on or under the Subject Property, or if there have been any such tanks or wells located on the Subject Property their location has been identified to the Terminating Party in writing, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release of any Hazardous Substance into the environment, save and except releases made or remediated in compliance with applicable laws and regulations.

(iii) Non-foreign Status. To inform the Terminating Party that withholding of tax is not required under § 1445(b)(2) of the Internal Revenue Code and regulations thereunder and under penalties of perjury, the University hereby certifies that the University is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax law. At Termination Closing, the University agrees to deliver to the Terminating Party an affidavit certifying the University's non-foreign status, together with the University's social security number/federal taxpayer identification number (FIRPTA Affidavit). The University consents to the delivery of such affidavit to the Terminating Party and understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.

(iv) Government Farm Programs. Other than as specifically disclosed to the Terminating Party by the University, the Subject Property is not enrolled in the Direct and Countercyclical Payment Program, the Conservation Reserve Program, the Wetland Reserve Program or any other program of the United States Department of Agriculture except the Conservation Easements granted to the NRCS. The Property is not subject to any government cost-share contracts or other agreements that restrict either the use of the Property or the modification of any improvements.

(v) Survival. The provisions of this Section A.16 (q) shall survive the Termination Closing for a period of one year after closing.

(vi) **No Duty to Appropriate.** Pursuant to Idaho Law, nothing in this agreement, including the indemnity under this section A.16(q) shall be construed to obligate the Legislature of the State of Idaho to make future appropriations for the payment of any future obligation of the University, and any such obligation is an independent obligation of the University and not of the State of Idaho.

A.17 Default by Tenant. The occurrence of any of the following shall constitute a default and breach of this Lease by Tenant. In the event of the occurrence of a default as herein defined, the Landlord shall be entitled to exercise its rights and remedies as provided herein, without further notice to Tenant (except as otherwise expressly required):

(a) Any failure of Tenant to pay any monetary sums required to be paid hereunder within ninety (90) days after written notice by the Landlord to Tenant specifying such alleged failure;

(b) A failure by Tenant to observe and perform any other provisions of this Lease to be observed or performed by Tenant within ninety (90) days after written notice by the Landlord to Tenant specifying such alleged failure. Provided, however, that:

(i) if the nature of the default is such that the same cannot reasonably be cured within said ninety (90) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion; and,

(ii) if the nature of the default is such that the elapse of ninety (90) days would expose the Landlord to a risk of loss of or significant impairment of the value of the Subject Property, then the Landlord shall provide such notice as is commercially reasonable under the circumstances.

(c) Tenant's failure to occupy the Subject Property or Tenant's abandonment or vacation of the Subject Property; or,

(d) Tenant's repudiation of this Lease, or any action by Tenant which renders performance by Tenant of its obligations under this Lease impossible or impracticable, or any action by Tenant which demonstrates an intent by Tenant not to perform its obligations under this Lease or not to continue with the performance of its obligations under this Lease.

A.18 Landlord's Default Remedies. In the event that any such material breach has not been cured by Tenant after notice as above defined, the Landlord may, any time thereafter until cure of such default by Tenant and without limiting the Landlord in the exercise of any right or remedy at law or in equity which the Landlord may have by reason of such default or breach notify Tenant that the Landlord elects to terminate this Agreement and Tenant's right to possession by lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the Subject Property to the Landlord. In such event, Tenant's Option to Purchase, as described in Section B below, shall also terminate.

A.19 Termination by the Landlord. This Lease may be terminated by the Landlord for cause as provided in Section A.18 above or in the case of Tenant's notice of intent to assign this Lease, as provided in Section A.16 above.

A.20 Default by Landlord. Landlord shall be in default of this Lease if Landlord fails to observe and perform any provisions of this Lease to be observed or performed by the Landlord within ninety (90) days after written notice by Tenant to the Landlord specifying such alleged failure; provided that if the nature of the default is such that the same cannot reasonably be cured within said ninety (90) day period, the Landlord shall not be deemed to be in default if the Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. In the case of default by Landlord, Tenant shall be entitled to obtain a judicial Decree of Specific Performance and appropriate injunctive relief, together with a Judgment for Tenant's attorneys' fees and costs incurred in obtaining such relief.

A.21 Surrender of Possession. Upon the expiration or termination of this Lease, the Subject Property shall become the Landlord's property without any payment by the Landlord therefore, except as provided in Section A.16 above. Tenant shall surrender the Subject Property, including all Tenant RIE which Tenant has elected to designate as part of the Subject Property, in a condition which satisfies Tenant's obligations under the terms of this Agreement. The condition of title to the Subject Property shall be as provided in Section A.16(i) above.

A.23 Environmental Matters.

(a) During Lease Term or any Renewal Term, Tenant shall not deposit, store, dispose of or place upon, about or under the Subject Property any Hazardous Substances in violation of any Environmental Law, as those terms are defined below.

(b) Tenant shall be solely responsible for and subject to the limitations imposed by law, including but not limited to Idaho Code 59-1016 and Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, Tenant shall defend, indemnify and hold the Landlord harmless from all claims, costs, damages, liabilities, including attorneys' fees and costs, arising out of or in connection with Tenant's breach of its obligations contained in this Section A.23 or arising out of or in connection with any removal, clean-up or restoration deemed reasonably necessary by any governmental entity or the Landlord to remove, clean up, or restore any portions of the Subject Property as the result of Hazardous Substances used, disposed, treated, generated, stored or sold by Tenant. Pursuant to Idaho Law, nothing in this agreement, including the indemnity under this section A.23 shall be construed to obligate the Legislature of the State of Idaho to make future appropriations for the payment of any future obligation of the University, and any such obligation is an independent obligation of the University and not of the State of Idaho.

(c) "Hazardous Substances" shall mean any hazardous, toxic, dangerous materials or substances identified in any Environmental Law. "Environmental Law" shall mean Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. ("CERCLA"); The Resource Conservation and Recovery Act, 42 U.S.C. §6501 et seq. ("RCRA"); The Superfund Amendments and Preauthorization Act, 42 U.S.C. §9601 et seq. ("SARA") or any other federal or state statute, law, ordinance or regulation related to environmental matters or liability.

A.24 Indemnification. Subject to the limitations imposed by law, including but not limited to Idaho Code 59-1016 and Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, Tenant hereby releases the Landlord from and agrees to indemnify the Landlord against, and defend and hold Landlord harmless from, any and all demands, claims, causes of action, fines, penalties, damages, losses, liabilities, judgments, and expenses (including without limitation attorneys' fees and court costs) suffered or incurred by the Landlord by reason of or

arising out of: (i) the use of the Subject Property by Tenant; (ii) any activity, work, or thing done or permitted by Tenant on the Subject Property; (iii) any acts, omissions, or negligence of Tenant or any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant or any such person; (iv) any breach, violation, or nonperformance by Tenant or any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant or any such person of any term, covenant, or provision of this Lease or any law, ordinance, or governmental requirement of any kind; (v) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Subject Property under the express or implied invitation of Tenant, or (vi) any negligence or tortious act of Tenant, its licensees, invitees, customers, agents or employees. If any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from the Landlord, subject to the aforesaid legal restrictions, will defend the claim at Tenant's expense with counsel reasonably satisfactory to the Landlord. This indemnification is given in addition to any indemnification in any other provision of this Lease. Pursuant to Idaho Law, nothing in this agreement, including the indemnity under this Section A.24 shall be construed to obligate the Legislature of the State of Idaho to make future appropriations for the payment of any future obligation of the University, and any such obligation is an independent obligation of the University and not of the State of Idaho.

A.25 Condemnation.

(a) Entire or Substantial Taking. If the entire Subject Property, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business shall be taken under the power of eminent domain, this Lease shall automatically terminate as of the date on which the condemning authority takes title or possession, whichever first occurs.

(b) Partial Taking. In the event of any taking of the Subject Property under the power of eminent domain which does not so result in the termination of this Lease, the parties shall use the compensation which is paid for the taking for the reasonable restoration of the portion of the Subject Property not so taken, and this Lease shall continue in full force and effect subject to Tenant's Option to Terminate in Section A.25(e) of this Agreement.

(c) Awards. Any award for any taking of all or any part of the Subject Property under the power of eminent domain shall be allocated among the parties as provided in Section A.16 (e)(i)(2) and (3) and (ii)(B)(2) to (4), whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, provided that nothing contained herein shall be deemed to preclude Tenant from seeking an award to Tenant for loss of or damage to Tenant's interests under this Agreement.

(d) Sale Under Threat of Condemnation. A sale by the Landlord of the Subject Property to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes under this Section.

(e) Tenant's Option to Terminate. Any taking of the Real Property which renders the balance of the Real Property not reasonably adequate for the conduct of Tenant's business shall entitle Tenant, at its option, to terminate this Lease. This option must be exercised by written notice to the Landlord within sixty (60) days after Tenant shall have received notice of such taking. Failure of Tenant to exercise such option shall

constitute Tenant's agreement that the balance of the Subject Property is reasonably adequate for the conduct of Tenant's business, and this Lease shall remain in effect.

A.26 Dispute Resolution.

(a) Initiation of Dispute Resolution Procedures. The parties acknowledge that notwithstanding their best efforts, disputes may arise between them regarding their respective rights and responsibilities, and obligations and liabilities, under this Agreement and any related agreement. In each instance, the parties will attempt to resolve the dispute in good faith in a manner consistent with their respective philosophies and missions, and their goals and objectives in entering into this Agreement. However, if the dispute is not resolved, any Party involved in the dispute, if such Party, acting reasonably and in good faith, believes the issue in dispute is of a material and substantive nature, shall have the right to initiate the dispute resolution procedures contained in this Section A.26, by giving written notice to the other Party.

(b) Dispute Resolution Procedures.

(i) Notice of Dispute. Not later than ten (10) days after any party gives written notice of such Party's intention to initiate dispute resolution procedures pursuant to this Section A.26, the parties shall meet and either (i) select a process within their discretion to resolve the issue in dispute or (ii) at the request of either, submit the issue in dispute to non-binding mediation.

(ii) Selection of Resolution Process. Not later than ten (10) days after the aforesaid meeting, or such later date as they shall mutually agree upon, the parties shall either (i) jointly adopt dispute resolution procedures to resolve the issue in dispute, if they agree upon a process other than mediation, or (ii) jointly appoint a mediator.

(iii) Selection of Mediator. If the parties cannot agree upon a mediator within the ten (10) day period, or within such other period as they mutually agree upon, then Landlord and Tenant shall each appoint a mediator acceptable to it within the following ten (10) days, and the two (2) mediators shall jointly appoint, within ten (10) days after the date on which the second mediator is appointed, a third mediator who shall mediate the issue in dispute.

(iv) Good Faith Participation and Expenses. The parties shall engage in a good faith effort to resolve the issue in dispute following their joint adoption of dispute resolution procedures, or the appointment of one or more mediators. The parties shall each share equally the fees and expenses of the mediator(s) and such other costs and expenses as they shall mutually agree upon.

A.27 NOTICES. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Landlord:

Wood River Land Trust
Scott Boettger, Executive Director
119 E. Bullion St.
Hailey, ID 83333

And: The Nature Conservancy
Lou Lunte, Deputy State Director
950 W. Bannock St., Suite 210
Boise, Idaho 83702

Tenant:

University of Idaho
Brian Foisy, Vice President, Finance & Administration
875 Perimeter Dr. MS3168
Moscow, ID 83844-3168

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

(a) For the purpose of this Agreement, the term “receipt” shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to subparagraph (a) above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to subparagraph (a) above, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of non-delivery by the sending party.

