

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

TAB	DESCRIPTION	ACTION
1	UNIVERSITY OF IDAHO Jaggaer EProcurement Purchase Agreement	Action item
2	UNIVERSITY OF IDAHO Huron Contract	Action item
3	UNIVERSITY OF IDAHO Lease and Purchasing Option Agreement	Action item

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

UNIVERSITY OF IDAHO

SUBJECT

Jaggaer contract – E-Procurement software

REFERENCE

September 29, 2017	Board adopted the Higher Education Task Force recommendations, including the recommendation to increase systemness.
December 20, 2018	The Huron Consulting Group, Inc., presented its final report on Administrative Review and Consolidation Assessment to the Idaho State Board of Education
January 18, 2019	Board accepted the final Huron report and authorized the Board president to appoint a subcommittee of Board members to identify a timeline and decision points for future Board consideration.
April 21, 2021	The Board approved the institutions entering into a Joint Purchasing Agreement

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho, with the approval of the Idaho State Board of Education, formed a higher education joint purchasing group, known as the Idaho Higher Education Procurement Federation (IHEPF.) The formation of this group implements a recommendation for the institutions to more fully cooperate on shared purchasing efforts and contracts in order to increase efficiency and effectiveness. Further, the four institutions entered into a Joint Purchasing Agreement to allow for the consolidation of purchasing efforts among the institutions.

Part of the Huron Report (Operational System Integration) recommended the acquisition of an E-Procurement software system to be utilized by the four institutions. The execution of the Joint Purchasing Agreement allows the institutions to more easily implement this recommendation. IHEPF evaluated E-Procurement systems. Jaggaer was selected via the NASPO ValuePoint cooperative agreement, and the proposed contract utilizes the NASPO agreement and the State of Idaho Participation Agreement with Jaggaer. NASPO ValuePoint is a cooperative purchasing program facilitating public procurement solicitations and agreements using a lead-state model. Per the Joint Purchasing Agreement, the University of Idaho is the lead institution for this proposed contract, and will be the contracting institution.

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IMPACT

The proposed contract will allow Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho to utilize Jaggaer's E-Procurement system, along with Jaggaer's contract management software, and other systems. The total cost over the seven-year term of the contract is \$2,394,340. Most of the cost of this contract and a separate proposed contract with Huron to implement the software (being presented to the Board for review and approval later in this meeting) will be covered by a \$2.5 million appropriation from the Legislature to the State Controller's Office for the Building Idaho's Future initiative. The remaining costs will be divided among the institutions, with ISU, BSU and UI paying 30% each, and LC State paying 10%.

The Jaggaer E-Procurement system will be implemented at the four, four-year institutions with expandability to the community colleges at their expense.

ATTACHMENTS

Attachment 1 – Jaggaer contract (order form)

Attachment 2 – NASPO Agreement

Attachment 3 – State of Idaho Participation Agreement

BOARD STAFF COMMENTS AND RECOMMENDATIONS

In response to the Board's initiative on system optimization, the four-year institutions entered into a Purchasing Agreement in April of 2021 and have worked together to complete the work recommended by the Huron Consulting Group. A request was made to the Legislature to fund this project, and the institutions, led by the University of Idaho, have determined a systemwide software that will serve the E-Procurement needs of the institutions. Jaggaer will provide the software for a unified purchasing platform.

The purchase will be made by the University of Idaho under a state purchasing agreement through NASPO ValuePoint and also falls under the State of Idaho purchasing agreement with Jaggaer, and therefore, a typical competitive bidding process will not be required.

Board Policy V.I.3.a. states, "Purchases exceeding one million dollars (\$1,000,000) require prior Board approval." The University of Idaho requests Board approval to enter the contract and request the funding be released from the State Controller's Office (SCO). Board staff will develop a Memorandum of Understanding with SCO for the transfer of the funds. Huron, in a separate agenda item, will provide services for implementation. Staff recommends approval.

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BOARD ACTION

I move to approve the request by the University of Idaho to execute the attached contract with Jaggaer and to authorize the University of Idaho Vice-President for Finance and Administration, or designee, to execute the necessary contractual documents in substantial conformity to the documents attached to this motion.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



Order Form

Terms and Conditions
Payment Terms: Net 30
Currency: USD
Billing Frequency: Annual

Client Information
Client: University of Idaho
Billing Contact: Julia McIlroy
Address: 415 West 6th Street, Moscow,
Idaho 83844-2006
Email: juliam@uidaho.edu
Phone: (208) 885-6123

Offer Valid Through: 6/28/2021
Quote #: Q-57145

Products

Product Name	Quantity	Metric
JAGGAER One	1	Platforms
JAGGAER Contracts +	Unlimited	Users
JAGGAER eProcurement	Unlimited	Users
JAGGAER eInvoicing	Unlimited	Users
JAGGAER Integration as a Service (IaaS)	Unlimited	Users
JAGGAER Customer Success Solution - Premium	1	Amount
JAGGAER Adopt Premium	1	Annual Fee
JAGGAER University - Base Annual Subscription	8	Users

Pricing Summary

Subscription Term	Pricing
06/30/2021 -- 06/29/2022	USD 311,015.00
06/30/2022 -- 06/29/2023	USD 321,832.00
06/30/2023 -- 06/29/2024	USD 331,785.00
06/30/2024 -- 06/29/2025	USD 341,739.00
06/30/2025 -- 06/29/2026	USD 351,991.00
06/30/2026 -- 06/29/2027	USD 362,551.00
06/30/2027 -- 06/29/2028	USD 373,427.00
Total:	USD 2,394,340.00

Renewal Price Protection

The Subscription shall automatically renew for the same duration as the initial Subscription with an annual price increase not to exceed 5% unless either party provides written notice to the other of its intent not to renew at least 90 days prior to the expiration of the Subscription Term.

Product Special Terms and Conditions

In the event of a conflict between these Product Special Terms and Conditions and the terms contained in a prior order form, addendum or other document mutually signed by the parties, these Product Special Terms and Conditions control.



1. Annual Operating Budget.

The annual subscription fee pricing for the JAGGAER Applications under this Order Form is based on Client's Annual Operating Budget (as defined below) as of the effective date of this Order Form (the "Baseline Annual Operating Budget"). "Annual Operating Budget" shall mean Client's operating budget for the Client's most recent annual twelve (12) month fiscal or calendar year, that is accounted for in accordance with the generally accepted accounting principles applicable to Client's consolidated functional financial reporting. The Order Form pricing is based on Client's Annual Operating Budget of up to USD \$2B.

Client's Annual Operating Budget shall be measured thirty (30) days prior to each anniversary date of the effective date of the Order Form during the Subscription Term (the "Annual Operating Budget Measurement Date"), based on the most recently reported Annual Revenue. If as of the Annual Operating Budget Measurement Date, Client's Annual Operating Budget exceeds \$2,200,000,000, the Additional Annual Subscription Fee set forth below shall be payable for the subsequent annual period of the Subscription Term.

For each ten percent (10%) increase in annual revenue above the Baseline Annual Operating Budget, Client shall pay an additional ten percent (10%) Additional Annual Subscription Fee.

The annual Subscription fees will not decrease, even if Client's Annual Operating Budget decreases below the Baseline Annual Operating Budget during the Subscription Term.

2. Scope of Access.

Access to the JAGGAER Applications under this Order Form are reserved to (1) the University of Idaho, (2) Idaho State University, (3) Boise State University and (4) Lewis and Clark State College. Each of them will have their own instance of the JAGGAER eProcurement and eInvoice solutions, but will share a common consortium instance for Contracts +.

3. Governing Agreement – NASPO ValuePoint.

This Order Form between Client (University of Idaho) and JAGGAER is issued under and pursuant to the NASPO ValuePoint Master Agreement #W33-2010, as amended (the "Master Agreement") and the Participating Addendum between JAGGAER and Idaho, State of #PADD19200257.

4. Miscellaneous.

Client agrees to a press release, subject to Client's prior, written approval as to content.

Client agrees to use of Client's name in a customer list.

Client agrees to use of Client's approved logo in a customer list.

The use of the JAGGAER Adopt subscription is conditioned on Client's data use authorization in the form set forth at

www.jaggaer.com/DPAattachmentA/.

Purchase Order Information

Is a Purchase Order required for the purchase or payment of the Subscriptions on this Order Form? (Client to complete)

☐ No

☐ Yes - If yes, please enter PO #:

PO Number:

PO Amount:

If the Purchase Order number is not available at the time of the Order Form effective date, Client acknowledges and agrees to provide the Purchase Order number within ten business days of the Order Form effective date. Client also acknowledges and agrees that payment terms and the payment itself are not dependent upon provision of the Purchase Order number, and that payment can and will be made without the Purchase Order number should obtaining a Purchase Order number become delayed.



Prices quoted are exclusive of taxes. Where required by law, applicable taxes will be calculated on the invoice.

Client	JAGGAER, LLC
Signature:	Signature:
Print Name:	Print Name:
Title:	Title:
Date Signed:	Date Signed:

THANK YOU FOR YOUR BUSINESS!

**MASTER AGREEMENT FOR ePROCUREMENT SERVICES
(Hosted Software-as-a-Service)**

by and among

SciQuest, Inc.

and

The State of Colorado

The National Association of State Procurement Officials, Inc.
on its own behalf and on behalf of

The Western States Contracting Alliance

WSCA/NASPO Agreement #W33-2010

State of Colorado CMS #33858

State of Colorado Price Agreement #92004YYY01M/WSCA

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THIS MASTER SERVICES AGREEMENT FOR ePROCUREMENT SERVICES (Hosted Software-as-a-Service) (this “**Master Agreement**”) is entered into by and among SciQuest, Inc., a Delaware corporation (“**Contractor**”), and the National Association of State Procurement Officials, Inc. (“**NASPO**”), for itself and on behalf and for the benefit of the Western States Contracting Alliance (“**WSCA**”), and the State of Colorado, acting by and through the State Purchasing Office, Department of Personnel and Administration (“**Lead State**”). Each of the Contractor, NASPO, WSCA, and Lead State individually shall be referred to herein as a “**Party**” and collectively, as the “**Parties**.”

- A. WHEREAS**, NASPO is a non-profit association made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia, and the territories of the United States;
- B. WHEREAS**, WSCA, a NASPO affiliate, is a cooperative group-contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities) for the states of Alaska, Arizona, California, Colorado, Hawai’i, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming;
- C. WHEREAS**, pursuant to §24-110-201, Colorado Revised Statutes, the Chief Procurement Official, as defined in **§II** below, of Lead State is authorized to enter into a cooperative group-contracting consortium;
- D. WHEREAS**, Contractor provides electronic procurement services and support through hosted Software-as-a-Service computer programs; and
- E. WHEREAS**, Contractor, NASPO, WSCA, and Lead State wish to enter into a multi-state cooperative agreement for the creation of a multi-state centralized electronic procurement system and the provision of related services to NASPO, WSCA, their participating members, including Lead State, and other entities approved by their participating members.

NOW THEREFORE, in consideration of the premises, covenants, and mutual promises contained in this Master Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

I. Effective Date

This Master Agreement shall not be enforceable until it has been (i) executed by the Parties, (ii) approved by the WSCA Directors, as defined in **§II** below, as conclusively evidenced by their written approval hereof, and (iii) approved and signed by the Colorado State Controller (the “Effective Date”). The Parties shall not be bound and Contractor shall not be entitled to receive payment or reimbursement for any performance hereunder, including but not limited to, costs or expenses incurred prior to the Effective Date.

II. Definitions

- A. Defined Terms.** The following terms as used herein shall be construed and interpreted as follows:

“Additional Term” means any additional or renewal term of any Participating Addendum or Affiliate Agreement following the expiration of the initial term or a previous Additional Term of such Participating Addendum or Affiliate Agreement.

“Affiliate” means a Political Subdivision, Non-Government Entity, Institution of Higher Education, or State Agency authorized by the laws and the Chief Procurement Official of the State of a Participating Entity to purchase Services pursuant to an Affiliate Agreement. An Affiliate purchasing Services or Subscriptions under an Affiliate Agreement is an Authorized Purchaser.

“Affiliate Agreement” means a bilateral agreement between an Affiliate and Contractor, issued under and incorporating the terms and conditions of a Participating Addendum, substantially in the form of **Exhibit G** (Form of Affiliate Agreement), and the exhibits and attachments thereto, setting forth the different or additional terms and conditions applicable to purchases by an Affiliate under the Participating Addendum.