SECTION B – OPTION TO PURCHASE

B.1 Option to Purchase. In consideration of the mutual covenants and promises contained herein, Landlord does hereby grant unto Tenant an EXCLUSIVE, IRREVOCABLE OPTION TO PURCHASE: (i) the hereinabove described Subject Property; and, (ii) the Tenant RIE which has become part of the Subject Property (together the “**Option Property**”) according to the terms and conditions provided in this Section B (the “**Option**”).

B.2 Consideration/Purchase Price.

(a) The purchase price for the Option Property shall be ONE HUNDRED AND 00/100 DOLLARS (\$100.00), which shall be payable at closing of the purchase.

B.3 Term of Option. The Option shall remain in effect and exercisable by Tenant throughout the Term or any Renewal Term of this Lease. The Option shall be suspended during any period in which Tenant shall be in default (as defined above) of its obligations under this Lease; and, the Option shall become null and void in the event of the termination of this Lease.

B.4 Conditions for Exercise of Option.

(a) Tenant may exercise the Option by providing written notice to the Landlord of Tenant's exercise of the Option (the "**Notice of Exercise**").

(b) Subject to approval from its governing board, Tenant shall be obligated to exercise the Option in the event that the current issues related to the indemnification provisions in the Conservation Easements are resolved to the satisfaction of Tenant.

B.5 Title and Title Insurance.

(a) Within fifteen (15) days after the delivery by Tenant of the Notice of Exercise, Landlord shall deliver to Tenant a Preliminary Commitment for a standard form title insurance policy (the "**Purchase Commitment**") issued by Closing Agent.

(i) Tenant shall have twenty (20) days after receipt of the Purchase Commitment within which to object to the condition of title to the Option Property as set forth in the Purchase Commitment; provided, the condition of title shall be deemed acceptable to Tenant if there are no encumbrances or liens or other "Exceptions" to title shown on the Purchase Commitment additional to the Exceptions which are contained in the Commitment which is attached hereto as **Exhibit A.2**, together with any additional Encumbrances which have been created during the Lease Term or any Renewal Term with the agreement or consent of the parties or unilaterally by Tenant (the "**Permitted Exceptions**").

(ii) If there are encumbrances or liens or other "Exceptions" to title shown on the Purchase Commitment additional to the Permitted Exceptions to which Tenant does so object, Landlord shall have twenty (20) days from receipt of Tenant's notice of objection to advise Tenant whether Landlord is able to remove any exception that Tenant may have objected to, or is unable or unwilling to do so.

(iii) In the event that the Landlord is unable or unwilling to remove any exception that Tenant may have objected to or the Landlord fails to provide any notice as provided for in the preceding subparagraph, Tenant may elect to proceed with the exercise of the Option with title subject to the exception, which in such case shall be deemed a "Permitted Exception". In the alternative, Tenant may elect to not proceed with the Option. If Tenant elects to not proceed with the Option, Tenant shall be entitled to continue with this Lease, and shall be entitled to subsequently exercise the Option as long as this Lease is in effect; or, Tenant may terminate this Lease.

B.6 Means of Conveyance of Title. Title to the Option Property shall be conveyed to the Tenant by Special Warranty Deed and/or, as deemed appropriate, Warranty Bill of Sale at closing conveying title to the Option Property free and clear of liens or encumbrances, save and except Permitted Exceptions.

B.7 Closing and Escrow Matters.

(a) **Closing Date.** If the Option is properly exercised, closing shall occur within one hundred twenty (120) days after the date delivery to the Landlord of Tenant's Notice of Exercise.

(b) **Closing Agent.** Blaine County Title shall be the Closing Agent. Closing Agent is hereby authorized and instructed to act according to the terms and instructions as set forth in this Agreement, and to prepare and/or provide additional documents as

appropriate to complete the sale contemplated by this Agreement. Tenant and Landlord agree to execute Closing Agent's closing instructions as reasonably requested by Closing Agent to complete the sale contemplated by this Agreement. In the event Blaine County Title will not or cannot perform duties as Closing Agent, the Parties shall select another mutually agreeable closing agent.

(c) **Closing Costs.** Tenant shall be responsible for the premium for a standard ALTA Title Policy consistent with the Purchase Commitment, the payment of fifty percent (50%) of closing fees and payment of all recording fees. Landlord shall be responsible fifty percent (50%) of closing fees. The fees and expenses of Landlord's designated representatives, accountants and attorneys shall be borne by Landlord and the fees and expenses of Tenant's designated representatives, accountants and attorneys shall be borne by Tenant.

B.8 Repurchase Agreement. As a condition of Closing, at Closing, the parties shall execute a "Repurchase Agreement", in form and substance substantially in accordance with **Exhibit D** attached hereto.

SECTION C – MISCELLANEOUS

C.1 Time. Time is of the essence of this Agreement and each and every provision hereof.

C.2 Waiver. The waiver of or forbearance by any party regarding any breach, or of any available remedy for a default shall not operate as a waiver of any subsequent breach or default.

C.3 Succession. This Agreement shall be binding on and shall inure to the benefit of the assigns, representatives and successors-in-interest of the parties hereto.

C.4 Modification. This Agreement may not be modified except by means of a subsequent written agreement, which is duly executed by the parties.

C.5 Applicable Law. This Agreement shall be interpreted by and according to the laws of the State of Idaho. The parties agree that the courts of Idaho shall have exclusive jurisdiction over any dispute regarding this Agreement.

C.6 Integration Clause. This Agreement memorializes the complete and final agreement and understanding of the parties on the subject matter of this transaction. Neither party is relying upon any promises, representations or statements made by the other party as an inducement to the execution of this Agreement, except in so far as such promises, representations or statements are expressly contained herein.

C.7 Non-Merger. The terms, conditions and covenants contained in this Agreement shall not be merged into any other document executed by the parties as part of this transaction.

C.8 Costs and Attorney Fees. In the event that a dispute arises regarding the breach, application, interpretation, or enforcement of this Agreement, then the prevailing party in such dispute shall be entitled to collect its attorney fees and costs incurred, including attorney fees and costs incurred on appeal.

C.9 Agency. Nothing in this Agreement shall be deemed or construed to constitute or create between Tenant and Landlord a partnership, joint-venture or agency.

C.10 Nondiscrimination and Affirmative Action: Landlord and Tenant shall not discriminate against any employee or applicant for employment in the performance of this Lease,

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, age, status as disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Lease. Landlord and Tenant certify that they do not and will not maintain segregated facilities or accommodations on the basis of race, color, religion or national origin. Regarding any position for which an employee or an applicant is qualified, Landlord and Tenant agree to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

(a) For nondiscrimination based on race, color, religion, sex or national origin, this includes, but is not limited to, the U.S. Constitution, and Parts II and IV of Executive Order 11246, September 24, 1965 (30 FR 12319). Grantee disputes related to compliance with its obligations shall be handled according to the rules, regulations, and relevant orders of the Secretary of Labor (See 41 CFR 60-1.1).

(b) For nondiscrimination based on Disabled or Vietnam Veterans this includes, but is not limited to, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. 4012)(the Act); Executive Order 11701, January 24, 1973 (38 CFR 2675, January 29, 1973); and the regulations of the Secretary of Labor (41 CFR Part 60-250).

(c) For nondiscrimination based on the Handicapped this includes, but is not limited to, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793)(the Act); Executive Order 11758, January 15, 1974; and the regulations of the Secretary of Labor (41 FR Part 60- 741).

(d) For nondiscrimination based on Age this includes, but is not limited to, executive Order 11141, February 12, 1964 (29 CFR 2477).

Landlord and Tenant shall include the terms of this clause in every subcontract or purchase order exceeding \$50,000 and shall act as specified by the Department of Labor to enforce the terms and implement remedies.

C.11 Signatures and Counterparts. This Lease may be signed in any number of counterparts and by facsimile, and once so executed by all parties, each such counterpart will be deemed to be the original, but all counterparts together shall constitute but one (1) complete and binding agreement.

C.12 Further Assurances. Up to and after the Closings, each Party shall take such further actions and execute and deliver such additional documents and instruments as may be reasonably requested by another Party in order to perfect and complete the transactions contemplated herein.

C.13 Partial Invalidity. In case any one more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein, provided however that if either Party determines that this would frustrate the purpose of the Agreement, the Parties may amend or terminate the Agreement upon

mutual written agreement. In the event that the Parties are unable to reach consensus, then the dispute shall be resolved by means of the Dispute Resolution procedures provided in Section A.26.

C.14 Exhibits. The attached Exhibits shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

C.15 Venue. Any legal proceeding instituted between the parties shall be in the courts of the County of Blaine, State of Idaho, and each of the parties agrees to submit to the jurisdiction of such courts. It is further agreed that this Agreement shall be governed by the laws of the State of Idaho.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease-Option Agreement the date and year specified by their names below.

LANDLORD:

Wood River Land Trust

By: _____
Scott Boettger
Executive Director

Dated: _____, 2019

AND

The Nature Conservancy

By: _____
Lou Lunte
Acting State Director

Dated: _____, 2019

TENANT:

Board of Regents of the University of Idaho

By: _____
Brian Foisy
Vice President of Finance and Administration

Dated: _____, 2019

ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

EXHIBIT "A" LEGAL DESCRIPTION

PARCEL I Subparcel A

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 15: E $\frac{1}{2}$ E $\frac{1}{2}$
 Section 22: NE $\frac{1}{4}$ NE $\frac{1}{4}$
 Section 23: SE $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; W $\frac{1}{2}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 24: N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 25: W $\frac{1}{2}$; W $\frac{1}{2}$ E $\frac{1}{2}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 26: E $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; W $\frac{1}{2}$
 Section 27: E $\frac{1}{2}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$
 Section 34: S $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$
 Section 35: NW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 2 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 30: Lots 2, 3, 4; SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$

Subparcel B

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 13: NW $\frac{1}{4}$; N $\frac{1}{2}$ NE $\frac{1}{4}$

Subparcel C

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 1: Lot 1; S $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$
 Section 2: SE $\frac{1}{4}$
 Section 11: NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 12: N $\frac{1}{2}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 1 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 7: Lot 1; NE $\frac{1}{4}$ NW $\frac{1}{4}$
 Section 6: Lots, 4, 5, 6 and 7; E $\frac{1}{2}$ W $\frac{1}{2}$

TOWNSHIP 2 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 31: Lots 3 and 4; E $\frac{1}{2}$ SW $\frac{1}{4}$

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 2 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Subparcel D

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 13: $S\frac{1}{2}NE\frac{1}{4}$; $N\frac{1}{2}SE\frac{1}{4}$

Section 14: $NW\frac{1}{4}NE\frac{1}{4}$; $SW\frac{1}{4}SE\frac{1}{4}$; $E\frac{1}{2}W\frac{1}{2}$

Section 15: $SW\frac{1}{4}NE\frac{1}{4}$; $SW\frac{1}{4}$; $W\frac{1}{2}SE\frac{1}{4}$

Section 21: Lot 1; $NE\frac{1}{4}NW\frac{1}{4}$; $N\frac{1}{2}NE\frac{1}{4}$; $S\frac{1}{2}N\frac{1}{2}$; $S\frac{1}{2}$

Section 22: Lots 1, 2, 3; $NW\frac{1}{4}NW\frac{1}{4}$; $NW\frac{1}{4}NE\frac{1}{4}$; $S\frac{1}{2}NE\frac{1}{4}$; $S\frac{1}{2}$

Section 23: $N\frac{1}{2}NE\frac{1}{4}$; $SE\frac{1}{4}NE\frac{1}{4}$; $NE\frac{1}{4}SE\frac{1}{4}$

TOWNSHIP 1 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 18: Lot 2

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 22: Guy Lode Mining Claim as described in that certain Patent recorded February 28, 1972 in Book 130 of Patents at page 194, as Instrument No. 142503, records of Blaine County, Idaho.

PARCEL II

A PARCEL OF LAND LOCATED IN BLAINE COUNTY IDAHO, BEING A PORTION OF FOLLOWING SECTIONS 1, SECTION 12 AND SECTION 13, ALL OF WHICH ARE LOCATED IN TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE MERIDIAN, SECTION 5, SECTION 6 AND SECTION 7, ALL OF WHICH ARE LOCATED IN TOWNSHIP 1 SOUTH, RANGE 18 EAST, BOISE MERIDIAN; SECTION 31, ALL OF WHICH ARE LOCATED IN TOWNSHIP 1 NORTH, 18 EAST, BOISE MERIDIAN; AND ALL OF SECTION 36, TOWNSHIP 1 NORTH, RANGE 17 EAST BOISE MERIDIAN, BLAINE COUNTY, IDAHO more particularly described as follows;

Beginning at the Northeast corner of said Section 13, T1S, R17E, B.M. said Point being the REAL POINT OF BEGINNING;

Thence South $00^{\circ}30'48''$ East, 2,643.25 feet to the $E\frac{1}{4}$ corner of said Section 13;

Thence South $88^{\circ}45'57''$ West, 2,630.50 feet to the $C\frac{1}{4}$ corner of said Section 13;

Thence North $00^{\circ}17'58''$ West, 2,644.64 feet to the $N\frac{1}{4}$ corner of said Section 13;

Thence North $00^{\circ}04'09''$ East Along the West boundary of the $SE\frac{1}{4}$ of said Section 12, T1S, R17E. B.M. 3,196.40 feet to the Centerline of existing Rock Creek Road;

Thence along said Centerline the following 9 courses:

North $73^{\circ}05'12''$ West, 205.13 feet;

Thence North $83^{\circ}17'56''$ West, 280.65 feet;

Thence North $61^{\circ}45'29''$ West, 301.08 feet;

Thence North $52^{\circ}46'12''$ West, 565.03 feet ;

Thence North $58^{\circ}05'19''$ West, 314.68 feet;

Thence North $43^{\circ}51'11''$ West, 121.77 feet;

Thence North $33^{\circ}57'31''$ West, 239.71 feet to a point of curvature;

Thence along a curve to the Right, having a radius of 200.00 feet, a delta of $60^{\circ}24'43''$ and an arc length of 210.88 feet;

Thence North $26^{\circ}27'13''$ East, 944.55 feet to the North boundary of the $NW\frac{1}{4}$ of said Section 12;

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 3 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Thence leaving said Centerline of existing Rock Creek Road, South 87°49'45" West, 55.84 feet to the Northeast corner of the NW¼NW¼ of said Section 12;
 Thence North 00°32'03" West, 2,627.84 feet to the Northwest corner of the NE¼SW¼ of said Section 1, T1S, R17E, B.M.;
 Thence North 88°30'21" East, 1,311.87 feet to the C¼ corner of said Section 1;
 Thence North 00°51'47" West, 866.31 feet to the N¼ corner of said Section 1;
 Thence North 89°52'37" West, 598.82 feet to the Southwest corner of Section 36, T1N R17E, B.M.;
 Thence North 00°04'55" East, 2,629.84 feet to the W¼ corner of said Section 36;
 Thence North 1°08'07" East, 2,628.69 feet to the NW corner of said Section 36;
 Thence South 89°45'37" East, 2,643.23 feet to the N¼ corner of said Section 36;
 Thence North 89°06'18" East, 2,667.38 feet to the NE corner of said Section 36;
 Thence South 00°01'06" West, 2,642.15 feet to the E¼ corner of said Section 36;
 Thence South 01°09'07" West, 2,659.02 feet to the SE corner of said Section 36;
 Thence South 89°59'57" West, 2,106.92 feet to the NW corner of said Section 6, T1S R18E, B.M.;
 Thence South 01°18'36" East, 787.55 feet to the W¼ corner of said Section 6;
 Thence South 00°18'36" East, 1,320.26 feet to the SW corner of Government Lot 5 of said Section 6;
 Thence South 89°46'53" East, 1,180.67 feet to the SE corner of Government Lot 5;
 Thence South 00°52'05" West, 1,320.27 feet to the SE corner of Government Lot 6 of said Section 6;
 Thence North 89°46'55" West, 1,153.53 feet to the SE corner of said Sec 6;
 Thence South 00°21'00" East, 1,324.83 feet to the SW corner of Government Lot 1 of said Section 7, T1S, R18E, B.M.;
 Thence South 89°50'35" East, 1,155.60 feet to the Southeast corner of Government Lot 1
 Thence North 00°26'25" West, 1,323.62 feet to the Northwest corner of Government Lot 1
 Thence South 89°46'55" East, 1,343.15 feet to the N¼ corner of said Sec 7;
 Thence North 00°23'09" East, 1,320.18 feet to the Northwest corner of the SW¼SW¼ of said Section 6, T1S, R18E, B.M.
 Thence South 89°47'38" East, 1,337.90 feet to the Northeast corner of the SW¼SW¼ of said Section 6
 Thence North 00°09'02" East, 1,319.86 feet to the Southwest corner of Government Lot 1 of said Section 6
 Thence North 00°25'50" West, 797.81 feet to the Northwest corner of said Government Lot 1
 Thence South 89°51'30" East, 896.14 feet to the S¼ corner of said Section 31 T1N, R18E, B.M.;
 Thence North 00°32'51" East, along the West boundary of the SE¼ of said Section 31, 586.58 feet to the Centerline of existing Glendale Road
 Thence along said Centerline the following 7 courses;
 North 85°10'40" East, 452.22 feet to a point of curvature
 Thence along a curve to the Left having a radius of 300.00 feet, a delta of 58°51'10" and an arc length of 308.15 feet
 Thence North 26°08'18" East, 251.12 feet to a point of curvature
 Thence along a curve to the Right having a radius of 250.00 feet a delta of 43°17'32" and an arc length of 188.90 feet
 Thence North 69°25'51" East, 135.09 feet;
 Thence North 28°50'45" East 297.99 feet
 Thence North 49°45'31" East 155.65 feet to the East boundary of the NW¼SE¼ of said Section 31
 Thence leaving said Centerline of existing Glendale Road, South 00°29'32" West, 1,551.55 feet to the Southeast corner of the SW¼SE¼ of said Section 31;
 Thence South 89°55'05" East, 431.72 feet to the Northeast corner of Government Lot 4 of said Section 5, T1S, R18E, B.M.;
 Thence South 00°46'53" East, 797.23 feet to the SE corner of said Government Lot 4;
 Thence South 00°12'05" East, 2,646.00 feet to the Southeast corner of the SW¼SW¼ of said Section 5;
 Thence North 89°45'01" West, 1,327.97 feet to the Southwest corner of Government Lot 5
 Thence South 00°17'07" East, 1,319.89 feet to the Southeast corner of the NE¼NE¼ of said Section 7, T1S, R18E, B.M.;
 Thence North 89°51'19" West, 1,341.55 feet to the Southwest corner of the NE¼NE¼ of said Section 7;
 Thence South 00°21'43" East, 1,321.04 feet to the Southeast corner of the SW¼NE¼ of said Section 7;
 Thence North 89°54'14" West, 3,840.47 feet to the W¼ corner of said Section 7;
 Thence South 00°14'50" East, 2,655.25 feet to the REAL POINT OF BEGINNING (Tax Lot 7508)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 4 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

A PARCEL OF LAND LOCATED IN BLAINE COUNTY ID, BEING A PORTION OF THE FOLLOWING SECTIONS:
SECTION 1 AND 2, TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE MERIDIAN AND SECTION 35, TOWNSHIP 1
NORTH, RANGE 17 EAST, BOISE MERIDIAN more particularly described as follows;

Beginning at the N $\frac{1}{4}$ corner of said Section 1, said point being the REAL POINT OF BEGINNING;
Thence South 00°51'47" East, 866.31 feet to the C $\frac{1}{4}$ of said Section 1;
Thence South 88°30'21" West, 1,311.87 feet to the Southwest corner of Government Lot 3 of said Section 1;
Thence South .00°32'03" East, 1,313.92 feet to the Southeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 1;
Thence South .88°09'56" West, 1,319.52 feet to the Southwest corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 1;
Thence South 88°34'27" West 2,642.47 feet to the Southwest corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 2;
Thence North 00°31'49" West, 1,321.99 feet to the C $\frac{1}{4}$ of said Section 2;
Thence North 88°34'44" East, 1,324.94 feet to the Southwest corner of Government Lot 1 of said Section 2;
Thence North 00°32'45" West, 976.12 feet to the Northwest corner of said
Government Lot 1;
Thence North 89°55'28" West, 630.67 feet to the Southwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 35;
Thence North 00°46'53" East, 2,622.80 feet to the Northwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 35;
Thence South 89°59'18" East, 1,323.52 feet to the C $\frac{1}{4}$ of said Section 35;
Thence North 00°44'41" East, 1,307.07 feet to the Northwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 35;
Thence North 89°51'23" East, 2,629.00 feet to the Northeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 35;
Thence South 01°08'07" West, 1,314.34 feet to the E $\frac{1}{4}$ corner of said Section 35;
Thence South 00°04'55" West, 2,629.84 feet to the SE corner of said Section 35;
Thence South 89°52'57" East, 598.82 feet to the REAL POINT OF BEGINNING (Tax Lot 7509)

A PARCEL OF LAND LOCATED IN THE NW $\frac{1}{4}$ OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE
MERIDIAN. BLAINE COUNTY, IDAHO more particularly described as follows;

Beginning at the C $\frac{1}{4}$ corner of said Section 12, said point being the REAL POINT OF BEGINNING;
Thence North. 00°04'09" East Along the East boundary of the NW $\frac{1}{4}$ of said Section 12, 544.57 feet to the
Centerline of existing Rock Creek Road;
Thence along said Centerline the following 9 courses
North 73°05'12" West, 205.13 feet;
Thence North 83°27'56" West, 280.65 feet;
Thence North 61.45'29" West, 301.08 feet;
Thence North 52°46'12" West, 565.03 feet;
Thence North 58°05'19" West, 314.68 feet;
Thence North 43°51'11" West, 121.77 feet;
Thence North 33°57'32" West, 239.71 feet to a point of curvature;
Thence along a curve to the Right having a radius of 200.00 feet, a delta of 60°24'43" and an arc length of 210.88
feet;
Thence North. 26°27'13" East, 944.55 feet to the North boundary of the NW $\frac{1}{4}$ of said Section 12;
Thence leaving said Centerline of existing Rock Creek Rd South 87°49'45" West, 1,383.05 feet to the Northwest corner of
said Sec 12;
Thence South .00°00'12" West, 2,627.95 feet to the W $\frac{1}{4}$ corner of said Section 12;
Thence North .88°42'42" East, 2,650.12 feet to the REAL POINT OF BEGINNING. (Tax Lot 7510)

A PARCEL OF LAND LOCATED IN THE W $\frac{1}{2}$ E $\frac{1}{2}$ OF SECTION 31, TOWNSHIP 1 NORTH RANGE 18 EAST,

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue
Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the
Company or its issuing agent that may be in electronic form.*

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing
as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 5 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

BOISE .MERIDIAN, BLAINE COUNTY, IDAHO more particularly described as follows;