“Authorized Purchaser” means a Participating Entity, a State Agency, or an Affiliate purchasing Subscriptions and/or Services under a Purchasing Document.

“Authorized Purchaser Data” means all Confidential Information of an Authorized Purchaser and other data generated, uploaded or transmitted by an Authorized Purchaser using the Contractor Applications.

“Chief Procurement Official” means the head of the centralized procurement authority of a WSCA/NASPO Member. The Chief Procurement Official for the Lead State is the Director of State Purchasing, Colorado Department of Personnel and Administration.

“Confidential Information” means Government Entity Confidential Information, Non-Government Entity Confidential Information, and/or Contractor Confidential Information, each as defined in **§XIV** of this Master Agreement.

“Contractor Application” means on-demand, web-based software hosted and operated by Contractor on computer servers and made available to Authorized Purchasers over the Internet by Subscription.

“Contractor Documentation” means all documents, other than Deliverables under a Service Order, and any and all operator’s and user’s manuals, training materials, guides and other materials for use in connection with and for the operation of Subscriptions and/or Services that are to be delivered by Contractor under a Service Order.

“Contractor’s Response” means Contractor’s response to the RFP, dated December 17, 2010, including its Best and Final Offer, dated April 28, 2011, as set forth in **Attachment BB**.

“CRS” means the Colorado Revised Statutes.

“Deliverable” means a Service, document, or material that Contractor is required to deliver to an Authorized Purchaser under a Service Order, including, but not limited to, formal plans for communication, risk management, change management, program management, and

performance management and other written materials, as set forth in a Service Order.

“Effective Date” is defined in §I of this Master Agreement.

“End User” means an employee, agent, representative, or subcontractor of an Authorized Purchaser who is authorized by the Authorized Purchaser to use a Contractor Application and for whom Contractor has issued a user identification and password. A Supplier providing supplier data to Contractor for use in an electronic catalog is not an End User.

“Exhibit” means any of the following exhibits and attachments attached hereto and incorporated by reference herein: **Exhibit A** (WSCA Terms and Conditions); **Exhibit B** (Form of Participating Addendum); **Exhibit C** (Support and Maintenance Services); **Exhibit D** (Supplier Enablement Services); **Exhibit E** (Form of Statement of Work); **Exhibit F** (Form of Order Form); **Exhibit G** (Form of Affiliate Agreement); **Exhibit H** (Form of Option Letter); **Exhibit I** (Current Pricing and Discounts); **Attachment AA** (Request for Proposal #RFP-TS-00003-11); and **Attachment BB** (Contractor’s Response).

“Government Entity” means a state, the District of Columbia, or a territory of the United States or a State Agency, Institution of Higher Education, or Political Subdivision.

“Initial Term” means the original five (5) year term of this Master Agreement.

“Institution of Higher Education” means an institution of higher education established and supported by the laws of a state in such manner as may be prescribed by law.

“Master Agreement” means this Master Agreement for eProcurement Services (Hosted Software-as-a-Service), its terms and conditions, exhibits and attachments, documents incorporated by reference under the terms of this Master Agreement, and any future modifying agreements, exhibits, attachments or references incorporated herein pursuant to Colorado State law and Fiscal Rules, and State Controller Policies.

“Non-Government Entity” means a non-profit, cooperative or other entity, other than a State Agency, Institution of Higher Education, or Political Subdivision, authorized under the laws and approved by the Chief Procurement Official of a WSCA/NASPO Member, to participate in cooperative contracts and to make purchases under a Purchasing Document.

“Notice” means a written notice required under this Master Agreement, delivered in accordance with §XXV (Notices and Representatives) below.

“Order Form” means the ordering document, substantially in the form of **Exhibit F** (Form of Order Form), pursuant to which an Authorized Purchaser shall purchase and Contractor shall provide Subscriptions and/or Services. All Subscriptions to Contract Applications will be purchased under Order Forms.

“Participating Addendum” means a bilateral agreement executed by a Participating Entity and Contractor, substantially in the form of **Exhibit B** (Form of Participating Addendum), and the exhibits and attachments thereto, incorporating by reference the terms and conditions of this Master Agreement

and setting forth the different or additional terms and conditions applicable to purchases by Authorized Purchasers under the Participating Addendum.

“Participating Entity” means WSCA, NASPO, or a WSCA/NASPO Member that has executed a Participating Addendum. A State Agency, Institution of Higher Education or Political Subdivision authorized by a WSCA/NASPO Member to enter into a Participating Addendum in lieu of the WSCA/NASPO Member also is a Participating Entity. A Participating Entity ordering Subscriptions and/or Services under a Service Order also is an Authorized Purchaser.

“Political Subdivision” means a political subdivision of a WSCA/NASPO Member as defined under the laws applicable to such WSCA/NASPO Member.

“Professional Services” means implementation, training, consulting, data migration, conversion, integration, technical support, and/or other services provided by Contractor pursuant to an SOW.

“Purchasing Document” means a Participating Addendum, an Affiliate Agreement, or a Service Order.

“Renewal Term” means an additional five (5) year term of this Master Agreement following the expiration of the Initial Term or a previous renewal term, as authorized under an Option Letter, substantially in the form of **Exhibit H** (Form of Option Letter).

“RFP” means that certain Request for Proposal for eProcurement Services #RFP-TS-00003-11, issued on behalf of the State of Colorado, the Western States Contracting Alliance and other Authorized Entities, dated October 15, 2010, as modified by Modification #1, dated November 10, 2010, Modification #2, dated November 25, 2010, Modification #3, dated December 3, 2010, and Modification #4, dated December 3, 2010.

“Service Level Agreement” or “SLA” means the minimum levels of performance contained in **Exhibit C** (Support and Maintenance Services) in areas that include, but are not necessarily limited to support services, help desk hours and incident response times. SLAs for metrics specific to the Services or Subscriptions purchased under a Purchasing Document will be contained in the Purchasing Document.

“Service Order” means a bilateral agreement between Contractor and an Authorized Purchaser, issued under a Participating Addendum or an Affiliate Agreement, consisting of an Order Form and/or a SOW, and the exhibits and attachments thereto. A Service Order incorporates by reference the terms and conditions of the Participating Addendum or Affiliate Agreement under which it is issued.

“Services” means the Support and Maintenance Services, Supplier Enablement Services, Professional Services, and such other services as may be contemplated under this Master Agreement.

“Specifications” means technical and other specifications set forth in this Master Agreement, Purchasing Documents, and the specifications set forth in the Contractor Documentation provided by Contractor prior to, concurrently with, or after the Effective Date.

“State Agency” means any department or agency of a WSCA/NASPO Member, not including Political Subdivisions and Institutions of Higher Education.

“Statement of Work” or “SOW” means a separate statement of work, substantially in the form of **Exhibit E** (Form of Statement of Work), agreed upon by Contractor and an Authorized Purchaser, which sets forth the respective obligations of the parties under a Service Order. Services will be purchased pursuant to a Statement of Work.

“Subcontractor” means a third-party engaged by Contractor to aid in performance of Contractor’s obligations. International Business Machines Corporation, a New York corporation, and Binary Fountain, Inc., a Virginia corporation, have been engaged to serve as Subcontractors under this Master Agreement. Additional Subcontractors may be approved by a Participating Entity in a Participating Addendum or by an Affiliate in an Affiliate Agreement.

“Subscription” means the right to access and use a Contractor Application during a Subscription term set forth in a Service Order, and includes, but is not limited to, the right to access and use any new feature functionality, enhancements, and other changes, which are logical improvements to a Contractor Application that Contractor makes generally available on a commercial basis, without charge, to any other subscriber of the Contractor Application during the term of the Subscription, together with all Contractor Documentation provided by or otherwise required for such access and use.

“Subscription Fees” means the fees payable by an Authorized Purchaser for a Subscription, in accordance with **Exhibit I** (Current Pricing and Discounts), as set forth in the applicable Order Form.

“Supplier” is defined in **Exhibit D** (Supplier Enablement Services) to this Master Agreement.

“Supplier Enablement Services” means the services provided by Contractor to an Authorized Purchaser and its Suppliers to enable the Suppliers to incorporate their respective product information and pricing into an electronic catalog, as more fully described in **Exhibit D** (Supplier Enablement Services).

“Support and Maintenance Services” means the maintenance, hosting and support services provided by Contractor in connection with a Contractor Application, as more fully described in **Exhibit C** (Support and Maintenance Services).

“WSCA Directors” means the Chief Procurement Officials of the WSCA states.

“WSCA/NASPO Contract Administrator” means the individual selected by WSCA and NASPO from time to time to administer this Master Agreement.

“WSCA/NASPO Member” means a state, the District of Columbia, or a territory of the United States.

- B.** Additional Defined Terms. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in **Exhibit C** (Support and

Maintenance Services), **Exhibit D** (Supplier Enablement Services), or **Exhibit E** (Form of Statement of Work).

III. Transaction Documents

- A. Master Agreement. This cooperative Master Agreement sets forth the terms and conditions pursuant to which WSCA, NASPO, or a WSCA/NASPO Member may enter into a Participating Addendum for the purchase of Subscriptions and Services authorized under this Master Agreement.
- B. Participating Addendum. A WSCA/NASPO Member wishing to participate in this cooperative Master Agreement shall do so by entering into a Participating Addendum with Contractor, substantially in the form of **Exhibit B** (Form of Participating Addendum). A Participating Addendum requires the written approval of the WSCA/NASPO Contract Administrator. The Participating Addendum incorporates by reference the terms and conditions of this Master Agreement and sets forth the specific terms and conditions applicable to Authorized Purchasers purchasing under the Participating Addendum. A Participating Addendum clarifies the operation of the Master Agreement for the parties to the Participating Addendum. The scope of a Participating Addendum shall not exceed the scope of this Master Agreement. A Participating Addendum shall have an initial term of five (5) years or as otherwise provided in the Participating Addendum. Unless provided to the contrary in a Participating Addendum, the Participating Entity may renew the term of its Participating Addendum for one additional term of five (5) years during each renewal term of this Master Agreement, provided that the total of the initial term and all renewal terms of a Participating Addendum shall not exceed fifteen (15) years in the aggregate. In the event the Master Agreement expires or otherwise is terminated prior to the expiration or termination of a Participating Addendum (i) the Participating Addendum shall remain in full force and effect for the remainder of its then current term, but shall not be renewed for any subsequent terms and (ii) the terms of this Master Agreement shall continue to be incorporated by reference into such Participating Addendum and shall remain in full force and effect solely for such purposes. A Participating Entity wishing to purchase Subscriptions and/or Services from Contractor shall do so by the issuance of one or more Service Orders under its Participating Addendum.
- C. Affiliate Agreement. An Affiliate wishing to purchase Services under a Participating Addendum shall do so by entering into an Affiliate Agreement with Contractor, in accordance with terms and conditions of the Participating Addendum under which it is issued. An Affiliate Agreement sets forth the specific terms and conditions applicable to the Affiliate and clarifies the operation of the Affiliate Agreement for the parties to the Affiliate Agreement. An Affiliate Agreement is subject to and incorporates the terms and conditions of the Participating Addendum under which it is issued; provided, however, that the Affiliate shall be solely responsible for its obligations under the Affiliate Agreement and the Participating Entity shall have no liability with respect thereto. Each Affiliate Agreement shall have a term of five (5) years or as otherwise provided in the Participating Addendum under which it is issued. Unless provided to the contrary in such Participating Addendum, an Affiliate may renew the term of its Affiliate Agreement for one additional term of five (5) years during

each renewal term of the Participating Addendum under which it is issued, provided, that the total of the initial term and all renewal terms of an Affiliate Agreement shall not exceed fifteen (15) years in the aggregate. In the event a Participating Addendum expires or otherwise is terminated prior to the expiration or termination of an Affiliate Agreement (i) the Affiliate Agreement shall remain in full force and effect for the remainder of its then current term, but shall not be renewed for any subsequent renewal terms and (ii) the terms of the Participating Addendum shall continue to be incorporated by reference into such Affiliate Agreement and shall remain in force and effect solely for such purposes. An Affiliate may purchase Services and Subscriptions under an Affiliate Agreement by the issuance of one or more Service Orders.