Beginning at the N¼ corner of said Section 31, said point being the REAL POINT OF BEGINNING ;
Thence North 89°57'52" East, 1,320.32 feet to the Northeast corner of the NW¼NE¼ of said Section 31;
Thence South 00°34'09" West, 2,657.28 feet to the Southeast corner of the SW¼NE¼ of said Section 31;
Thence South 00°29'32" West, along the East boundary of the NW¼SE¼ of Section 31, 1,108.63 feet to the existing Centerline of Glendale Road;
Thence along the said Centerline the following 7 courses,
South 49°45'31" West, 155.64 feet;
Thence South .28°50'45" West, 297.99 feet;
Thence South 69°25'51" West, 135.09 feet to a point of curvature;
Thence along a curve to the Left having a radius of 250.00 feet a delta of 43°17'32" and an arc length of 188.90 feet;
Thence South 26°08'18" West, 251.12 feet to a point of curvature;
Thence along a curve to the Right having a radius of 300.00 feet a delta of 58°51'10" and an arc length of 308.15 feet;
Thence South 85°10'40" West, 452.22 feet the West boundary of the SE¼ of said Section 31;
Thence leaving said existing Centerline of Glendale Road North 00°32'51" East, 2,074.11 feet to the C¼ of said Section 31;
Thence North 00°33'25" East, 2,654.13 feet to the REAL POINT OF BEGINNING. (Tax Lot 8396)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 6 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

A PARCEL OF LAND LOCATED WITHIN SECTION 13, TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO AND ALSO WITHIN SECTION 18, TOWNSHIP 1 SOUTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOW:

Commencing at a brass cap marking the one-quarter corner common to said Sections 13 and 18, which point is the REAL POINT OF BEGINNING;

Thence, North 89°39'14" East 2,488.38 feet along the north boundary of the SW¼, said Section 18, Township 1 South, Range 18 East, Boise Meridian to a one inch diameter iron pipe marking the center one-quarter corner, said Section 18;

Thence, North 89°39'15" East 1,328.71 feet along the north boundary of the SE¼, said Section 18, Township 1 South, Range 18 East, Boise Meridian to a one-inch diameter iron pipe marking the center-east one sixteenth corner of said Section 18;

Thence South 0°24'42" East 1,977.57 feet along the east boundary of the W½SE¼, said Section 18 to a one inch diameter pipe on the northerly right-of-way of Idaho State Highway No. 20;

Thence, the following five courses and distances along said northerly boundary said Idaho State Highway No 20;

South 55°08'47" West, 132.69 feet to a right -Of-way monument;

North 79°19'13" West, 2,329.75 feet to a right -of- way monument;

North 79°18'53" West, 2,565.20 feet to a right-of-way monument;

North 49°52'49" West, 284.19 feet to a right-of-way monument;

North 79°18'23" West, 373.18 feet to the approximate centerline of Rock Creek on the easterly Boundary of Idaho State Fish and Game property;

Thence, North 6°00'52" West, 828.13 feet along said easterly boundary of Idaho State Fish and Game property to the north boundary of said SE¼, Section 13, Township 1 South, Range 17 East, Boise Meridian;

Thence, North 88°28'11" East, 1,759.18 feet along said north boundary of the SE¼ of said Section 13 to the point of beginning. (Tax Lot 7912)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 7 of **BAHR - SECTION II**



EXHIBIT A.1
Tangible Personal Property

(TO BE COMPLETED PRIOR TO CLOSING)



ALTA COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

NOTICE

IMPORTANT - READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I - Requirements; Schedule B, Part II - Exceptions; and the Commitment Conditions, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I - Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

Countersigned by:


Authorized Countersignature

Blaine County Title, Inc.
360 Sun Valley Road
P.O. Box 3176
Ketchum, ID 83340
(208) 726-0700




Matt Morris
President and CEO


Denise Carraux
Secretary

For purposes of this form the "Stewart Title" logo featured above is the represented logo for the underwriter, Stewart Title Guaranty Company.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of **BAHR - SECTION II**



COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I - Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I - Requirements;
- (f) Schedule B, Part II - Exceptions; and
- (g) a countersignature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I - Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II - Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 2 of **BAHR - SECTION II**



- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I - Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II - Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <<http://www.alta.org/arbitration>>.

STEWART TITLE GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 3 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data for reference only:

Issuing Agent: Blaine County Title, Inc.
 Issuing Office: 360 Sun Valley Road, P.O. Box 3176, Ketchum, ID 83340
 ALTA® Universal ID: N/A
 Loan ID Number: N/A
 Commitment Number: 1821097
 Issuing Office File Number: 1821097
 Property Address: Vacant Land, Bellevue, ID 83313
 Revision Number: 1

1. Commitment Date: January 08, 2019 at 8:00 A.M.

2. Policy to be issued:

Proposed Policy Amount

(a) ALTA Owner's Policy Leasehold \$1,300,000.00

Proposed Insured: Board of Regents of the University of Idaho

(b) ALTA Loan Policy Standard

Proposed Insured:

3. The estate or interest in the Land described or referred to in this Commitment is:

Fee Simple

4. Title to the said estate or interest in the Land is at the Commitment Date hereof vested in:

Wood River Land Trust Comapny, an Idaho nonprofit corporation also known as the Wood River Land Trust, as to an undivided 50% interest and The Nature Conservancy, a District of Columbia nonprofit corporation, as to an undivided 50% interest, as Tenancy in Common

5. The Land is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

STATEMENT OF CHARGES

These charges are due and payable
before a policy can be issued

Owner's Policy: \$2,585.00

Reissue Credit of \$795.00 Included

Underwriter remittance

\$310.20

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 1 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

EXHIBIT "A" LEGAL DESCRIPTION

PARCEL I Subparcel A

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 15: E $\frac{1}{2}$ E $\frac{1}{2}$
 Section 22: NE $\frac{1}{4}$ NE $\frac{1}{4}$
 Section 23: SE $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; W $\frac{1}{2}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 24: N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 25: W $\frac{1}{2}$; W $\frac{1}{2}$ E $\frac{1}{2}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 26: E $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; W $\frac{1}{2}$
 Section 27: E $\frac{1}{2}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$
 Section 34: S $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$
 Section 35: NW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 2 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 30: Lots 2, 3, 4; SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$

Subparcel B

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 13: NW $\frac{1}{4}$; N $\frac{1}{2}$ NE $\frac{1}{4}$

Subparcel C

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 1: Lot 1; S $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$
 Section 2: SE $\frac{1}{4}$
 Section 11: NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 12: N $\frac{1}{2}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 1 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 7: Lot 1; NE $\frac{1}{4}$ NW $\frac{1}{4}$
 Section 6: Lots, 4, 5, 6 and 7; E $\frac{1}{2}$ W $\frac{1}{2}$

TOWNSHIP 2 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 31: Lots 3 and 4; E $\frac{1}{2}$ SW $\frac{1}{4}$

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 2 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Subparcel D

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 13: $S\frac{1}{2}NE\frac{1}{4}$; $N\frac{1}{2}SE\frac{1}{4}$

Section 14: $NW\frac{1}{4}NE\frac{1}{4}$; $SW\frac{1}{4}SE\frac{1}{4}$; $E\frac{1}{2}W\frac{1}{2}$

Section 15: $SW\frac{1}{4}NE\frac{1}{4}$; $SW\frac{1}{4}$; $W\frac{1}{2}SE\frac{1}{4}$

Section 21: Lot 1; $NE\frac{1}{4}NW\frac{1}{4}$; $N\frac{1}{2}NE\frac{1}{4}$; $S\frac{1}{2}N\frac{1}{2}$; $S\frac{1}{2}$

Section 22: Lots 1, 2, 3; $NW\frac{1}{4}NW\frac{1}{4}$; $NW\frac{1}{4}NE\frac{1}{4}$; $S\frac{1}{2}NE\frac{1}{4}$; $S\frac{1}{2}$

Section 23: $N\frac{1}{2}NE\frac{1}{4}$; $SE\frac{1}{4}NE\frac{1}{4}$; $NE\frac{1}{4}SE\frac{1}{4}$

TOWNSHIP 1 NORTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 18: Lot 2

TOWNSHIP 1 NORTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO

Section 22: Guy Lode Mining Claim as described in that certain Patent recorded February 28, 1972 in Book 130 of Patents at page 194, as Instrument No. 142503, records of Blaine County, Idaho.

PARCEL II

A PARCEL OF LAND LOCATED IN BLAINE COUNTY IDAHO, BEING A PORTION OF FOLLOWING SECTIONS 1, SECTION 12 AND SECTION 13, ALL OF WHICH ARE LOCATED IN TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE MERIDIAN, SECTION 5, SECTION 6 AND SECTION 7, ALL OF WHICH ARE LOCATED IN TOWNSHIP 1 SOUTH, RANGE 18 EAST, BOISE MERIDIAN; SECTION 31, ALL OF WHICH ARE LOCATED IN TOWNSHIP 1 NORTH, 18 EAST, BOISE MERIDIAN; AND ALL OF SECTION 36, TOWNSHIP 1 NORTH, RANGE 17 EAST BOISE MERIDIAN, BLAINE COUNTY, IDAHO more particularly described as follows;

Beginning at the Northeast corner of said Section 13, T1S, R17E, B.M. said Point being the REAL POINT OF BEGINNING;

Thence South $00^{\circ}30'48''$ East, 2,643.25 feet to the $E\frac{1}{4}$ corner of said Section 13;

Thence South $88^{\circ}45'57''$ West, 2,630.50 feet to the $C\frac{1}{4}$ corner of said Section 13;

Thence North $00^{\circ}17'58''$ West, 2,644.64 feet to the $N\frac{1}{4}$ corner of said Section 13;

Thence North $00^{\circ}04'09''$ East Along the West boundary of the $SE\frac{1}{4}$ of said Section 12, T1S, R17E. B.M. 3,196.40 feet to the Centerline of existing Rock Creek Road;

Thence along said Centerline the following 9 courses:

North $73^{\circ}05'12''$ West, 205.13 feet;

Thence North $83^{\circ}17'56''$ West, 280.65 feet;

Thence North $61^{\circ}45'29''$ West, 301.08 feet;

Thence North $52^{\circ}46'12''$ West, 565.03 feet ;

Thence North $58^{\circ}05'19''$ West, 314.68 feet;

Thence North $43^{\circ}51'11''$ West, 121.77 feet;

Thence North $33^{\circ}57'31''$ West, 239.71 feet to a point of curvature;

Thence along a curve to the Right, having a radius of 200.00 feet, a delta of $60^{\circ}24'43''$ and an arc length of 210.88 feet;

Thence North $26^{\circ}27'13''$ East, 944.55 feet to the North boundary of the $NW\frac{1}{4}$ of said Section 12;

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 3 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Thence leaving said Centerline of existing Rock Creek Road, South 87°49'45" West, 55.84 feet to the Northeast corner of the NW¼NW¼ of said Section 12;
 Thence North 00°32'03" West, 2,627.84 feet to the Northwest corner of the NE¼SW¼ of said Section 1, T1S, R17E, B.M.;
 Thence North 88°30'21" East, 1,311.87 feet to the C¼ corner of said Section 1;
 Thence North 00°51'47" West, 866.31 feet to the N¼ corner of said Section 1;
 Thence North 89°52'37" West, 598.82 feet to the Southwest corner of Section 36, T1N R17E, B.M.;
 Thence North 00°04'55" East, 2,629.84 feet to the W¼ corner of said Section 36;
 Thence North 1°08'07" East, 2,628.69 feet to the NW corner of said Section 36;
 Thence South 89°45'37" East, 2,643.23 feet to the N¼ corner of said Section 36;
 Thence North 89°06'18" East, 2,667.38 feet to the NE corner of said Section 36;
 Thence South 00°01'06" West, 2,642.15 feet to the E¼ corner of said Section 36;
 Thence South 01°09'07" West, 2,659.02 feet to the SE corner of said Section 36;
 Thence South 89°59'57" West, 2,106.92 feet to the NW corner of said Section 6, T1S R18E, B.M.;
 Thence South 01°18'36" East, 787.55 feet to the W¼ corner of said Section 6;
 Thence South 00°18'36" East, 1,320.26 feet to the SW corner of Government Lot 5 of said Section 6;
 Thence South 89°46'53" East, 1,180.67 feet to the SE corner of Government Lot 5;
 Thence South 00°52'05" West, 1,320.27 feet to the SE corner of Government Lot 6 of said Section 6;
 Thence North 89°46'55" West, 1,153.53 feet to the SE corner of said Sec 6;
 Thence South 00°21'00" East, 1,324.83 feet to the SW corner of Government Lot 1 of said Section 7, T1S, R18E, B.M.;
 Thence South 89°50'35" East, 1,155.60 feet to the Southeast corner of Government Lot 1
 Thence North 00°26'25" West, 1,323.62 feet to the Northwest corner of Government Lot 1
 Thence South 89°46'55" East, 1,343.15 feet to the N¼ corner of said Sec 7;
 Thence North 00°23'09" East, 1,320.18 feet to the Northwest corner of the SW¼SW¼ of said Section 6, T1S, R18E, B.M.
 Thence South 89°47'38" East, 1,337.90 feet to the Northeast corner of the SW¼SW¼ of said Section 6
 Thence North 00°09'02" East, 1,319.86 feet to the Southwest corner of Government Lot 1 of said Section 6
 Thence North 00°25'50" West, 797.81 feet to the Northwest corner of said Government Lot 1
 Thence South 89°51'30" East, 896.14 feet to the S¼ corner of said Section 31 T1N, R18E, B.M.;
 Thence North 00°32'51" East, along the West boundary of the SE¼ of said Section 31, 586.58 feet to the Centerline of existing Glendale Road
 Thence along said Centerline the following 7 courses;
 North 85°10'40" East, 452.22 feet to a point of curvature
 Thence along a curve to the Left having a radius of 300.00 feet, a delta of 58°51'10" and an arc length of 308.15 feet
 Thence North 26°08'18" East, 251.12 feet to a point of curvature
 Thence along a curve to the Right having a radius of 250.00 feet a delta of 43°17'32" and an arc length of 188.90 feet
 Thence North 69°25'51" East, 135.09 feet;
 Thence North 28°50'45" East 297.99 feet
 Thence North 49°45'31" East 155.65 feet to the East boundary of the NW¼SE¼ of said Section 31
 Thence leaving said Centerline of existing Glendale Road, South 00°29'32" West, 1,551.55 feet to the Southeast corner of the SW¼SE¼ of said Section 31;
 Thence South 89°55'05" East, 431.72 feet to the Northeast corner of Government Lot 4 of said Section 5, T1S, R18E, B.M.;
 Thence South 00°46'53" East, 797.23 feet to the SE corner of said Government Lot 4;
 Thence South 00°12'05" East, 2,646.00 feet to the Southeast corner of the SW¼SW¼ of said Section 5;
 Thence North 89°45'01" West, 1,327.97 feet to the Southwest corner of Government Lot 5
 Thence South 00°17'07" East, 1,319.89 feet to the Southeast corner of the NE¼NE¼ of said Section 7, T1S, R18E, B.M.;
 Thence North 89°51'19" West, 1,341.55 feet to the Southwest corner of the NE¼NE¼ of said Section 7;
 Thence South 00°21'43" East, 1,321.04 feet to the Southeast corner of the SW¼NE¼ of said Section 7;
 Thence North 89°54'14" West, 3,840.47 feet to the W¼ corner of said Section 7;
 Thence South 00°14'50" East, 2,655.25 feet to the REAL POINT OF BEGINNING (Tax Lot 7508)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 4 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

A PARCEL OF LAND LOCATED IN BLAINE COUNTY ID, BEING A PORTION OF THE FOLLOWING SECTIONS:
SECTION 1 AND 2, TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE MERIDIAN AND SECTION 35, TOWNSHIP 1
NORTH, RANGE 17 EAST, BOISE MERIDIAN more particularly described as follows;

Beginning at the N $\frac{1}{4}$ corner of said Section 1, said point being the REAL POINT OF BEGINNING;
Thence South 00°51'47" East, 866.31 feet to the C $\frac{1}{4}$ of said Section 1;
Thence South 88°30'21" West, 1,311.87 feet to the Southwest corner of Government Lot 3 of said Section 1;
Thence South .00°32'03" East, 1,313.92 feet to the Southeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 1;
Thence South .88°09'56" West, 1,319.52 feet to the Southwest corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 1;
Thence South 88°34'27" West 2,642.47 feet to the Southwest corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 2;
Thence North 00°31'49" West, 1,321.99 feet to the C $\frac{1}{4}$ of said Section 2;
Thence North 88°34'44" East, 1,324.94 feet to the Southwest corner of Government Lot 1 of said Section 2;
Thence North 00°32'45" West, 976.12 feet to the Northwest corner of said
Government Lot 1;
Thence North 89°55'28" West, 630.67 feet to the Southwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 35;
Thence North 00°46'53" East, 2,622.80 feet to the Northwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 35;
Thence South 89°59'18" East, 1,323.52 feet to the C $\frac{1}{4}$ of said Section 35;
Thence North 00°44'41" East, 1,307.07 feet to the Northwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 35;
Thence North 89°51'23" East, 2,629.00 feet to the Northeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 35;
Thence South 01°08'07" West, 1,314.34 feet to the E $\frac{1}{4}$ corner of said Section 35;
Thence South 00°04'55" West, 2,629.84 feet to the SE corner of said Section 35;
Thence South 89°52'57" East, 598.82 feet to the REAL POINT OF BEGINNING (Tax Lot 7509)

A PARCEL OF LAND LOCATED IN THE NW $\frac{1}{4}$ OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE
MERIDIAN. BLAINE COUNTY, IDAHO more particularly described as follows;

Beginning at the C $\frac{1}{4}$ corner of said Section 12, said point being the REAL POINT OF BEGINNING;
Thence North. 00°04'09" East Along the East boundary of the NW $\frac{1}{4}$ of said Section 12, 544.57 feet to the
Centerline of existing Rock Creek Road;
Thence along said Centerline the following 9 courses
North 73°05'12" West, 205.13 feet;
Thence North 83°27'56" West, 280.65 feet;
Thence North 61.45'29" West, 301.08 feet;
Thence North 52°46'12" West, 565.03 feet;
Thence North 58°05'19" West, 314.68 feet;
Thence North 43°51'11" West, 121.77 feet;
Thence North 33°57'32" West, 239.71 feet to a point of curvature;
Thence along a curve to the Right having a radius of 200.00 feet, a delta of 60°24'43" and an arc length of 210.88
feet;
Thence North. 26°27'13" East, 944.55 feet to the North boundary of the NW $\frac{1}{4}$ of said Section 12;
Thence leaving said Centerline of existing Rock Creek Rd South 87°49'45" West, 1,383.05 feet to the Northwest corner of
said Sec 12;
Thence South .00°00'12" West, 2,627.95 feet to the W $\frac{1}{4}$ corner of said Section 12;
Thence North .88°42'42" East, 2,650.12 feet to the REAL POINT OF BEGINNING. (Tax Lot 7510)

A PARCEL OF LAND LOCATED IN THE W $\frac{1}{2}$ E $\frac{1}{2}$ OF SECTION 31, TOWNSHIP 1 NORTH RANGE 18 EAST,

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 5 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

BOISE .MERIDIAN, BLAINE COUNTY, IDAHO more particularly described as follows;

Beginning at the N¼ corner of said Section 31, said point being the REAL POINT OF BEGINNING ;
Thence North 89°57'52" East, 1,320.32 feet to the Northeast corner of the NW¼NE¼ of said Section 31;
Thence South 00°34'09" West, 2,657.28 feet to the Southeast corner of the SW¼NE¼ of said Section 31;
Thence South 00°29'32" West, along the East boundary of the NW¼SE¼ of Section 31, 1,108.63 feet to the existing Centerline of Glendale Road;
Thence along the said Centerline the following 7 courses,
South 49°45'31" West, 155.64 feet;
Thence South .28°50'45" West, 297.99 feet;
Thence South 69°25'51" West, 135.09 feet to a point of curvature;
Thence along a curve to the Left having a radius of 250.00 feet a delta of 43°17'32" and an arc length of 188.90 feet;
Thence South 26°08'18" West, 251.12 feet to a point of curvature;
Thence along a curve to the Right having a radius of 300.00 feet a delta of 58°51'10" and an arc length of 308.15 feet;
Thence South 85°10'40" West, 452.22 feet the West boundary of the SE¼ of said Section 31;
Thence leaving said existing Centerline of Glendale Road North 00°32'51" East, 2,074.11 feet to the C¼ of said Section 31;
Thence North 00°33'25" East, 2,654.13 feet to the REAL POINT OF BEGINNING. (Tax Lot 8396)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 6 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

A PARCEL OF LAND LOCATED WITHIN SECTION 13, TOWNSHIP 1 SOUTH, RANGE 17 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO AND ALSO WITHIN SECTION 18, TOWNSHIP 1 SOUTH, RANGE 18 EAST, BOISE MERIDIAN, BLAINE COUNTY, IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOW:

Commencing at a brass cap marking the one-quarter corner common to said Sections 13 and 18, which point is the REAL POINT OF BEGINNING;

Thence, North 89°39'14" East 2,488.38 feet along the north boundary of the SW¼, said Section 18, Township 1 South, Range 18 East, Boise Meridian to a one inch diameter iron pipe marking the center one-quarter corner, said Section 18;

Thence, North 89°39'15" East 1,328.71 feet along the north boundary of the SE¼, said Section 18, Township 1 South, Range 18 East, Boise Meridian to a one-inch diameter iron pipe marking the center-east one sixteenth corner of said Section 18;

Thence South 0°24'42" East 1,977.57 feet along the east boundary of the W½SE¼, said Section 18 to a one inch diameter pipe on the northerly right-of-way of Idaho State Highway No. 20;

Thence, the following five courses and distances along said northerly boundary said Idaho State Highway No 20;

South 55°08'47" West, 132.69 feet to a right -Of-way monument;

North 79°19'13" West, 2,329.75 feet to a right -of- way monument;

North 79°18'53" West, 2,565.20 feet to a right-of-way monument;

North 49°52'49" West, 284.19 feet to a right-of-way monument;

North 79°18'23" West, 373.18 feet to the approximate centerline of Rock Creek on the easterly Boundary of Idaho State Fish and Game property;

Thence, North 6°00'52" West, 828.13 feet along said easterly boundary of Idaho State Fish and Game property to the north boundary of said SE¼, Section 13, Township 1 South, Range 17 East, Boise Meridian;

Thence, North 88°28'11" East, 1,759.18 feet along said north boundary of the SE¼ of said Section 13 to the point of beginning. (Tax Lot 7912)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 7 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Requirements

File No.: 1821097- Revision No. 1

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Before the Company will issue a title commitment covering the leasehold estate, the Company must be furnished with an authentic copy of the lease and the memorandum of lease, if applicable. At that time, the Company may make additional requirements or exceptions. Upon approval by the Company, the lease must be executed and the lease or a memorandum of lease must be filed for record.
6. A Tenancy in Common Agreement affecting transferability of title in and to real property as disclosed by the Memorandum of Tenancy in Common Agreement recorded December 27, 2016 as [Instrument No. 640617](#). The Company requires a copy of the Tenancy in Common Agreement for its review. At that time, the Company may make additional requirements or exceptions.
7. If a Leasehold Policy is not issued, a Leasehold Policy Modification Endorsement will be attached to the Policy.
8. The Company requires for its review a satisfactory resolution of the Board of Directors authorizing the proposed transaction, Shareholders Resolution where applicable, for the **University of Idaho**. At the time the Company is furnished these items, the Company may make additional requirement or exceptions.
9. Delivery to the Company of the Affidavit as to Debts and Liens. Upon acceptance and review of said Affidavit, title will be subject to such further matters as appear necessary and appropriate following such review.
10. Pursuant to the State of Idaho Insurance Regulations, a cancellation fee is to be charged on all cancelled orders. Unless otherwise advised, orders will be considered cancelled six months after the effective date on the Commitment. The amount of the fee assessed shall be in accordance with our rate filing with the Idaho Department of Insurance.