- D. Service Order.** An Authorized Purchaser wishing to purchase Services and Subscriptions under a Participating Addendum or an Affiliate Agreement shall do so by entering into one or more Service Orders with Contractor, in accordance with the terms and conditions of the Participating Addendum or Affiliate Agreement under which the Service Order is issued. A Service Order shall consist of an Order Form and/or a SOW executed by the Authorized Purchaser and Contractor, which expressly incorporates and is governed by the terms and conditions of the Participating Addendum or Affiliate Agreement under which it is issued. A Service Order shall specify the Subscriptions and/or Services purchased under the Service Order. A Service Order and any additions or amendments thereto shall be accomplished as provided in the Participating Addendum or Affiliate Agreement under which the Service Order is issued. The scope or term of a Service Order shall not exceed the scope or term of the Participating Addendum or Affiliate Agreement under which it is issued. If permitted under applicable law, the term of a Service Order may extend beyond the expiration or sooner termination of the Participating Addendum or Affiliate Agreement under which it is issued, but shall not be renewed or extended after the expiration or sooner termination of the term or any renewal term of such Participating Addendum or Affiliate Agreement.

IV. Term and Early Termination

- A. Initial Term.** The Initial Term of this Master Agreement shall commence on the Effective Date and shall terminate on the fifth (5th) year anniversary of the Effective Date, unless extended or sooner terminated as specified herein.
- B. Option to Extend.** The term of this Master Agreement may be renewed by the Parties for up to two (2) Renewal Terms of five (5) years each on the same terms and conditions and subject to the same discounts set forth herein; provided, however, that the pricing to which such discounts shall be applied during any renewal term shall be as set forth in **SIX** (Pricing and Payment) below. The total duration of this Master Agreement, including the exercise of all options under this section, shall not exceed fifteen (15) years in the aggregate. If WSCA, NASPO, and Lead State wish to exercise this option, the WSCA/NASPO Contract Administrator shall provide Notice to Contractor at least sixty (60) days prior to the end of the then current term or renewal term of the Master Agreement, in form substantially equivalent to **Exhibit H** (Form of Option Letter). If Contractor agrees to the renewal, Contractor shall sign and return a copy of such Option Letter to the WSCA/NASPO Contract Administrator and the provisions of the

Option Letter shall become part of and be incorporated into this Master Agreement.

- C. Extension of Participating Addenda. During any Renewal Term of this Master Agreement, a Participating Entity may renew the term of its Participating Addendum, as provided in such Participating Addendum, on the terms and conditions and subject to the adjustments set forth herein and in the Option Letter creating the Renewal Term.
- D. Early Termination. In the event the term or any renewal term of this Master Agreement terminates for any reason prior to its stated expiration date, (i) each Participating Addendum currently in effect at the time of such termination shall remain in effect for the outstanding term of such Participating Addendum in accordance with **§III(B)** above. A Participating Addendum shall not be renewed following the termination or expiration of this Master Agreement.

V. **Phased Implementation**

Contractor shall provide the Subscriptions and Services contemplated under this Master Agreement pursuant to the specifications set forth herein, in individual Participating Addenda and Affiliate Agreements and in the Service Orders issued thereunder. Implementation of this Master Agreement shall be performed in the following three (3) phases:

- A. Phase 1. Phase 1 shall be performed under a Participating Addendum between Contractor and WSCA, pursuant to which Contractor shall design and implement the Cooperative Market Center of the States ("CMCS"), a web-hosted "shopping cart" style electronic catalog containing the products available under WSCA contracts, as described in the applicable Service Order. The CMCS shall be available for use by all WSCA/NASPO Members, and by those parties authorized to purchase under WSCA/NASPO contracts, through their current systems without the installation of any proprietary software, integration or interface. The CMCS shall meet the requirements set forth in this Master Agreement and the Participating Addendum between WSCA and Contractor. Phase 1 shall be implemented concurrently with Phase 2 described in **§V(B)** below.
- B. Phase 2. Phase 2 shall be performed under individual Participating Addenda between Contractor and each of the states of Colorado, Nevada, Oregon and Washington (the "Core States"), pursuant to which Contractor shall configure and implement Contractor Applications for each of the Core States. The Participating Addendum between Contractor and Lead State shall be executed concurrently with the execution of this Master Agreement and shall be implemented concurrently with Phase 1 described in **§V(A)** above. Following the effective date of the Participating Addendum with Lead State, each of the other Core States may enter into an individual Participating Addendum setting forth the terms and conditions applicable to such Core State.
- C. Phase 3. The WSCA Directors, in their sole discretion, may extend the opportunity to participate in this Master Agreement to other WSCA/NASPO Members at any time. Individual Participating Addenda with other

WSCA/NASPO Members may be executed in phases consistent with the readiness of such other WSCA/NASPO Members.

VI. Standard of Performance

- A. Performance. Contractor shall perform all of its obligations hereunder in accordance with the standards of care, skill and diligence customary in Contractor's industry, trade, or profession and in the sequence and manner set forth herein and in each Purchasing Document.
- B. Standards. Upon written request, Contractor shall provide to the WSCA/NASPO Contract Administrator or to the designated representative of an Authorized Purchaser, a copy of the most recent SAS 70 Report of the control objectives and control activities of Contractor's North Carolina operations. When available, and upon written request of the WSCA/NASPO Contract Administrator or the designated representative of an Authorized Purchaser, Contractor shall provide to the WSCA/NASPO Contract Administrator or an Authorized Purchaser representative, a copy of the Statement on Standards for Attestation Engagements No. 16 Report ("SSAE 16 Report") of Contractor's North Carolina operations. The attestation standard for reporting on Contractor and other similar organizations is transitioning from SAS 70 to SSAE 16.

VII. Subscriptions and Services

- A. Subscriptions.
 - i. Grant of License. Upon the payment by an Authorized Purchaser of the required Subscription Fees under an Order Form, Contractor shall grant to such Authorized Purchaser and such Authorized Purchaser shall accept, for the Subscription term set forth in such Order Form, a non-exclusive, non-transferable license to use and access through the Internet, solely for Authorized Purchaser's procurement activities in the ordinary course of business, the Contractor Applications set forth in such Order Form. Any rights not granted to an Authorized Purchaser hereunder or under an applicable Order Form shall be reserved to Contractor.
 - ii. Access and Use. Access and use of Contractor Applications under an Order Form shall be limited to the number of End Users set forth in such Order Form. Each Authorized Purchaser shall register user names and passwords for all of its End Users through the applicable Contractor Application. A single user name and password shall not be used by more than one End User. Authorized Purchasers shall not perform any load testing with respect to the Contractor Applications without Contractor's prior written consent. Contractor reserves the right to audit its own records for the purpose of determining whether Authorized Purchasers are in compliance with the obligations under this **§VII(A)(ii)**.
 - iii. Accuracy of Information. Each Authorized Purchaser shall, and shall direct its registered End Users to, use commercially reasonable efforts to support the accuracy, legality, and appropriateness of information

uploaded and business transacted in connection with the Contractor Applications.

- iv. Restrictions. Authorized Purchasers shall not permit persons or entities other than End Users to use the Contractor Applications and shall not use the Contractor Applications on behalf of such persons or entities. Other than with respect to WSCA/NASPO Members, an entity, organization, division or unit that is not integrated into an Authorized Purchaser's financial management system shall not be considered to be a part of such Authorized Purchaser, and an Authorized Purchaser shall not designate End Users on behalf of any such entity, organization, division or unit or otherwise use the Contractor Applications on behalf of any such entity, organization, division or unit. With respect to any WSCA/NASPO Member that is an Authorized Purchaser, no Affiliate (other than a State Agency) of a WSCA/NASPO Member shall be considered to be a part of such WSCA/NASPO Member, and such WSCA/NASPO Member shall not designate End Users on behalf of any Affiliate (other than a State Agency). An Authorized Purchaser shall not rent, lease, sublicense, grant a security interest in, or otherwise transfer its right to use and possess a Contractor Application, in whole or in part.
- v. Noncompliance. The failure of an Authorized Purchaser to comply with any provision of this **§VII(A)** with respect to a Contractor Application shall constitute a material breach of the Service Order under which the Contractor Application was licensed.

B. Services.

- i. Support and Maintenance Services. Contractor shall provide the maintenance and support services set forth in **Exhibit C** (Support and Maintenance Services) to this Master Agreement during the term of each Subscription purchased under a Service Order, including but not limited to help desk support services provided by Contractor staff speaking English as a first language and with experience in resolving issues for all implemented functionality.
- ii. Supplier Enablement Services. Contractor shall provide the Supplier Enablement Services set forth in **Exhibit D** (Supplier Enablement Services) to each Authorized Purchaser as provided in a Service Order.
- iii. Modifications. Contractor, from time to time and in its sole discretion, may modify the Support and Maintenance Services and/or the Supplier Enablement Services; provided that such modification shall apply to all of Contractor's customers equally. If such modification would materially diminish the Services provided to an Authorized Purchaser, Contractor shall provide the WSCA/NASPO Contract Administrator and such Authorized Purchaser at least sixty (60) days prior Notice identifying the proposed modification and the proposed effective date thereof. A modification that materially diminishes the Services provided to an Authorized Purchaser shall not be implemented by Contractor without the consent of such Authorized Purchaser. All modifications shall be

applicable to all outstanding Service Orders on the same basis. A material diminishment of the Support and Maintenance Services without the consent of an Authorized Purchaser shall constitute a breach of this Master Agreement and of such Authorized Purchaser's Purchasing Documents, subject to the provisions of **§XXI** (Breach) below.

- iv. Professional Services. Contractor shall provide the Professional Services set forth in a Service Order in accordance with the terms thereof and the terms and conditions of the Participating Addendum or Affiliate Agreement under which such Service Order is issued.
- C. Acceptance. An Authorized Purchaser shall accept or reject the Services and Deliverables provided under a SOW in accordance with the acceptance or rejection criteria set forth in the SOW.
- D. Affiliates. Contractor shall make Services and Subscriptions available to Affiliates on the same basis it makes them available to Authorized Purchasers under a Participating Addendum.
- E. Termination. Upon termination or expiration of a Service Order: (i) Contractor shall terminate the Authorized Purchaser's access to all Contractor Applications and cease providing Services to the Authorized Purchaser; (ii) the Authorized Purchaser shall immediately cease any and all use of and access to any Contractor Applications; (iii) each party to the Service Order receiving Confidential Information of the other party shall return all such Confidential Information in its possession to the disclosing party; and (iv) Contractor shall electronically transmit all Authorized Purchaser Data to the Authorized Purchaser in accordance with **§VII(F)** below.
- F. Transition Assistance. Upon expiration or termination of all or a part of the Subscriptions or Services being provided under a Service Order, Contractor shall electronically transmit all Authorized Purchaser Data to the Authorized Purchaser under the Service Order in the manner set forth in the applicable Purchasing Documents. If the Purchasing Documents fail to specify the manner of electronic transmission, all Authorized Purchaser Data shall be transmitted in accordance with Contractor's standard export protocols. Upon successful transfer of all Authorized Purchaser Data to the Authorized Purchaser, Contractor shall delete such Authorized Purchaser Data from Contractor's servers and will provide a written affidavit, signed by a Contractor executive, confirming that such Authorized Purchaser Data has been removed from Contractor's servers.