If you should decide to change lenders within six months, this commitment can be transferred to avoid a cancellation charge.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ALTA Commitment For Title Insurance Schedule 8-1-16 (4-2-18)

Page 1 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 1821097- Amended No. 1

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by public record.
3. Any facts, rights, interests, or claims which are not shown by the public records, but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
4. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortages in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
6. (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims, or title to water.
7. Any lien or right to a lien for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
8. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. Stewart makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interest that are not listed.
9. General taxes for the year 2019 and subsequent years, which are a lien not yet payable.
10. Title to, and easements in, any portion of the land lying within any highways, roads, streets, or other ways.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 1 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

11. Reservation of all coal and other minerals in the Patent issued May 28, 1925 as [Patent Number 960688](#) , Record of Patents, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
12. Reservation of all coal and other minerals in the Patent issued September 24, 1925 as [Patent Number 966840](#) , Record of Patents, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
13. Reservation of all coal and other minerals in the Patent recorded February 17, 1927 in Book 129 of Patents at page 29, as [Instrument No. 60686](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
14. Reservation of all coal and other minerals in the Patent recorded August 24, 1927 in Book 129 at page 51, as [Instrument No. 61563](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
15. Reservation of all coal and other minerals in the Patent recorded February 5, 1929 in Book 129 of Patents at page 89, as [Instrument No. 64185](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
16. Reservation of all coal and other minerals in the Patent recorded May 25, 1929 in Book 129 of Patents at page 99, as [Instrument No. 64535](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
17. Right of Way, including the terms and provisions thereof, in favor of Mountain States Telephone and Telegraph Co., recorded August 8, 1929 in Book 132 of Deeds at Page 577, as [Instrument No. 64977](#), records of Blaine County, Idaho.
18. Right of Way, including the terms and provisions thereof, in favor of Mountain States Telephone and Telegraph Co., recorded August 8, 1929 in Book 132 of Deeds at page 578, as [Instrument No. 64978](#), records of Blaine County, Idaho.
19. Reservation of all coal and other minerals in the Patent recorded August 31, 1929 in Book 129 of Patents at page 103, as [Instrument No. 65125](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 2 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE

SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

20. Easement and Right of Way for County Road, including the terms and provisions thereof, recorded November 21, 1934 in Book 128 at Page 281, as [Instrument No. 71693](#), records of Blaine County, Idaho.
21. Reservation of all coal and other minerals in the Patent recorded January 3, 1938 in Book 129 of Patents at page 376, as [Instrument No. 76502](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
22. Reservation of all the coal and other minerals in the Patent recorded March 29, 1945 in Book 129 of Patents at page 507, as [Instrument No. 88106](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
23. Easements and restrictions, including the terms and provisions thereof, as contained in that certain Warranty Deed in favor of the State of Idaho, recorded October 14, 1955 in Book 166 of Deeds at page 463, as [Instrument No. 106824](#), records of Blaine County, Idaho.
24. Grant of Easement and Right of Way, including the terms and provisions thereof, in favor of United States of America, Department of the Interior, Bureau of Land Management, recorded June 22, 1962 in Book 176 of Deeds at page 363, as [Instrument No. 117053](#), records of Blaine County, Idaho.
25. Power Line Easement, including the terms and provisions thereof, in favor of Idaho Power Company, recorded August 17, 1962 in Book 176 of Deeds at page 405, as [Instrument No. 117307](#), records of Blaine County, Idaho.
26. Power Line Easement, including the terms and provisions thereof, in favor of Idaho Power Company, recorded August 17, 1962 in Book 176 of Deeds at page 406, as [Instrument No. 117308](#), records of Blaine County, Idaho.
27. Power Line Easement, including the terms and provisions thereof, in favor of Idaho Power Company, recorded August 17, 1962 in Book 176 of Deeds at page 407, as [Instrument No. 117309](#), records of Blaine County, Idaho.
28. Power Line Easement, including the terms and provisions thereof, in favor of Idaho Power Company, recorded October 15, 1962 in Book 176 of Deeds at page 467, as [Instrument No. 117654](#), records of Blaine County, Idaho.
29. Reservation of all mineral rights in the Quitclaim Deed recorded May 11, 1967 in Book 147 of Deeds at Page 352, as [Instrument No. 126972](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
30. Reservation of undivided one-half interest in the mineral rights in the Warranty Deed recorded February 6, 1968 in Book 175 of Deeds at page 613, as [Instrument No. 129169](#), together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 3 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

31. Reservation of mineral rights within Section 14 Township 1 North, Range 17 East B.M. in the Warranty Deed recorded February 1, 1972 as [Instrument No. 142188](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
32. Conditions and Stipulations, as disclosed in that certain Patent for the Guy Lode Mining Claim, recorded February 28, 1972 in Book 130 of Patents, at page 194, as [Instrument No. 142503](#), records of Blaine County, Idaho.
33. Power Line Easement, including the terms and provisions thereof, in favor of Idaho Power Company, recorded February 6, 1980, as [Instrument No. 201028](#), records of Blaine County, Idaho.
34. Reservation of all coal, oil, oil shale, gas phosphate, sodium, asbestos, gold, silver, lead, zinc, copper, antimony, all minerals or deposits of minerals of whatsoever kind or character in the State of Idaho Deed recorded May 29, 1990 as [Instrument No. 320021](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
35. Reservation of all coal, oil, oil shale, gas phosphate, sodium, asbestos, gold, silver, lead, zinc, copper, antimony, all minerals or deposits of minerals of whatsoever kind or character in the State of Idaho Deed recorded May 29, 1990 as [Instrument No. 320022](#), records of Blaine County, Idaho, together with the appurtenant rights to use the surface. The Company makes no representation as to the present ownership of this interest. There may be leases, grants, exceptions or reservations of interests that are not listed
36. Facts evidenced by that certain Survey, recorded December 9, 1997, as [Instrument No. 408733](#), records of Blaine County, Idaho.
37. 30 foot right-of-way, including the terms and provisions thereof, as disclosed by that certain Warranty Deed recorded February 25, 2004, as [Instrument No. 499602](#), records of Blaine County, Idaho.
38. Facts evidenced by that certain Survey, recorded January 16, 2014, as [Instrument No. 616171](#), and Amended February 27, 2014 as [Instrument No. 617120](#), records of Blaine County, Idaho.
39. Grassland Reserve Program Conservation Easement, including the terms and provisions thereof, recorded May 12, 2014 as [Instrument No. 618556](#), and re-recorded August 19, 2015 as [Instrument No. 628899](#), records of Blaine County, Idaho.
40. Grassland Reserve Program Conservation Easement, including the terms and provisions thereof, recorded May 12, 2014 as [Instrument No. 618558](#), and re-recorded August 20, 2015 as [Instrument No. 628914](#), records of Blaine County, Idaho.
41. Possible reservation of mineral rights within the Guy Lode Patented Mining Claim - Lot No. 37, as disclosed by Special Warranty Deed recorded May 12, 2014 as [Instrument No. 618565](#), records of Blaine County, Idaho.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 4 of **BAHR - SECTION II**



ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

42. Memorandum of Tenancy in Common Agreement, including the terms and provisions thereof, recorded December 27, 2016 as [Instrument No. 640617](#), records of Blaine County, Idaho.
43. Notices of liens if any, in favor of the State Tax Commission, the Department of Labor and Department of Health and Welfare of the State of Idaho filed in the office of the Secretary of State pursuant to Chapter 19, Title 45, Idaho Code. (The Idaho State Tax Commission electronically files liens with the office of the Secretary of State and not with the Blaine County Recorder. Until final review at closing, title may be subject to such further matters as appear necessary and appropriate following such review.)

Item 1 will be removed upon final review at closing, title may be subject to such further matters as appear necessary and appropriate following such review.

Items 2-5 and 7 may be removed upon issuance of any ALTA Extended Coverage Policy.

Copies of all recorded documents outlined in this section are available upon request.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

Copyright 2006-2016 American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

File No. 1821097

ID ALTA Commitment For Title Insurance Schedule 8-1-16

Page 5 of **BAHR - SECTION II**



STG Privacy Notice Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ▪ request insurance-related services ▪ provide such information to us <p>We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.</p>
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

EXHIBIT B
MEMORANDUM OF LEASE
(TO BE COMPLETED PRIOR TO CLOSING)

Exhibit C

Grants with on-going obligations for Seller

Grants with ongoing funds or monitoring/reporting requirements					
Granting Agency	Agreement Number/Name	Purpose	Implementation Timeline	Obligations that will survive transfer	Notes
Office of Species Conservation - Sage-Grouse funding	FY 2017, Rock Creek Ranch Sage-Grouse Mesic Meadow and Spring Restoration (Awarded 10/6/2016)	Repair springs and water resources in Hill Pasture; fencing	completed	Monitor for 3-5 years, photo points, weed mapping, vegetation surveys. Send reports on year 1(2017), 3(2019) and 5(2021)	
Office of Species Conservation - Sage-Grouse funding	FY 2018, Rock Creek Ranch Fence Collision Removal	Wildlife friendly fencing along Betts Meadow	June 2019	Completion report on or before June 1, 2019, and send 2-year monitoring report	PROJECT IN PROGRESS. Invoice on or before June 1, 2019 for any remaining funds. Set up 3 photo points and monitor before, during and after implementation.

	(Awarded 5/18/2018)			(2020), 3 photo points	
US Fish & Wildlife Service	F16AC00664-01	Spring developments	completed	Must keep and maintain funded improvements until October 2026	WRLT is a sub-recipient to the Cooperative Agreement between the U.S. Fish and Wildlife Service and Idaho Cattle Association - Must notify USFWS of planned or pending changes in ownership (ownership will not change the terms of the agreement) must maintain the habitat restored under this award until 2026
US Fish & Wildlife Service	F16AC00664-02	Betts Meadow ditch work	Spring/summer 2018	Must keep and maintain funded improvements until June 2028	PROJECT IN PROGRESS. Must notify USFWS of planned or pending changes in ownership (ownership will not change the terms of the agreement) must maintain the habitat restored under this award until 2026
Blaine County Land, Water & Wildlife Program	Instrument #647968; Rock Creek Ranch Restoration – Phase I (Awarded 10/12/2017)	Upper diversion, middle diversion, upper reconnection, weed control	12/31/2018	Monitoring reports due 12-31-2018, 12-31-2019, and final report due 12-31-2020	Per the Grant Agreement, the Mobilization/General items have been reimbursed at 100%. All other expenses have had 30% withheld, which will be paid out incrementally upon receipt of the 2018, 2019 and 2020 reports. We still have \$4800 to spend on weed management. We will need to notify Blaine County in writing 15 days prior to change in ownership.

Idaho Dept of Fish and Game	Access Yes Lease Agreement (dated 7/7/2016)	Habitat improvement projects	July 19	Must continue to allow Public Access through 2019 as part of this grant	PROJECT IN PROGRESS. Flow monitoring and gauges, meadow restoration. Potential to use the rest as match for new NFWF grant that Rangeland Center is working on - for tributary restoration or other wildlife habitat projects.
Idaho Heritage Trust	Rock Creek Ranch Barn (Awarded 11/8/2017)	Barn stabilization	11/1/2020	Submit in-progress and final work photos, work must comply with Secretary of the Interior's checklist	PROJECT IN PROGRESS.

EXHIBIT D**REPURCHASE AGREEMENT**

This Repurchase Agreement (the “Agreement”) is entered into this _____ day of _____, 2018 by and between The Regents of the University of Idaho (“**University**”) and The Nature Conservancy, a non-profit corporation under the laws of the District of Columbia (“**Conservancy**”) and the Wood River Land Trust (“**WRLT**”). the Conservancy and WRLT are referred to collectively as the “**Conservation Parties**”.

WHEREAS:

- A. Simultaneously herewith the Conservation Parties have sold to the University approximately 10,394 acres of real property commonly referred to as the Rock Creek Ranch, including, without limitation, all improvements located thereon, located in Blaine County, Idaho and legally described in the attached ***Exhibit A*** (“**Property**”), RESERVING THEREFROM the right to reacquire the Property under the terms and conditions set forth in this Repurchase Agreement. The cash portion of the purchase price for the Property was One Million Two Hundred Fifty-Two Thousand Three Hundred and Eighty-Eight Dollars (\$1,252,388) (the “**Original Purchase Price**”). The parties mutually acknowledge that the Original Purchase Price was substantially less than the current fair market value of the Property. As additional consideration for the purchase and sale of the Property, the University has agreed to the terms and conditions set forth in this Agreement.
- B. The parties acknowledge that the University accepted the property AS IS and that the condition of the Property as conveyed to the University is generally documented in the following reports:
1. That certain report made by Assessment and Compliance Services (ACS) titled “Phase I Environmental Site Assessment of 10,400 Acres Along Rock Creek” dated November 2013, and ACS’s “Limited Follow-Up Sampling at the McCoy Mine Property, Blaine County, Idaho” dated 2/6/14;
 2. That certain “NRCS GRP Baseline Report” (No. 8302111301DF9) dated November 8, 2013;
 3. That certain NRCS GRP Baseline Report” (No. 8302111301DFS) dated November 11, 2013; and,
 4. That certain June, 2018 Update to the aforesaid Phase 1 Environmental Site Assessment.
 5. That certain “Current Conditions Report” documenting restoration work conducted by the Conservation Parties which shall be prepared by the Conservation Parties for review by the University prior to closing the purchase of the Property by the University and the University’s approval of which shall be a condition of closing of the purchase of the Property by the University.
- The parties further acknowledge that the intended use of the Property by the University is as described in Section 15 below and the Property has certain natural, scenic, conservation, wildlife habitat, and open space values which are protected by the terms of the Grasslands Reserve Program Easements in favor of the U.S. Natural Resources

Conservation Service which are of record on the Property (the “**Conservation Easements**”).

- C. The Parties acknowledge that the Conservation Parties have been engaged in preserving such natural, scenic, conservation, wildlife habitat, and open space values and have been providing managed public access to the Property; and, without otherwise expanding the obligations of the University as provided in this Agreement, the parties desire to ensure that the Conservation Parties will have the right to acquire fee simple title to the Property prior to any sale of the Property or portion thereof by the University to any other individual(s) or entity(ies) in order to protect the aforesaid natural, scenic, wildlife habitat, public access and open space values.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **RESERVATION OF PURCHASE RIGHT.** the University and the Conservation Parties acknowledge and agree that the Conservation Parties and their successors and assigns have reserved a right to purchase (“**Purchase Right**”) the Property upon the terms and conditions contained in this Agreement.

A. Notice. In the event that the University at any time desires to sell all or any portion of the Property, the University shall give the Conservation Parties written notice of the University's intent to sell all or any portion or interest in the Property (a “**Sale**”) prior to executing any binding agreements to sell. For the purposes of this Agreement a Sale shall include (i) the conveyance of fee title to all or any portion of the Property, or (ii) a lease, easement, license to use or other possessory interest in the Property for a term which, including tenant's right to renew, exceeds ten (10) years. This written notice shall be delivered to the Conservancy and to WRLT at the addresses provided below. The notice shall describe the portion of the Property or interest therein subject to the Sale and shall include any disclosure by the University as described in Section 14 of this Agreement.

B. Exercise. One or both of the Conservation Parties may give written notice to the University within sixty (60) days from receipt of the University's notice of intent to sell the Property that such party or parties desires to exercise the right to purchase the Property, for the purchase price established pursuant to Section 1.C. below (the “**Repurchase Notice**”). The parties agree that either Conservation Party shall have the right, separately, to exercise the Purchase Right but if both Conservation Parties desire to exercise the Purchase Right they must do so jointly as tenants-in-common or in such form as otherwise agreed by the Conservation Parties. If either or both of the Conservation Parties exercises their Purchase Right, closing of the purchase of the Property shall be in accordance with the terms and conditions described below and other terms and conditions in the area where the Property is located. The party exercising the Purchase Right, whether it be the Conservation Parties jointly, or either of them separately, shall be referred to herein as the “**Purchasing Party**.”

C. Purchase Price. The price for the Property to be paid by the Purchasing Party to the University at the closing hereunder shall be One Million Two Hundred Fifty-Two Thousand Three Hundred and Eighty-Eight Dollars (\$1,252,388), plus an amount equal to interest thereon at the rate of Two Percent (2%) per annum from the date hereof to the date of the closing of the purchase (the “**Repurchase Price**”). If the Sale of the Property is for only a portion of the Property, the purchase price for the remainder of the Property shall be prorated based on the number of acres previously sold as compared to the total acreage of the Property as of the date hereof.

D. AS IS. The Property shall be conveyed AS IS and without any warranties, express or implied, save and except only warranties made in this Agreement.

E. SHARING IN SALES PROCEEDS.

(i) In the event that the Notice referred to in Section 1.A above is delivered to the Conservation Parties within the first ten (10) years following the date of the closing of the Conservation Parties' original sale of the Property to the University, and the Conservation Parties decline their right to repurchase the Property, as provided in this Agreement, and the University sells the Property, then the proceeds from the University's sale shall be allocated and distributed as follows:

- (1) First, to the University's costs of closing the sale, including closing costs, attorneys fees and commissions;
- (2) Second, to the University up to the amount of the Repurchase Price;
- (3) Third, the balance, if any, to the Conservation Parties.

(ii) In the event that the Notice referred to in Section 1.A above is delivered to the Conservation Parties after the elapse of the first ten (10) years following the date of the closing of the Conservation Parties' original sale of the Property to the University, the following provisions shall apply:

(a) If the Conservation Parties, or either of them, exercise their right to repurchase the Property, as provided in this Agreement, and the Purchasing Party resells the Property within five (5) years after the Repurchase Closing, as defined below, then the proceeds from the resale shall be allocated and distributed as follows:

- (1) First, to the Purchasing Party's costs of closing the resale, including closing costs, attorneys fees and commissions;
- (2) Second, to the Purchasing Party up to the amount of the Repurchase Price plus The Nature Conservancy's initial investment made in acquiring the Property (\$1,110,000) that subsequently allowed for the University's initial purchase at substantially below fair market value;
- (3) Third, the balance to be divided equally by thirds to the University and the Conservation Parties.

(b) If the Conservation Parties decline to exercise their right to repurchase the Property, as provided in this Agreement, and the University sells the Property, then the proceeds from the University's sale shall be allocated and distributed as follows:

- (1) First, to the University's costs of closing the sale, including closing costs, attorneys fees and commissions;
- (2) Second, to the University up to the amount of the Repurchase Price;
- (3) Third, to The Nature Conservancy up to the amount of their initial investment made in acquiring the Property (\$1,110,000);
- (4) Fourth, the balance divided equally by thirds to the University and the Conservation Parties.

2. WAIVER. If neither of the Conservation Parties exercise the Purchase Right described in Section 1. A-D above, within sixty (60) days after receipt of the notice described in Section 1.A. above, the Purchase Right described in this Agreement with respect to that portion of the Property referenced in the notice described in Section 1.A. shall automatically and, without further action by any party, terminate and the University shall be free to sell or otherwise convey such portion of the Property and this Agreement shall have no further effect upon completion of such sale or conveyance with regard to the portion of the Property or interest therein so conveyed, except as provided in Section E above. Upon request, the Conservation Parties shall execute a quit claim deed or other document evidencing the termination of this Agreement with regard to the portion of the Property or interest therein so conveyed, and deliver it to the escrow agent handling the closing, to be released to the University simultaneously upon the closing of the sale. Notwithstanding the foregoing, if the University does not actually sell or convey such portion of the Property within one (1) year after the date of the notice described in Section 1A above then the Purchase Right described in this Agreement shall be reinstated and this Agreement shall be in full force and effect with respect to any future Sale of such portion of the Property. If only part of the Property or a partial interest in the Property is sold or conveyed, this Agreement shall remain in full force and effect with respect to the portion of the Property or interest in the Property not sold or conveyed.

3. MORTGAGES. The University may mortgage or otherwise encumber the Property as security for any debt of obligation of the University without triggering the Conservation Parties' rights under this Agreement, provided that such mortgage or encumbrance shall be subject and subordinate to the Conservation Parties' rights hereunder and shall specifically recognize and acknowledge such rights in a manner reasonably acceptable to the Conservation Parties.

4. CLOSING DATE. Closing on any exercise of the Purchase Right will be within one hundred twenty (120) days after the date the Purchasing Party gives notice of its intent to purchase as provided in Section 1.B. above or as soon thereafter as the conditions for closing set out in this agreement have been met (the "**Repurchase Closing**"). Closing may be held in escrow through an agent designated by the Purchasing Party or as otherwise agreed to by the parties.

5. EVIDENCE OF TITLE. Upon exercise of the Purchase Right, the Purchasing Party will obtain a preliminary title insurance commitment covering the portion of the Property subject to the Sale from a title insurance company (the "**Title Company**") selected by the Purchasing Party. At closing, the Title Company shall issue to the Purchasing Party an ALTA Owner's Policy of Title Insurance in the amount of the Purchase Price, insuring fee simple title to the Property being conveyed, subject only to the Purchasing Party Permitted Encumbrances, as defined in Section 6 below (the "**Title Policy**"). The cost of the title insurance commitment and the final policy to be issued at closing shall be the responsibility of the University.

6. TITLE. At closing, the University will convey good, insurable and marketable title to the Property. "Good, insurable and marketable title" for purposes of this Agreement shall mean the condition of the title to the Property at the time of the University's acquisition of the Property, subject to the "Permitted Encumbrances" as defined in the Purchase and Sale Agreement executed by the parties on or about _____, 2018 together with any encumbrances placed or allowed to be placed on the Property by the University which the Purchasing Party elects to accept (together, the "**Purchasing Party Permitted Encumbrances**").