VIII. Specifications

The Subscriptions and Services provided by Contractor under this Master Agreement shall comply with the requirements and specifications set forth in this Master Agreement. In addition, the Subscriptions and Services provided to an individual Authorized Purchaser shall comply with the requirements and specifications set forth in the Purchasing Documents to which the Authorized Purchaser is a party. Contractor's failure to meet the requirements or specifications of a Service Order shall constitute a breach of such Service Order. Service requirements and specifications shall include, but are not limited to the following:

- A. Functional Requirements. Contractor's Subscriptions and Services shall meet the functional requirements set forth in §4.2.1 of and Exhibit F (Functional Requirements) to **Attachment AA** (Request for Proposal) in all material respects, except as otherwise provided in Appendix 1 to **Attachment BB** (Contractors' Response).
- B. Service and Support Requirements. Contractor shall offer the Services and shall meet the service, support, and maintenance requirements set forth in §4.2.2 of **Attachment AA** (Request for Proposal) in all material respects, except as otherwise provided in Appendix 1 to **Attachment BB** (Contractors' Response), including without limitation, implementation Services, training Services and live Help Desk support.
- C. Technical Requirements. Services and Subscriptions provided by Contractor shall meet the technical requirements set forth in §4.2.3 of **Attachment AA** (Request for Proposal) in all material respects, except as otherwise provided in Appendix 1 to **Attachment BB** (Contractors' Response), including, but not limited to architecture, security, maintenance and upgrades,
- D. Implementation Requirements. Implementation requirements shall be provided in each individual Service Order, providing the distinct set of implementation tasks required to accomplish a specific end result and including the implementation requirements set forth in §4.2.4 of **Attachment AA** (Request for Proposal), as applicable.
- E. Service Level Agreements. The Subscriptions and Services provided by Contractor to an Authorized Purchaser shall meet the Service Level Agreements set forth in **Exhibit C** (Support and Maintenance Services) and such other Service Level Agreements as may be set forth in a Service Order or other applicable Purchasing Document.
- F. Authorized Purchaser Systems. The provision of Services and Subscriptions by Contractor, as contemplated in this Master Agreement, does not require access by Contractor to the computer systems or servers of Authorized Purchasers and such access is not authorized under this Master Agreement.

IX. Pricing and Payment

- A. Initial Terms Of Participating Addenda and Affiliate Agreements.
 - i. First Twelve Month Period. For each Participating Addendum or Affiliate Agreement entered into by Contractor and a Participating Entity or Affiliate, as applicable, during the first twelve (12) month period of the Initial Term, Contractor shall provide Subscriptions and Services to the Authorized Purchasers under such Participating Addenda or Affiliate Agreements at the rates set forth in **Exhibit I** (Current Pricing and Discounts), subject to discount as set forth in **Exhibit I**. The rates applicable to the Participating Addendum or Affiliate Agreement at the time of its execution shall remain fixed during the entire initial term of the Participating Addendum or Affiliate Agreement.

- ii. Subsequent Twelve Month Periods. Prior to the commencement of each subsequent twelve (12) month period of the Initial Term and each Renewal Term of this Master Agreement, Contractor may increase the rates charged for Services and Subscriptions to Authorized Purchasers under Participating Addenda or Affiliate Agreements entered into by Contractor and a Participating Entity during such twelve (12) month period; provided, that (a) Contractor shall provide prior Notice of any increase to the WSCA/NASPO Contract Administrator at least thirty (30) days prior to the commencement of such twelve (12) month period, and (b) the increase for any twelve (12) month period shall not exceed five percent (5%) of the rates charged by Contractor during the previous twelve (12) month period, and (c) the rate of increase for any twelve (12) month period shall not exceed the applicable rate of increase in Contractor's list prices for the Contractor Applications. The rates applicable to a Participating Addendum or Affiliate Agreement at the time of its execution shall remain fixed during the entire initial term of the Participating Addendum or Affiliate Agreement.
- B. Additional Terms of Participating Addendum or Affiliate Agreement. The rates applicable to any Additional Term shall be no more than one hundred ten percent (110%) of the price for the immediately preceding initial term or Additional Term of the applicable Participating Addendum or Affiliate Agreement.
- C. Payments. Contractor shall initiate a payment request by submitting an invoice to an Authorized Purchaser in the form and manner set forth in the Purchasing Documents under which the payment is requested. Payments may be made through the use of a procurement card, state warrant, or other method agreed to by the parties to the applicable Purchasing Documents. Advance payments allowed under Purchasing Documents between Contractor and a Government Entity shall comply with the laws, rules, requirements and policies applicable to the Government Entity.
- D. Interest. Authorized Purchasers shall fully pay each invoice within 45 days of receipt thereof if the amount invoiced represents performance by Contractor previously accepted by the Authorized Purchaser. Uncontested amounts not paid by an Authorized Purchaser within 45 days shall bear interest on the unpaid balance beginning on the 46th day at a rate not to exceed one (1) percent per month, or such lower rate as may be authorized by the laws of the WSCA/NASPO Member applicable to the Authorized Purchaser; provided, however, that interest shall not accrue on unpaid amounts that are subject to a good faith dispute. Contractor shall invoice an Authorized Purchaser separately for accrued interest on delinquent amounts. The billing shall reference the delinquent payment, the number of day's interest to be paid and the interest rate.
- E. Travel Expenses. Contractor shall be entitled to reimbursement for travel expenses, as identified in a Purchasing Document or approved in advance in writing by the Authorized Purchaser, at the then current reimbursement amounts approved for the Authorized Purchaser's own employees, in accordance with the rules and regulations of the Authorized Purchaser. Contractor shall provide a

detailed itemization of expenses, including descriptions, amounts and dates, and receipts as required by the rules and regulations of the Authorized Purchaser.

- F. Non-Appropriation. If state or federal funds are used to fund a Service Order between Contractor and a Government Entity, in whole or in part, the performance of the Government Entity under such Service Order shall be contingent upon the continuing availability of such funds, in accordance with the governmental laws, rules and regulations applicable to such Government Entity and as set forth in the applicable Purchasing Documents. If state or federal funds are not appropriated, or otherwise become unavailable to fund a Service Order, the Government Entity may terminate the Service Order immediately, without further liability, in accordance with the terms of this Master Agreement, the Service Order, and applicable Purchasing Documents.
- G. Erroneous Payments. At the discretion of an Authorized Purchaser, payments made to Contractor in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Contractor, may be recovered from Contractor by deduction from subsequent payments under a Purchasing Document or other contracts, grants, or agreements between Contractor and the Authorized Purchaser, or by other appropriate methods and collected as a debt due to such Authorized Purchaser. Such funds shall not be paid to any person or entity other than the Authorized Purchaser.

X. Subscription and Service Warranty

- A. Contractor Applications. Contractor warrants that for the entire term of each Contractor Application Subscription: (i) the Contractor Application media provided to the Authorized Purchaser shall be free from defects in materials and workmanship under normal use and (ii) each Contractor Application shall perform substantially in accordance with and as specified in this Master Agreement and in the Purchasing Documents under which the Subscription is purchased. Contractor does not warrant that the functions contained in a Contractor Application will meet the requirements of an Authorized Purchaser (unless such requirements have been specified in this Master Agreement or in the Purchasing Documents under which the Contractor Application is licensed) or that the Contractor Applications will operate uninterrupted or error free.
- B. Limited Warranty. THE WARRANTY SET FORTH ABOVE IS A LIMITED WARRANTY AND IS THE ONLY WARRANTY MADE BY CONTRACTOR WITH RESPECT TO THE CONTRACTOR APPLICATIONS AND THE SERVICES LICENSED HEREIN. EXCEPT AS EXPRESSLY SET FORTH IN THIS MASTER AGREEMENT OR IN ANY PURCHASING DOCUMENT, CONTRACTOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR TITLE, AND CONTRACTOR HEREBY DISCLAIMS THE SAME.
- C. Exceptions. CONTRACTOR'S WARRANTY OBLIGATIONS SHALL NOT APPLY TO A CONTRACTOR APPLICATION IF THE FAILURE OF SUCH

CONTRACTOR APPLICATION TO PERFORM IN ACCORDANCE WITH ITS SPECIFICATIONS IS CAUSED BY: (i) THIRD PARTY SOFTWARE LICENSED OR OTHERWISE USED BY AUTHORIZED PURCHASER, OTHER THAN THIRD PARTY SOFTWARE PROVIDED OR RECOMMENDED BY CONTRACTOR; (ii) AUTHORIZED PURCHASER'S USE OF, OR ACCESS TO, THE CONTRACTOR APPLICATION OTHER THAN AS SET FORTH IN THIS MASTER AGREEMENT OR ANY PURCHASING DOCUMENT; OR (iii) UNAUTHORIZED MODIFICATIONS MADE TO THE CONTRACTOR APPLICATION BY AN AUTHORIZED PURCHASER.

XI. Rights in Data, Documents and Computer Software

- A. Licenses.** This Master Agreement contemplates the licensing of Contractor's Applications pursuant to Subscriptions and the provision of Services related to the configuration, implementation, maintenance and support thereof. This Master Agreement does not contemplate the sale, assignment, or transfer of any software. Contractor, and its third-party licensors shall retain all right, title and interest, including all patent, copyright, trade secret and other intellectual property rights, in and to the Contractor Applications. Except for the Subscriptions granted under Purchasing Documents, nothing in this Master Agreement shall give an Authorized Purchaser any right, title or interest in or to the Contractor Applications.
- B. Ownership.** As between an Authorized Purchaser and Contractor:
 - i. Contractor Applications.** Contractor shall be the sole and exclusive owner of all right, title and interest in and to the Contractor Applications, as well as all alterations, modifications, additions, and derivative works made with respect to the Contractor Applications. Except as expressly permitted or required hereby: (a) Authorized Purchasers shall have no right or license to the Contractor Applications; and (b) Authorized Purchasers shall not use, reproduce, publish or make available to others, modify, or create any derivative works of, all or any part of the Contractor Applications or Contractor Documentation.
 - ii. Authorized Purchaser Data and Deliverables.** Each Authorized Purchaser shall be the sole and exclusive owner of all right, title and interest in and to its Authorized Purchaser Data and the Deliverables produced under its respective Purchasing Documents. Except as expressly permitted or required herein or in an applicable Purchasing Document: (a) Contractor shall have no right or license to the Deliverables; and (b) Contractor shall not use, reproduce, publish, or make available to others, modify or create any derivative works of, all or any part of the Authorized Purchaser Data and Deliverables, except as authorized in this Master Agreement or applicable Purchasing Documents or approved in writing by the owner of the Authorized Purchaser Data and Deliverables.
 - iii. Rights of Licensees.** This Master Agreement sets forth the rights of Authorized Purchasers in the Contractor Applications. Nothing in any Purchasing Document shall in anyway enlarge or extend an Authorized

Purchaser's license rights with respect to the Contractor Applications and Contractor Documentation delivered by Contractor to the Authorized Purchaser under a Purchasing Document.

- iv. Trademarks. All trademarks, service marks, trade names, and logos of Contractor appearing on or within the Contractor Applications or any materials used in connection with Support and Maintenance Services are the property of Contractor and Authorized Purchasers shall not use them without Contractor's prior written approval.

XII. Reporting

- A. Reports and Notices. Contractor shall provide to the WSCA/NASPO Contract Administrator the reports and notices set forth in this **§XII** in accordance with the provisions hereof. Contractor shall provide to each Participating Entity representative identified in a Participating Addendum such additional reports and notices as may be required therein.
 - i. Litigation. Within ten (10) days after being served with any pleading in a legal action filed with a court or administrative agency related to this Master Agreement, which could reasonably be expected to affect Contractor's ability to perform its obligations hereunder, Contractor shall notify the WSCA/NASPO Contract Administrator of such action and deliver copies of such pleadings to the WSCA/NASPO Contract Administrator. Within ten (10) days after being served with a pleading in a legal action filed with a court or administrative agency related to a Purchasing Document, which could reasonably be expected to affect Contractor's ability to perform its obligations under such Purchasing Document, Contractor shall notify the WSCA/NASPO Contract Administrator and the Participating Entity representative identified in the Participating Addendum under which the affected Purchasing Documents were issued.
 - ii. Subcontracts. Copies of any and all subcontracts entered into by Contractor solely for the purpose of performing its obligations hereunder or under any Purchasing Document shall be submitted to the WSCA/NASPO Contract Administrator upon request. Any and all subcontracts entered into by Contractor solely related to its performance hereunder shall provide that such subcontracts shall be governed by the laws of the State of Colorado. Any and all subcontracts entered into by Contractor solely related to its performance under a Purchasing Document shall provide that such subcontracts shall be governed by and comply with the laws governing the Participating Addendum under which the Purchasing Document was issued.
 - iii. Quarterly Reports. Contractor shall submit quarterly volume reports to the WSCA/NASPO Contract Administrator by the last day of the month immediately following the end of each calendar quarter (January 31, April 30, July 31 and October 31), containing the following information: (a) the quarter for which the report was prepared; (b) a summary of all invoices issued to Authorized Purchasers within such quarter that are issued ,

including all invoices issued under Participating Addenda and/or Affiliate Agreements; (c) the identification of each Authorized Purchaser, including Affiliates, by legal entity name, address, contact person, contact phone number, invoice number, total invoiced dollar amount and date of invoice; (c) the itemized published list pricing, discounted pricing and calculated savings for each invoice. Contract shall provide a copy of each invoice issued under a Participating Addendum or Affiliate Agreement upon the request of the WSCA/NASPO Contract Administrator.

- iv. American Recovery and Reinvestment Act of 2009 ("ARRA"). If or when Contractor is notified by an Authorized Purchaser that a specific purchase or purchases are being made with ARRA funds, Contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol. 74 #61, Pages 14824-14829 (or subsequent changes or modifications to those requirements as published by the Federal OMB). An Authorized Purchaser is responsible for informing Contractor as soon as the Authorized Purchaser is aware that ARRA funds are being used for a purchase. Contractor shall provide the required report to the Authorized Purchaser with the invoice presented to the Authorized Purchaser for payment. Contractor, as it relates to purchases under this Master Agreement, is not a subcontractor or subgrantee, but simply a provider of goods and related services.
- B. Non-Compliance. Contractor's failure to provide reports and Notices to the WSCA/NASPO Contract Administrator in a timely manner in accordance with the provisions of this Master Agreement shall constitute a breach hereof and may result in termination as provided in **§XXII** (Remedies) below. Contractor's failure to provide reports and Notices to a representative identified in a Participating Addendum in a timely manner in accordance with the provisions of this Master Agreement and such Participating Addendum shall constitute a breach of such Participating Addendum and may result in termination of the Participating Addendum as provided herein or in such Participating Addendum.

XIII. Contractor Records

- A. Maintenance. Contractor shall make, keep, maintain, and allow inspection and monitoring by the WSCA/NASPO Contract Administrator of a complete file of all material records, documents, communications, notes, and other written materials, electronic media files, and communications, pertaining in any manner to the Subscriptions and Services provided under any Purchasing Document. Contractor shall maintain such records until the last to occur of: (i) a period of three years after the date this Master Agreement expires or is sooner terminated; (ii) a period of three years after the date the applicable Purchasing Document expires or is sooner terminated; or (iii) the resolution of any pending matters hereunder or under any Purchasing Document (collectively, the "Record Retention Period").
- B. Inspection. Contractor shall permit the WSCA/NASPO Contract Administrator to audit, inspect, examine, excerpt, copy and/or transcribe Contractor's records described in **§XIII(A)** above during the Record Retention Period or until final payment is made under all Purchasing Documents, whichever is later, to assure

compliance with the terms hereof. Contractor shall permit each Authorized Purchaser to audit, inspect, examine, excerpt, copy and/or transcribe Contractor's records described in **§XIII(A)** above applicable to those Purchasing Documents to which the Authorized Purchaser is a party during the Record Retention Period.

- C. Monitoring.** Contractor shall permit the WSCA/NASPO Contract Administrator, the federal government, any state, and any governmental agency having jurisdiction, in their sole discretion, to monitor all activities conducted by Contractor pursuant to the terms of this Master Agreement using any reasonable procedure, including, but not limited to: internal evaluation procedures, examination of program data, special analyses, on-site checking, formal audit examinations, or any other procedures. All monitoring controlled by the WSCA/NASPO Contract Administrator or a state or other Government Entity, in its capacity as Participating Entity or Authorized Purchaser, shall be performed in a manner that shall not unduly interfere with Contractor's general business operations or performance hereunder.

XIV. Confidential Information

Each Party to this Master Agreement and each party to a Purchasing Document shall comply with the provisions of this **§XIV** if it becomes privy to the Confidential Information of another Party or party in connection with its performance hereunder or thereunder.

- A. Defined.** "Confidential Information" means all confidential information of a Party to this Master Agreement or a party to a Purchasing Document, whether in paper or electronic format, disclosed to a receiving Party or party (a "Recipient") that is designated in writing as confidential at the time of disclosure. Confidential Information shall not include information required to be disclosed pursuant to the open records statutes of the laws of a WSCA/NASPO Member governing this Master Agreement or any Purchasing Document. The disclosure of information under this Master Agreement shall be subject to the Colorado Open Records Act, CRS §24-72-200.1, et seq. The disclosure of information under a Participating Addendum shall be subject to the open records statutes of the jurisdiction of the Participating Entity that is a party to such Participating Addendum.
- i. Government Entity Confidential Information.** Government Entity Confidential Information means the Confidential Information of a Government Entity, as defined herein, in the Purchasing Documents to which the Government Entity is a party, and in accordance with the laws, regulations and policies applicable to the Government Entity. Confidential Information of a Government Entity may include, but is not necessarily limited to, state records, personnel records, and information concerning individuals, including names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, law enforcement records, agency source code or object code, agency security data, or information identifiable to an individual that relates to any of these types of information.

- ii. Non-Government Entity Confidential Information. Non-Government Entity Confidential Information means all Confidential Information of a Non-Government Entity, whether in paper or electronic format, disclosed in writing to a Recipient party that is designated in writing as confidential at the time of disclosure.
 - iii. Contractor Confidential Information. Contractor Confidential Information means all confidential information of Contractor, whether in paper or electronic format, disclosed to a Recipient that is designated in writing as confidential at the time of disclosure. Confidential Information related to Contractor's customer lists, customer information, products, product development, technical information, pricing information, pricing methodologies, or information regarding Contractor's financial condition, business planning or business operations shall be deemed Confidential Information to the extent such information is not subject to disclosure under the open record statutes of the laws of a WSCA/NASPO Member..
 - iv. Exceptions. Confidential Information shall not include information that: (a) was generally available to the public at the time it was disclosed, or becomes generally available to the public through no fault of the Recipient; (b) was known to the Recipient at the time of disclosure as shown by written records in existence at the time of disclosure; (c) was developed independently by the Recipient prior to the disclosure, as shown by written records in existence prior to the disclosure; (d) is disclosed with the prior written approval of the disclosing Party or party (a "Disclosing Party"); (e) becomes known to the Recipient from a source other than the Disclosing Party without breach of this Master Agreement or any Purchasing Document, and in a manner which is otherwise not in violation of the Disclosing Party's rights; (f) is disclosed as required under the open records statutes applicable to the Recipient; or (g) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body, provided that the Recipient shall attempt to provide reasonable advance notice to enable the disclosing Party to seek a protective order or otherwise prevent such disclosure.
- B. Obligations of the Parties.** Each Party to this Master Agreement and each party to a Purchasing Document receiving Confidential Information of a disclosing Party shall (i) treat as confidential all Confidential Information provided by the Disclosing Party in compliance with applicable laws, regulations, and state cyber-security procedures concerning the confidentiality of information; (ii) not use such Confidential Information except as expressly permitted under the terms of this Master Agreement or a Purchasing Document, or as otherwise previously authorized in writing by the Disclosing Party; (iii) implement reasonable procedures to prohibit the disclosure, unauthorized duplication, reverse engineering, disassembly, decompiling, misuse or removal of such Confidential Information; and (iv) not disclose such Confidential Information to any third party, except as permitted under **§XIV(A)(iv)** above. Without limiting the foregoing, each party shall use at least the same degree of care to prevent the disclosure of the Confidential Information of a Disclosing Party as it uses to prevent the disclosure of its own Confidential Information, and shall in any event use no less than a reasonable degree of care.

- C. Notification. Each Recipient of the Confidential Information of a Disclosing Party shall notify its agents, employees, Subcontractors and assigns who are authorized to use or reasonably may be expected to come into contact with the Confidential Information that each is subject to the confidentiality requirements set forth herein and in the applicable Purchasing Documents.

XV. Protected Public Documents

- A. Use, Security, and Retention. Government Entity Confidential Information shall not be distributed or sold to any third party or used by Contractor or its agents in any manner, except as authorized by this Master Agreement and approved in writing by an authorized representative of Lead State, or by a Purchasing Document and approved in writing by the authorized representative identified in the Purchasing Documents applicable to such Government Entity. Contractor shall provide and maintain a secure environment that ensures confidentiality of all Government Entity Confidential Information wherever located. Government Entity Confidential Information shall not be retained in any files or otherwise by Contractor or its agents, except as permitted in this Master Agreement and approved in writing by an authorized representative of Lead State or, in a Purchasing Document and approved by the authorized representative identified in the Purchasing Documents applicable to such Government Entity.
- B. Third Party Requests. Any request or demand by a third party for Government Entity Confidential Information in the possession of Contractor shall be immediately forwarded to an authorized representative of the Government Entity to which the Government Entity Confidential Information belongs.
- C. Protected Public Documents. Disclosure of protected public records of a Government Entity or other Government Entity Confidential Information by Contractor for any reason may be cause for legal action by third parties against Contractor, the disclosing Government Entity, or their respective agents. Contractor shall indemnify, save, and hold harmless the disclosing Government Entity, Lead State, WSCA, and NASPO, and their respective employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Contractor, or its employees, agents, Subcontractors, or assignees pursuant to this **§XV**.

XVI. Conflicts of Interest

Contractor shall not engage in any business or personal activities or practices or maintain any relationships which conflict in any way with the full performance of Contractor's obligations under this Master Agreement or any Purchasing Document. Contractor acknowledges that even the appearance of a conflict of interest is harmful to the interests of the Parties to this Master Agreement and the parties to Purchasing Documents. Absent prior written approval from the WSCA/NASPO Contract Administrator, with respect to this Master Agreement, or the authorized representative of the Authorized Purchaser identified in the affected Purchaser Documents, Contractor shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Contractor's obligations hereunder or any

Purchasing Document. If a conflict or appearance exists, or a conflict of interest may exist, Contractor shall submit to WSCA/NASPO Contract Administrator and such Authorized Purchaser representative, if applicable, a disclosure statement setting forth the relevant details for the consideration of the WSCA/NASPO Contract Administrator and such Authorized Purchaser representative, if applicable. Failure to promptly submit a disclosure statement or to follow the direction of the WSCA/NASPO Contract Administrator in regard to an apparent conflict with this Master Agreement constitutes a breach hereof. Failure to promptly submit a disclosure statement or to follow the direction of the Authorized Purchaser's representative with respect to any Purchasing Documents constitutes a breach of such Purchasing Documents, unless provided to the contrary in such Purchasing Documents.

XVII. Representations and Warranties

Contractor makes the following specific representations and warranties, each of which was relied on by Lead State, NASPO and WSCA in entering into this Master Agreement. Except as expressly stated to the contrary, the representations and warranties made by Contractor hereunder are continuing representations and warranties and shall apply to and be true and correct on the date of execution of each Purchasing Document entered into by Contractor pursuant to this Master Agreement as though newly made on the execution thereof.

- A. Contractor Applications.** Contractor warrants that each Contractor Application shall operate in substantial conformity with the requirements and specifications applicable to such Contractor Application, as set forth in **§VIII** (Specifications) above and in the then current published functional specifications for such Contractor Application available to Authorized Purchasers and End Users through such Contractor Application. Contractor represents and warrants that it has and during the term of this Master Agreement shall have all rights required to use and to allow Authorized Purchasers to use all licensed software incorporated as a part of the Contractor Applications
- B. Licenses, Permits, Authorizations.** Contractor represents and warrants that as of the Effective Date it has, and that at all times during the term hereof it shall have and maintain, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorizations required by law ("Required Authorizations") to perform its obligations hereunder. Contractor further represents and warrants that as of the effective date of each Purchasing Document it shall have, and at all times during the term of such Purchasing Document shall maintain, all Required Authorizations necessary to perform its obligations under such Purchasing Document. Contractor shall obtain and maintain all Required Authorizations, without reimbursement by any other Party to this Master Agreement or any party to a Purchasing Document or other adjustment in funds under any Purchasing Document. Additionally, all employees, agents, and Subcontractors of Contractor performing Services under this Master Agreement or any Purchasing Document shall hold all required licenses or certifications, if any, to perform their responsibilities. Contractor, if a foreign corporation or other foreign entity transacting business in the jurisdiction of an Authorized Purchaser, further warrants that it currently has obtained and shall maintain any applicable certificate of authority to transact business in such jurisdiction and shall designate a registered agent in such state to accept service

of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for Contractor to properly perform the terms of this Master Agreement or a Purchasing Document is a material breach by Contractor and constitutes grounds for termination of this Master Agreement or such Purchasing Document.