7. TITLE DEFECTS. If for any reason the University cannot deliver title at closing as required by Sections 5 and 6 above (i.e. subject only to the Purchasing Party Permitted Encumbrances), the Purchasing Party may elect to: a) accept the Property with title as it exists or b) require the University to diligently pursue all reasonable efforts to correct the problem, including bringing any necessary quiet

title actions or other lawsuits. If an objection to title is based upon outstanding oil, gas or mineral leases, interests or reservations created during the University's ownership of the Property the Purchasing Party may alternatively require the University to obtain such surface waiver or non-drilling agreements from the owner(s) of the outstanding interests as the Purchasing Party deems necessary. Without limitation, the Property shall not be considered to be in compliance with this Agreement's title requirements unless all structures and improvements, including any driveways and accessory structures placed on the Property during the University's ownership of the Property, if any, are located within the lot lines of the Property and do not encroach upon or under any property not within such lot lines

8. DOCUMENTS FOR CLOSING. The University shall execute and deliver at closing a Special Warranty Deed warranting title to the Property consistent with the provisions of Sections 5, 6 and 7 above; evidence reasonably satisfactory to the Purchasing Party and the Title Company of the University's authority to sell the Property; a FIRPTA Affidavit (as defined in the University's Representations and Warranties Section below); and, any other documents reasonably necessary to close in accordance with the terms of this Agreement. These documents will be prepared at the University's expense.

The proposed deed and other documents to be prepared by the University for closing must be submitted to the Purchasing Party at least 30 days before closing. Any documents to be prepared by the Purchasing Party shall be provided to the University at least 30 days before closing.

9. PROPERTY TAXES. To the extent any of the following exist, any delinquent real property taxes, all real property taxes which are due in the year of closing and all levied assessments and any recoupment of taxes due because of assessment of the property as agricultural land are the University's responsibility and should be satisfied of record by the University at or before closing, if possible. Any real estate taxes assessed against the property in the year of closing, but which are not yet due and payable, will be prorated to the date of closing based upon the most recent available tax statements.

10. MISCELLANEOUS CLOSING EXPENSES. The Purchasing Party will pay any escrow or closing fees and recording fees.

11. POSSESSION. The University will deliver possession of the Property to the Purchasing Party at closing subject only to: (a) any leases or reserved rights which have been granted by the University for land uses and/or activities which are allowed by the terms of the Grassland Reserve Program Conservation Easements which are of record on the Property; and, (b) rights created prior to the University's acquisition of the Property and subject to which the University took title to the Property.

12. CONDITION OF PROPERTY/RISK OF LOSS. After the University's receipt of the Repurchase Notice, the University shall not transfer or encumber any interest in the Property prior to the closing of such purchase. The University shall make reasonable efforts to remove from the Property prior to closing all rubbish or trash placed on the Property by the University during the University's ownership of the Property, and to remove any hazardous or toxic chemical substances or materials which the University has caused to be stored on the Property. The University shall otherwise keep the Property in the condition in which it existed at the time of the University's receipt of the Repurchase Notice until closing.

In the event of any adverse change in the condition of the Property occurring between the University's receipt of the Repurchase Notice and the closing of the Purchasing Party's purchase which change is caused by the actions of the University, the Purchasing Party may elect to: a) accept the Property as is, or b) require restoration of the Property to its condition at the time of the University's receipt of the Repurchase Notice.

The above provisions notwithstanding, the parties acknowledge that activities may occur on the Property during the University's ownership of the Property prior to or after the University's receipt of the Repurchase Notice over which the University does not and cannot exercise control. By way of example and not limitation, these might include activities pursuant to rights which were created prior to the University's acquisition of the Property and subject to which the University took title to the Property and actions of the public. The parties agree that the University shall not be responsible for such activities or any remediation or restoration which may be required as a result of such activities.

13. RIGHT OF ENTRY AND INSPECTION. The Purchasing Party and its agents shall have the right to enter upon the Property at reasonable times for surveying, conducting an environmental inspection and assessment to detect hazardous or toxic substances, conducting an inspection of the buildings on the Property to determine the condition and performance of the buildings' condition, structure and systems, and other reasonable purposes related to this transaction.

14. THE UNIVERSITY'S REPRESENTATIONS AND WARRANTIES. the University currently warrants and represents to the Purchasing Party and will warrant and represent to the Purchasing Party at the time of closing, the following matters; and , subject to the limitations imposed by law, including but not limited to Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, the University agrees to indemnify, defend and hold the Purchasing Party harmless from any loss or liability resulting from these matters, with the intent that these representations, warranties and indemnities shall survive closing for a period of one year following closing:

a. Hazardous Substances. To the best of the University's knowledge:

(i) Other than as specifically disclosed to Purchasing Party by the University, there has been no production, use, treatment, storage, transportation, or disposal of any Hazardous Substance (as defined below) on the Property during the University's ownership of the Property by the University or an agent of the University except in compliance with applicable laws and regulations;

(ii) Other than as specifically disclosed to Purchasing Party by the University, there has been no release by the University or an agent of the University of any Hazardous Substance, pollutant or contaminant into, upon, or over the Property or into or upon ground or surface water at the Property or within the immediate vicinity of the Property during the University's ownership of the Property save and except a release made or remediated in compliance with applicable laws and regulations;

(iii) Other than as specifically disclosed to Purchasing Party by the University, the Property is not subject to any "superfund" or similar lien or any claim by any government regulatory agency or third party related to the release or threatened release of any Hazardous Substance.

The term "**Hazardous Substance(s)**" means any substance that is defined as a hazardous substance, hazardous material, hazardous waste, petroleum product, pollutant or contaminant under any environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et. seq., the Clean Water Act, 42 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C., Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., and any and all regulations promulgated thereunder, or any similar federal, state or local laws, ordinances or regulations adopted under these acts.

b. Tanks/Wells. Other than as specifically disclosed to Purchasing Party by the University, the University has not placed or caused to be placed any underground or aboveground storage tanks, septic tanks or wells located on or under the Property, or if there have been any such tanks or wells located on the Property their location has been identified to the Purchasing Party in writing, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release of any Hazardous Substance into the environment, save and except releases made or remediated in compliance with applicable laws and regulations.

c. Non-foreign Status. To inform the Purchasing Party that withholding of tax is not required under § 1445(b)(2) of the Internal Revenue Code and regulations thereunder and under penalties of perjury, the University hereby certifies that the the University is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax law. At closing, the University agrees to deliver to the Purchasing Party an affidavit certifying the University's non-foreign status, together with the University's social security number/federal taxpayer identification number (**FIRPTA Affidavit**). The University consents to the delivery of such affidavit to the Purchasing Party and understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.

d. Government Farm Programs. Other than as specifically disclosed to Purchasing Party by the University, the Property is not enrolled in the Direct and Countercyclical Payment Program, the Conservation Reserve Program, the Wetland Reserve Program or any other program of the United States Department of Agriculture except the Conservation Easements granted to the NRCS. The Property is not subject to any government cost-share contracts or other agreements that restrict either the use of the Property or the modification of any improvements.

Survival. The provisions of this Section 14 shall survive the Closing for a period of one year after closing.

15. NATURAL, SCENIC AND OPEN SPACE VALUES. The Parties agree that the natural, scenic, conservation, wildlife habitat, and open space values referenced herein are the conservation values protected by the Conservation Easements. The University and its permitted successors and assigns will continue to engage in agricultural and related uses of the Property, will further use the Property to establish a sustainable rangeland research and education facility in the heart of Idaho where ranching, conservation, and recreation interests intersect. and may also engage in any other land uses not prohibited by the terms of the Conservation Easements. The rangeland research and education facility will focus on innovative, interdisciplinary and collaborative approaches to address important challenges impacting ranching and conservation on western rangelands, should continue to provide opportunities for managed public access and recreation on portions of the Property and should serve as a podium for education on conserving and enhancing fish and wildlife habitat and livestock management on Idaho rangelands. The above provisions notwithstanding, the parties acknowledge that activities may occur on the Property during the University's ownership of the Property over which the University does not and cannot exercise control. By way of example and not limitation, these might include activities pursuant to rights which were created prior to the University's acquisition of the Property and subject to which the University took title to the Property and actions of the public. The parties agree that such activities and actions shall not create any liability or obligations for the University under the terms of this Agreement.

16. REMEDIES. The Conservation Parties have the right to enforce the provisions of this agreement through an action for specific performance, injunctive relief, damages, contribution or any other available proceedings in law or equity. The election of any one remedy available under this agreement shall not constitute a waiver of other available remedies.

17. REPRESENTATION BY COUNSEL. the University acknowledges that the Conservation Parties have advised the University to have the University's attorney review this Agreement and all attached exhibits, and that the Conservation Parties are not acting on behalf of or advising the University in this transaction.

18. ATTORNEYS FEES. If any party hereto commences any action against any other party arising out of or in connection with this Agreement or institutes any proceeding in a bankruptcy or similar court which has jurisdiction over the other party or any or all of its property or assets, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and court costs. The fees recoverable, as provided above, shall include fees incurred on appeal and any other post-judgment proceeding.

19. EXHIBITS. The following exhibits are attached to and incorporated into this Agreement by this reference: Exhibit A – Legal Description, Exhibit B - Memorandum of Repurchase Agreement. Any recital or preliminary statement in this Agreement is an integral part of and is incorporated by reference into this Agreement.

20. NOTICE. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service, with receipt acknowledgment requested, (iii) upon receipt if transmitted by facsimile telecopy, with a copy sent on the same day by one of the other permitted methods of delivery, or (iii) upon receipt or refused delivery deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

University of Idaho
Brian Foisy, Vice President, Finance & Administration
875 Perimeter Dr MS3168
Moscow, ID 83844-3168

The Nature Conservancy
Hailey Office
116 1st Ave. North
Hailey, ID 83333

And
The Nature Conservancy
559 East South Temple
Salt Lake City, UT 84102
attn: Legal Department

Wood River Land Trust
119 East Bullion Street
Hailey, ID 83333

or to such other addresses as the parties may designate in writing.

21. **BINDING EFFECT.** This agreement becomes effective when signed by the parties and shall then apply to and bind the parties and their heirs, executors, administrators, successors, and assigns.

22. **COMPLETE AGREEMENT.** This instrument constitutes the sole and complete agreement between the parties and cannot be changed except by written amendment. No representation or promise not included in this instrument or any written amendment shall be binding upon the parties.

23. **MEMORANDUM OF REPURCHASE AGREEMENT.** The parties shall execute and cause to be recorded with the Office of Recorder of Blaine County, Idaho the Memorandum of Repurchase Agreement which is attached hereto as ***Exhibit B.***

24. **ASSIGNMENT.** This Agreement may not be assigned by the Conservations Parties without the prior written consent of the University, which consent shall not be unreasonably withheld.

25. **CONDEMNATION:** In the event that the Property, or any portion thereof, is taken by means of condemnation, then the owner of the Property at the time of the condemnation shall provide the other parties hereto with written notice of the proposed condemnation and the owner of the Property shall be entitled to the compensation and any related fees paid by the condemning authority (the "Proceeds"), provided:

A. The distribution of the Proceeds shall recognize the rights of the U.S. Natural Resources Conservation Service under the terms of the Conservation Easements;

B. Subject to such rights as may exist under the Conservation Easements:

(i) If the University is the owner of the Property being condemned, then the Proceeds shall be distributed pro rata to the parties in accordance with their interests as defined in Section 1, E (i) above; and,

(ii) If the Conservation Parties, or either of them is the owner of the Property being condemned and acquired ownership of the Property from the University within the immediately preceding five (5) years, then the Proceeds shall be distributed pro rata to the parties in accordance with their interests as defined in Section 1, E (ii)(a) above.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written

Board of Regents of the University of Idaho

Dated: _____, 2018

By: _____
Brian Foisy,
Vice President of Finance and Administration

Wood River Land Trust

Dated: _____, 2018

By: _____
Scott Boettger, Executive Director

The Nature Conservancy

Dated: _____, 2018

By: _____
Toni Hardesty, State Director