- C. Legal Authority. Contractor represents and warrants that it possesses the legal authority to enter into this Master Agreement and during the term of this Master Agreement shall possess the legal authority to enter into each Purchasing Document and that it has taken and shall take all actions required by its procedures, and by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Master Agreement and each authorized signatory under a Purchasing Document to execute such Purchasing Document, or any part hereof or thereof, and to bind Contractor to the terms hereof or thereof. If requested by the WSCA/NASPO Contract Administrator or by any Authorized Purchaser, Contractor shall provide the WSCA/NASPO Contract Administrator or the designated representative of such Authorized Purchaser with proof of Contractor's authority to enter into this Master Agreement or any applicable Purchasing Document within fifteen (15) days of receiving such request.

XVIII. Insurance

Contractor and its Subcontractors shall obtain and maintain insurance as specified in this section at all times during the term of this Master Agreement and each Purchasing Document. All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Contractor and the WSCA/NASPO Contract Administrator. Any additional policies evidencing the insurance coverage required under a Purchasing Document shall be issued by insurance companies satisfactory to Contractor and the Authorized Purchaser under such Purchasing Document.

- A. Contractors and Subcontractors. Contractor shall, and shall require each contract with a Subcontractor providing Services in connection with this Master Agreement or a Purchasing Document to provide insurance requirements substantially similar to the following:
- i. Worker's Compensation. Worker's Compensation Insurance as required by applicable legal requirements in the jurisdiction of the Authorized Purchaser, and Employer's Liability Insurance covering all of Contractor or Subcontractor employees acting within the course and scope of their employment.
 - ii. General Liability. Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$2,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire.

- iii. Automobile Liability. Automobile Liability Insurance covering any auto (including hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.
 - iv. Additional Insureds. WSCA, NASPO and Lead State shall be named as additional insureds on all Commercial General Liability and Automobile Liability Insurance policies (leases and construction contracts require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent) required of Contractor and any Subcontractors hereunder. Each Participating Entity and each Authorized Purchaser shall be added as an additional insured on all Commercial General Liability and Automobile Insurance upon the execution of a Purchasing Document by Contractor and such Participating Entity or Authorized Purchaser.
 - v. Primacy of Coverage. Coverage required of Contractor and Subcontractor shall be primary over any insurance or self-insurance program carried by a Party to this Master Agreement or any Participating Entity or Authorized Purchaser.
 - vi. Cancellation. The above insurance policies shall include provisions providing Contractor (a) fifteen (15) days prior notice of cancellation or non-renewal in the event of non-payment of premiums and (bi) thirty (30) days prior notice for cancellation for any other reason and Contractor shall forward such notice to the WSCA/NASPO Contract Administrator in accordance with **§XXV** (Notices and Representatives) within seven (7) days of Contractor's receipt of such notice.
 - vii. Subrogation Waiver. All insurance policies in any way related to this Master Agreement or any Purchasing Document and secured and maintained by Contractor or its Subcontractors as required herein or therein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against Contractor, the Parties to this Master Agreement, the parties to any Purchasing Document, and their respective agencies, institutions, organizations, officers, agents, employees, and volunteers.
- B. Certificates.** Contractor and all Subcontractors shall provide certificates showing insurance coverage required hereunder to the WSCA/NASPO Contract Administrator within seven (7) business days of the Effective Date. No later than fifteen (15) days prior to the expiration date of any such coverage, Contractor and each Subcontractor shall deliver to WSCA/NASPO Contract Administrator or, in the case of Subcontractors, to Contractor certificates of insurance evidencing renewals thereof. In addition, upon request by the NASPO/WSCA Contract Administrator at any other time during the term of this Master Agreement or any subcontract solely related to this Master Agreement and/or any Purchasing Document, Contractor and each Subcontractor shall, within ten (10) days of such request, supply to the WSCA/NASPO Contract Administrator evidence satisfactory to the WSCA/NASPO Contract Administrator of compliance with the provisions of this **§XXVIII**. At the request of the designated representative identified in a Purchasing Document, Contractor and any

Subcontractor providing Services under such Purchasing Document shall provide to such representative certificates showing insurance coverage required under such Purchasing Document.

XIX. Indemnification

- A. General.** Contractor shall indemnify, save, and hold harmless the other Parties to this Master Agreement and each party to a Purchasing Document (each an "Indemnified Party" and collectively, the "Indemnified Parties"), and their respective employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any negligent act or omission by Contractor, or its employees, agents, Subcontractors, or assignees pursuant to the terms of this Master Agreement; provided, however, the provisions hereof shall not be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., the governmental immunity statutes applicable to any other Indemnified Party, or the Federal Tort Claims Act, 28 U.S.C. 2671 et seq., as now or hereafter amended.

- B. Intellectual Property.** Contractor shall defend, indemnify and hold harmless the Indemnified Parties, from and against any and all claims, suits, proceedings, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) arising out of any claims, demands, suits or proceedings brought by a third party alleging that the Contractor Applications infringe upon any patent, copyright or trademark or misappropriate any trade secret or other intellectual property rights of any third party. Contractor shall have no obligation to indemnify an Indemnified Party to the extent that any alleged infringement arises out of (a) the use of the Contractor Applications in combination by the Indemnified Party with other data, products, software, processes or materials not provided or authorized by Contractor; (b) the modification of the Contractor Applications by a party other than Contractor; or (c) any unauthorized use of the Contractor Applications. Should any of the Contractor Applications as used by an Indemnified Party, or in Contractor's commercially reasonable opinion be likely to infringe, Contractor shall, at its option and sole expense: (i) procure for the Indemnified Party the right to continue to use the Contractor Applications, (ii) modify the Contractor Applications to eliminate any such claim that might result from their use, provided such modification does not adversely affect the functional capabilities of the Contractor Applications or (iii) replace the Contractor Applications with equally suitable, compatible and functionally equivalent non-infringing Contractor Applications at no additional charge to the Indemnified Party. If none of these options is commercially practicable, then this Master Agreement and any Purchasing Document may be terminated by any of the Parties hereto or parties thereto without further obligation or liability on the part of any of them, except that Contractor agrees to promptly refund to each Authorized Purchaser the fees paid by such Authorized Purchaser for the portion of any Subscription term for which the Contractor Applications would no longer be available to such Authorized Purchaser.

- C. Notice and Defense. The Indemnified Party promptly shall notify Contractor of a claim under this §XIX; provided, however, that failure to do so shall not preclude the Indemnified Party's right to indemnification if such failure does not materially prejudice Contractor's ability to defend the claim. If such failure materially prejudices Contractor's ability to defend, the Indemnified Party's right to indemnification shall be diminished to the extent of the prejudice. Contractor shall control the defense and/or settlement of the claim and shall have the right to compromise or settle such claim for money damages, at Contractor's expense. Any other compromise or settlement shall require the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned, or delayed. Contractor shall reimburse the Indemnified Party for the Indemnified Party's reasonable, direct out-of-pocket expenses, as incurred, including, without limitation, attorneys' fees and related costs, incurred (i) as a result of participation in the defense at Contractor's request or (ii) in connection with the defense of the claim if Contractor fails to assume control and vigorously pursue the defense of the claim. The Indemnified Party may participate in the defense and/or settlement with counsel of its own.

XX. Responsibilities of the Parties

Each Party to this Master Agreement and each party to a Purchasing Document shall be responsible for the actual physical damages directly caused by the negligent acts or omissions of its respective employees, agents, or Subcontractors in the course of its performance under this Master Agreement or any Purchasing Document involving personal injury or death to persons or loss or damage to personal tangible property.

XXI. Breach

- A. Master Agreement. In addition to any breach specified in other sections of this Master Agreement, any of the following also shall constitute a breach hereunder: (i) the failure of a Party to perform any of its material obligations hereunder, in whole or in part or in a timely or satisfactory manner, after taking into account any applicable notice and cure periods; (ii) a material breach by Contractor of a Purchasing Document, as determined under such Purchasing Document; and (iii) the institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within twenty (20) days after the institution or occurrence thereof (collectively, "Bankruptcy").
- B. Purchasing Documents. In addition to the breaches specified in a Purchasing Document, the following shall constitute a breach under each Purchasing Document: (i) the failure of any party to such Purchasing Document to perform any of its material obligations thereunder, in whole or in part or in a timely or satisfactory manner, after taking into account any applicable notice and cure periods set forth in such Purchasing Document or (ii) Contractor's Bankruptcy.
- C. Notice and Cure Period. In the event of a breach, Notice of such shall be given in writing by the aggrieved Party to this Master Agreement to the breaching Party or by the aggrieved party to a Purchasing Document to the other party thereto. If such breach is not cured within thirty (30) days of receipt of written notice, or if a

cure cannot be completed within thirty (30) days, or if cure of the breach has not begun within thirty (30) days and pursued with due diligence, the non-breaching Party to this Master Agreement or non-breaching party to a Purchasing Document may exercise any of the applicable remedies set forth in **§XXII** (Remedies) below. Notwithstanding anything to the contrary herein, a Government Entity, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate any Purchasing Document to which it is a party, in whole or in part, if reasonably necessary to preserve public safety or to prevent immediate public crisis.

XXII. Remedies

- A. Termination. If a Party to this Master Agreement is in breach under any provision hereof, the aggrieved Party shall have all of the applicable remedies listed in this **§XXII** in addition to all other remedies set forth in other sections of this Master Agreement, following the Notice and cure period set forth in **§XXI** (Breach) above. If a party to a Purchasing Document is in breach under any provision thereof, the aggrieved party shall have all of the applicable remedies listed in this Master Agreement, in addition to such other remedies as may be set forth in the Purchasing Document. An aggrieved Party under this Master Agreement or an aggrieved party under a Purchasing Document may exercise any or all of the remedies available to it hereunder or thereunder, in its sole discretion, concurrently or consecutively.
 - i. Cause and/or Breach. An aggrieved Party to this Master Agreement may terminate this Master Agreement by written Notice if the breaching Party commits a material breach of this Master Agreement. An aggrieved party to a Purchasing Document may terminate such Purchasing Document by written Notice if the breaching party to such Purchasing Document commits a material breach of such Purchasing Document.
 - ii. Master Agreement. To the extent specified in any termination Notice delivered with respect to this Master Agreement or any Purchasing Document, Contractor shall not incur further obligations or render further performance hereunder or thereunder, as applicable, past the effective date of a termination Notice.
 - iii. Purchasing Documents. To the extent specified in any termination Notice delivered with respect to a Purchasing Document, Contractor shall terminate outstanding orders and subcontracts with third parties under such Purchasing Document. However, Contractor shall complete and deliver to the aggrieved party under the terminated Purchasing Document all Services not cancelled by the termination Notice and may incur obligations as are necessary to do so within the terms hereof and the terms of the Purchasing Document. The aggrieved party to such Purchasing Document shall reimburse Contractor only for accepted performance up to the date of termination.
 - iv. Damages and Withholding. Subject to **§XXIII** (Limitation of Liability) below and notwithstanding any other remedial action by a breaching Party hereunder, each breaching Party shall remain liable to each non-

breaching Party for any damages sustained by such non-breaching Party by virtue of any breach hereunder. Subject to **§XXIII** (Limitation of Liability) below and to any applicable terms under a Purchasing Document and notwithstanding any other remedial action by a breaching party under such Purchasing Document, each breaching party shall remain liable to the non-breaching party under such Purchasing Document for any damages sustained by such non-breaching party by virtue of any breach thereunder.

B. Other Remedies

- i. Contractor Applications. In the event of breach by Contractor of its representations and warranties with respect to a Contractor Application under **§X(A)** (Subscription and Service Warranty) or **§XVII(A)** (Representations and Warranties) above, Contractor shall, at Contractor's sole option, and as sole and exclusive remedy (a) repair the applicable Contractor Application, (b) terminate the Purchasing Document under which the breach occurred and refund to the Authorized Purchaser a sum equal to the Subscription Fees paid for the period during which the Contractor Applications were rendered unusable, prorated on a monthly basis, or (c) with the consent of the Authorized Purchaser terminate the Subscription under which the breach occurred and refund to the Authorized Purchaser the Subscription Fees paid with respect to such Subscription for the period during which the Contractor Application was rendered unusable, prorated on a monthly basis.
- ii. Services. In the event of breach by Contractor of its representations or warranties with respect to Services, under this Master Agreement or any Purchasing Document, the other Parties to this Agreement or the Authorized Purchaser that is a party to the Purchasing Document under which the breach occurred may exercise one or more of the following remedies: (a) suspend Contractor's performance with respect to all or any portion of the Purchasing Document pending necessary corrective action as specified by the Authorized Purchaser without entitling Contractor to an adjustment in price/cost or performance schedule; (b) withhold payment to Contractor until corrections in Contractor's performance are satisfactorily made and completed; and (c) require Contractor to re-perform the breaching Services.
- iii. Removal. Notwithstanding any other provision herein or in a Purchasing Document, an Authorized Purchaser may demand immediate removal of any of Contractor's employees, agents, or Subcontractors whom Authorized Purchaser deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued relation to such Purchasing Document is deemed to be contrary to the public interest or Authorized Purchaser's best interest.

XXIII. Limitation of Liability

- A. Consequential and Other Damages. None of the Parties to this Master Agreement, the parties to any Purchasing Document, or their respective affiliates,

directors, officers, employees, agents or subcontractors, shall be liable to the any other Party or party, or their respective Affiliates, for any indirect, incidental, special, consequential, punitive or exemplary damages or liability (including reasonable attorneys' fees) that result from or are related to this Master Agreement, any Purchasing Documents or any or their respective exhibits or attachments, whether in contract or tort or under any other theory of liability, even if the other Party, party, or respective Affiliate has been informed of the possibility of such damages or liability.

- B. Maximum Liability.** Except for amounts owed to Contractor by an Authorized Purchaser, as authorized under an applicable Purchasing Document, the aggregate liability of any party related to or arising out of such Purchasing Document, or any of its respective exhibits or attachments, whether in contract, tort or under any other theory of liability, shall not exceed the aggregate amounts payable to Contractor by the Authorized Purchaser under such Purchasing Document in the 24 months preceding the event giving rise to such damages. The limitations of liability under this section shall not apply to any obligations and liabilities arising from death, personal injury, damage to tangible property or intellectual property infringement. The aggregate liability of any Party related to or arising out of this Master Agreement or its respective exhibits or attachments, shall be limited to whether in contract, tort or under any other theory of liability, shall not exceed \$500,000.00. None of WSCA, NASPO, or the Lead State shall have any liability under any Purchasing Document or its respective exhibits or attachments under any theory of liability

XXIV. Governmental Immunity

Liability for claims for injuries to persons or property arising from the actions or inactions of a Government Entity shall be controlled and limited by the laws of the jurisdiction applicable to such Government Entity, as set forth in the Purchasing Documents to which such Government Entity is a party. Liability for claims for injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees under this Master Agreement and under any Purchasing Document to which it is a party is controlled and limited by the provisions of the Governmental Immunity Act §24-10-101, et seq. and the risk management statutes, CRS §24-30-1501, et seq., as amended.

XXV. Notices and Representatives

Each individual identified below is the principal representative of the designating Party. All Notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to, but not in lieu of a hard-copy Notice, Notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written Notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

A. Lead State:

Tom Spiker
State Purchasing Office Colorado Department of Personnel and Administration
633 17 th Street
Suite 1600
Denver, CO 80202
tom.spiker@state.co.us

with a copy to the WSCA/NASPO Contract Administrator.

B. WSCA/NASPO Contract Administrator:

Jack Gallt
AMR Management Services
201 East Main
Suite 1405
Lexington, KY 40507
jgallt@amrms.com

C. Contractor:

Jennifer Kaelin
Vice President of Finance
SciQuest, Inc.
6501 Weston Parkway
Suite 200
Cary, NC 27513
jkaelin@sciquest.com

XXVI. Miscellaneous**A. Assignment and Subcontracts.**

- i. By Contractor. Contractor's rights and obligations hereunder are personal and shall not be transferred, assigned or subcontracted without the prior, written consent of the WSCA/NASPO Contract Administrator. Contractor's rights and obligations under each Purchasing Document are personal and shall not be transferred, assigned or subcontracted without the prior, written consent of the Authorized Purchaser's representative identified in the applicable Purchasing Document. Any attempt at assignment, transfer, subcontracting without such consent shall be void. All assignments, subcontracts, or Subcontractors approved hereunder are subject to all of the provisions hereof. All assignments, subcontracts, or Subcontractors approved by an Authorized Purchaser designated representative under a Purchasing Document shall be subject to all of the

provisions hereof and thereof. Contractor shall be solely responsible for all aspects of subcontracting arrangements and performance.

- ii. By Lead State. Lead State, in its sole discretion and at any time, may transfer or, assign all of its rights and obligations under this Master Agreement to WSCA or, upon prior written consent of the WSCA Directors, to any other WSCA Member, and upon such transfer, shall have no further rights or obligations under this Master Agreement, except as may be set forth in any separate Purchasing Documents entered into by Lead State on its own behalf. Lead State shall provide Notice to the other Parties of such assignment, specifying the effective date thereof.
- B. Binding Effect. Except as otherwise provided in **§XXVI(A)** above, all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.
- C. Captions. The captions and headings in this Master Agreement are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.
- D. Counterparts. This Master Agreement may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
- E. Entire Understanding. This Master Agreement represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or effect whatsoever, unless embodied herein.
- F. Jurisdiction and Venue. All suits or actions related to this Master Agreement shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver. All suits or actions related to a Purchasing Document shall be filed and proceeding held in the state and venue of the Authorized Purchaser to such Purchasing Document, as set forth in such Purchasing Document.
- G. Modification.
 - i. By the Parties. Except as specifically provided in this Master Agreement, modifications of this Master Agreement shall not be effective unless agreed to in writing by the Parties in an amendment to this Master Agreement, properly executed and approved in accordance with applicable Colorado State law and Fiscal Rules. Modifications permitted under this Addendum, other than contract amendments, shall conform to the Policies of the Office of the Colorado State Controller, including, but not limited to, the policy entitled MODIFICATIONS OF CONTRACTS - TOOLS AND FORMS.

- ii. By Operation of Law. This Master Agreement is subject to such modifications as may be required by changes in federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Addendum on the effective date of such change, as if fully set forth herein.
 - iii. Of Purchasing Documents. Modifications of a Participating Addendum shall be governed by such Participating Addendum. Modification of a Service Order or Affiliate Agreements shall be governed by the Participating Addendum under which such Service Order or Affiliate Agreement is issued.
- H. Order of Precedence. The provisions of this Master Agreement shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this Master Agreement, and its exhibits and attachments, including, but not limited to, those provided by Contractor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:
 - i. A Participating Addendum;
 - ii. An Affiliate Agreement, if applicable;
 - iii. A Service Order issued under a Participating Addendum or Affiliate Agreement;
 - iv. The provisions of the main body of this Master Agreement;
 - v. **Exhibit A** (WSCA Terms and Conditions);
 - vi. **Exhibits C** (Support and Maintenance Services) and **D** (Supplier Enablement Services);
 - vii. **Exhibit I** (Current Pricing and Discounts);
 - viii. **Attachment AA** (Request for Proposal);
 - ix. **Attachment BB** (Contractors Best and Final Offer); and
 - x. **Attachment BB** (Contractor's Proposal).
- I. Severability. Provided this Master Agreement can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this Addendum in accordance with its intent.
- J. Survival of Certain Agreement Terms. Notwithstanding anything herein to the contrary, **§§II** (Definitions), **IV** (Term and Early Termination), **XIV**, (Confidential Information), **XXIII** (Limitation of Liability), **XXIV** (Governmental Immunity), and **XXVI** (Miscellaneous) of this Master Agreement shall survive termination of this Master Agreement and shall be enforceable by each Party, as applicable.
- K. Taxes. Provisions applicable to Participating Entities and Authorized Purchasers that are exempt from federal, state, and/or local government taxes with respect to purchases or services shall be set forth in each Participating Addendum, to the extent applicable, Lead State is exempt from all federal excise taxes under IRC

Chapter 32 (No. 84-730123K) and from all state and local government sales and use taxes under CRS §§39-26-101 and 201, et seq., and the application of such exemptions shall be set forth in the Participating Addendum entered into by the Lead State.

- L. Third Party Beneficiaries. Except the extent that the terms and conditions of this Master Agreement are incorporated into Purchasing Documents, (i) enforcement of this Master Agreement and all rights and obligations hereunder are reserved solely to the Parties and (ii) any services or benefits which third parties receive as a result of this Master Agreement are incidental to this Master Agreement, and do not create any rights for such third parties. Enforcement of any Purchasing Document and all rights and obligations thereunder are reserved solely to the parties to such Purchasing Document and any services or benefits which third parties receive as a result of such Purchasing Document are incidental thereto and do not create any rights for third parties.
- M. Waiver. Waiver of any breach under a term, provision, or requirement of this Master Agreement or any Purchasing Document, or any right or remedy hereunder or thereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.
- N. Publicity. None of the Parties to this Master Agreement or the parties to any Purchasing Document may issue any press release regarding this Master Agreement or such Purchasing Document without the prior written consent of the other Parties hereto or parties thereto. Contractor may include the name and logo of an Authorized Purchaser in Contractor's lists of customers to the extent specifically authorized in the Participating Addendum under which a Purchasing Document is issued or in the Purchasing Documents executed by the Authorized Purchaser.
- O. Independent Contractor. Contractor shall perform its duties hereunder and under each Purchasing Document as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of any other Party to this Master Agreement or any other party to a Purchasing document. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through any other Party to this Master Agreement or party to a Purchasing Document and such Parties hereunder and parties thereunder shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Master Agreement or any Purchasing Document. Contractor shall not have authorization, express or implied, to bind the other Parties to this Master Agreement or any party to a Purchasing Document to any agreement, liability or understanding, except as expressly set forth herein or therein. Contractor shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the WSCA/NASPO Contract Administrator or the

identified representative under a Purchasing Document, and **(iii)** be solely responsible for its acts and those of its employees and agents.

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THE PARTIES HERETO HAVE EXECUTED THIS MASTER AGREEMENT

*** Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.**

<p align="center">CONTRACTOR: SciQuest, Inc.</p> <p>Name: Rudy Howard Title: Chief Financial Officer</p>	<p align="center">LEAD STATE: STATE OF COLORADO John Hickenlooper, GOVERNOR Department of Personnel & Administration, Division of Finance and Procurement</p>
<p>_____ Signature</p> <p>Date: _____</p>	<p>_____ By: Kathy Nesbitt, Executive Director</p> <p>Date: _____</p>
<p align="center">NASPO: National Association of State Procurement Officials, Inc.</p> <p>Name: Greg Smith Title: President</p>	<p align="center">LEGAL REVIEW: John W. Suthers, Colorado Attorney General</p>
<p>_____ Signature</p> <p>Date: _____</p>	<p>By: _____</p> <p>_____ (Assistant) Attorney General</p> <p>Date: _____</p>
<p align="center">APPROVED BY: Western States Contracting Alliance</p> <p>Name: Greg Smith Title: WSCA Chair</p> <p>_____ Signature</p>	<p>_____</p>

Date:	
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ALL CONTRACTS REQUIRE APPROVAL by the STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Master Agreement is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER



David J. McDermott, CPA

By: _____

Date: _____



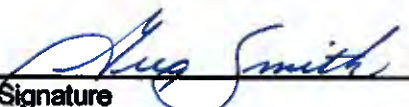
THE PARTIES HERETO HAVE EXECUTED THIS MASTER AGREEMENT

Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

<p>CONTRACTOR: SciQuest, Inc. Name: Rudy Howard Title: Chief Financial Officer</p> <p> _____ Signature</p> <p>Date: <u>JUNE 30, 2011</u></p>	<p>LEAD STATE: STATE OF COLORADO John Hickenlooper, GOVERNOR Department of Personnel & Administration, Division of Finance and Procurement</p> <p> _____ By: Kathy Nesbitt, Executive Director</p> <p>Date: <u>6.30.11</u></p>
<p>NASPO: National Association of State Procurement Officials, Inc. Name: Greg Smith Title: President</p> <p>_____ Signature</p> <p>Date: _____</p>	<p>LEGAL REVIEW: John W. Suthers, Colorado Attorney General</p> <p>By: _____ (Assistant) Attorney General</p> <p>Date: _____</p>
<p>APPROVED BY: Western States Contracting Alliance Name: Greg Smith Title: WSCA Chair</p> <p>_____ Signature</p> <p>Date: _____</p>	

THE PARTIES HERETO HAVE EXECUTED THIS MASTER AGREEMENT

* Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

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<p>NASPO: National Association of State Procurement Officials, Inc. Name: Greg Smith Title: President</p> <p> Signature</p> <p>Date: <u>6-30-11</u></p>	<p>LEGAL REVIEW: John W. Suthers, Colorado Attorney General</p> <p>By: _____ (Assistant) Attorney General</p> <p>Date: _____</p>
<p>APPROVED BY: Western States Contracting Alliance Name: Greg Smith Title: WSCA Chair</p> <p> Signature</p> <p>Date: <u>6-30-11</u></p>	

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STATE CONTROLLER**David J. McDermott, CPA**

By: _____



Date: _____

6-30-11



State of Idaho

Participating Addendum

Purchase Order Summary		Supplier
Purchase Order Number:	PADD19200257	BJ Birtz SciQuest 3020 Carrington Mill Blvd Morrisville, NC 27560 Phone: 919-500-3738
Account Number:	AC-1	
Purchase Order Date:	November 30, 2018	Fax:
Service Start Date:	November 30, 2018	Email: bbirtz@jaggaer.com
Service End Date:	June 30, 2024	
Payment Method:	Invoice	Buyer Contact Valerie Bollinger Tel:208-332-1631 Fax: 208-327-7320 Valerie.Bollinger@adm.idaho.gov
Payment Terms:	NET30	
Currency	USD	
FOB Instruction:	Destination	
Attachment(s):	<u>Idaho (State of) NASPO Participating Addendum 30 Nov 2018 FINAL.pdf</u> :Signed PADD	

Contract Number:

Bill To Address	Ship To Address
DOP - Prog Mgr Dept of Administration Division of Purchasing 304 N 8th Street Rm 403 PO Box 83720 Boise, Idaho 83720	DOP - Prog Mgr Dept of Administration Division of Purchasing 304 N 8th Street Rm 403 PO Box 83720 Boise, Idaho 83720
Phone: 208-332-1600	Phone: 208-332-1600
Fax: 208-327-7320	Fax: 208-327-7320
Email: purchasing@adm.idaho.gov	Email: purchasing@adm.idaho.gov
Mail Stop: DOP Program Manager	Mail Stop: DOP Program Manager

Instructions

NOTICE OF STATEWIDE CONTRACT (PADD) AWARD

This Contract is for eProcurement Software as a Service pursuant to NASPO ValuePoint Master Agreement #W33-2010, originally awarded by the State of Colorado and assigned to the State of Utah. This Contract is for the benefit of State of Idaho Agencies, Institutions, Departments and eligible political subdivisions or public agencies as defined by Idaho code, Section 67-2327. The Division of Purchasing or the Requisitioning Agency will issue individual Orders against this Participating Addendum on an as needed basis, as detailed in the attached Participating Addendum.

Contract Title: eProcurement Software as a Service

Contract Usage Type: Mandatory Use

Public Agency Clause: Yes

Contract Administration: Arianne Quignon

Phone Number: 208-332-1604

Fax Number: 208-327-7320

E-Mail: arianne.quignon@adm.idaho.gov

Contractor's Primary Contacts

Contact: Jon Grave


Phone Number: 408-763-6246

E-Mail: jgrave@jaggaer.com

CONTRACTOR: Ship to the FOB DESTINATION point and BILL DIRECTLY to the ORDERING AGENCY. DO NOT MAIL INVOICES TO THE DIVISION OF PURCHASING. Notating the Contract Award Number on any invoices/statement will facilitate the efficient processing of payment.

Initial Term 11/30/2018 - 6/30/2024; \$1,250,000

TOTAL Value to Date: \$21,250,000

		Items			
Supplier Part Number	Quantity	Back Order	Unit	Unit Price	Total
n/a	1.00	0	LO	1,250,000.00	\$1,250,000.00
Item Description	#1 eProcurement Software as a Service 				
Delivery Date:	November 30, 2018				
Shipping Method:	Delivery				
Shipping Instructions:					
Ship FOB:	Destination				
Attachment(s)					
Special Instructions:					

Sub-Total (USD)		\$1,250,000.00
Estimated Tax (USD)		\$0.00
TOTAL: (USD)		\$1,250,000.00

Note: If there is a  next to an item's unit price, that indicates that the price has been discounted.

Signature : Valerie Bollinger

Signed By : Valerie Bollinger

PARTICIPATING ADDENDUM

to

Master Agreement for eProcurement Services by and among SciQuest, Inc. and the State of Colorado, in conjunction with NASPO ValuePoint (formerly the National Association of Procurement Officials and the Western States Contracting Alliance)

This Participating Addendum is entered into by the State of Idaho (the "Participating Entity") and SciQuest, Inc. dba JAGGAER ("Contractor," and together with the Participating Entity, the "Addendum Parties"), pursuant to that certain Master Agreement for eProcurement Services (Hosted Software-as-a-Service) dated June 30, 2011, by and among Contractor and the State of Colorado and the National Association of State Procurement Officials, Inc. ("NASPO"), on its own behalf and on behalf of the Western States Contracting Alliance ("WSCA"), WSCA/NASPO Agreement #W33-2010, as assigned to the State of Utah by that certain Contract Assignment and Assumption dated April 30, 2013 (collectively, and together with all exhibits and attachments, the "Master Agreement"). The underlying procurement for these Services was led by the State of Colorado on behalf of NASPO and WSCA and the WSCA/NASPO Members, for use by Participating Entities and those Authorized Purchasers approved by the Chief Procurement Official of a Participating Entity to utilize state contracts. Notwithstanding that the underlying procurement for the Services was led by the State of Colorado, the Master Agreement is currently administered by the State of Utah on behalf of NASPO and WSCA and the WSCA/NASPO Members. This Participating Addendum is entered into pursuant to and incorporates by reference the terms and conditions of the Master Agreement. This Participating Addendum and the exhibits attached hereto are collectively referred to as the "PADD".

In consideration of the premises, covenants and mutual promises contained in this Addendum, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Addendum Parties hereby agree as follows.

1. Scope: The scope of this PADD shall be limited to the scope of the Master Agreement. The purpose of this PADD is to create a statewide centralized electronic procurement system providing more efficient delivery of state procurement services through the use of technology.
2. Participation: This PADD may be used by all State of Idaho agencies, institutions of higher education, and public agencies as defined in Idaho Code 67-2327 (each a "Separate Authorized Purchaser"). When entering into any Service Order, each Separate Authorized Purchaser will represent and warrant that it (i) is authorized to enter into the Service Order; and (2) will be solely responsible for fulfilling its obligations, including payments, as described in that Service Order. Issues of interpretation and eligibility for participation are solely within the authority of the Participating Entity's Chief Procurement Official.
3. Modifications to Master Agreement: All modifications to the Master Agreement and additional terms and conditions specific to the Participating Entity are incorporated herein in this PADD.
4. Primary Contacts: The primary contacts for this Addendum shall be the individuals identified below or such other individuals as may be identified from time to time in a Notice sent by a designating party to the other parties set forth below:

Contractor

Name: Vic Chynoweth, Chief Financial Officer
Address: 3020 Carrington Mill Blvd., Suite 100
Morrisville, NC 27560

Telephone: (919) 659-2100
E-mail: vchynoweth@jaggaer.com

Participating Entity

Name: Valerie Bollinger, State Purchasing Manager
Address: 304 N. Eighth St., Rm 403
Boise, ID 83720-0075
Telephone: (208) 332-1631
E-mail: Valerie.bollinger@adm.idaho.gov

5. Subcontractors: All subcontracts or Subcontractors approved by Contractor or the Participating Entity are subject to all of the provisions hereof. Contractor shall be solely responsible for all aspects of subcontracting arrangements and performance. Authorized Subcontractors under this PADD are set forth in the Master Agreement.

6. Contract Instructions: All Service Orders issued under this PADD shall be substantially in the form set forth in Exhibits E (Form of Statement of Work) and F (Form of Order Form) to the Master Agreement. Each Order Form or Statement of Work issued under this PADD shall contain the following:

- (a) A statement indicating that the Statement of Work or Order Form is subject to the terms of the Addendum;
- (b) The name, address, contact, and phone number for the Authorized Purchaser;
- (c) The Contractor Applications to which the Authorized Purchaser is subscribing;
- (d) A description of the Services to be provided; and
- (e) The payment amounts and terms for the Subscriptions and Services.

All Service Orders shall be forwarded to Contractor through Contractor's Chief Financial Officer at the following address:

Address Contracts to:

Name: Vic Chynoweth, Chief Financial Officer
Address: 3020 Carrington Mill Blvd., Suite 100
Morrisville, NC 27560
Telephone: (919) 659-2100
E-mail: vchynoweth@jaggaer.com

All payments shall be remitted to Contractor at the following address:

Name: Vic Chynoweth, Chief Financial Officer
Address: 3020 Carrington Mill Blvd., Suite 100
Morrisville, NC 27560
Telephone: (919) 659-2100
E-mail: vchynoweth@jaggaer.com

7. Assignment: In accordance with Idaho Code 67-9230 and 67-1027, no contract or order or any interest therein (i.e., this PADD or individual orders placed against this PADD) shall be transferred by the Contractor to whom such contract or order is given to any other party, without the approval in writing of the Administrator of the Division of Purchasing, which approval will not be unreasonably withheld, and recognized by the Idaho Board of Examiners. Transfer of a contract without approval shall cause the annulment of the contract so transferred, at the option of the Participating Entity.

8. Governing Law: Notwithstanding any provision to the contrary, this PADD and all Service Orders entered into under the PADD by the Addendum Parties shall be construed in accordance with and governed by the laws of the State of Idaho. Any action to enforce the provisions of this PADD shall be brought in state district court in Ada County, Boise, Idaho. In the event any term of this PADD is held to be invalid or unenforceable by a court, the remaining terms of this PADD will remain in full force and effect. Except to the extent the provisions of the PADD are clearly inconsistent therewith, the PADD shall also be governed by the applicable provisions of the Idaho Uniform Commercial Code (IUCC).

9. Public Records and Trade Secret: Title 74, Chapter 1, Idaho Code (the Public Records Act) provides for the examination of public records, including records related to procurements and contracts. Section 74-107 details an exemption to examination of records deemed "trade secrets." Generally, this exemption describes trade secrets to "include a formula, pattern, compilation, program, computer program, device, method, technique or process that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons and is subject to the efforts that are reasonable under the circumstances to maintain its secrecy."

Upon request by the Participating Entity, the Contractor will provide an electronic copy of any documents related to this PADD, with any information it has determined to meet the Idaho Code definition of trade secret redacted, within nine (9) business days. The Contractor must redact only that information which meets the definition of "trade secret"; entire documents identified as "confidential" will not be accepted.

10. TERMINATION FOR FISCAL NECESSITY: The State is a government entity and it is understood and agreed that the State's payments under the Contract shall be paid from Idaho State Legislative appropriations, funds granted by the federal government, or both. The Legislature is under no legal obligation to make appropriations to fulfill the Contract. Additionally, the federal government is not legally obligated to provide funds to fulfill the Contract. The Contract shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the Idaho State Legislature, or beyond any federal funds granted to the State, as may exist from time to time. The State reserves the right to terminate the Contract in whole or in part (or any order placed under it) if the Legislature of the State of Idaho fails, neglects, or refuses to appropriate sufficient funds as may be required for the State to continue such payments, or requires any return or "give-back" of funds required for the State to continue payments, or if the Executive Branch mandates any cuts or holdbacks in spending, or if funds are not budgeted or otherwise available (e.g. through repeal of enabling legislation), or if the State discontinues or makes a material alteration of the program under which funds were provided, or if federal grant funds are discontinued. The State shall not be required to transfer funds between accounts in the event that funds are reduced or unavailable. All affected future rights and liabilities of the parties shall thereupon cease within ten (10) calendar days after notice to the Contractor. Further, in the event that funds are no longer available to support the Contract, as described herein, the State


shall not be liable for any penalty, expense, or liability, or for general, special, incidental, consequential or other damages resulting therefrom. In the event of early Contract termination under this section, the State will collect all Contractor-owned equipment and accessory items distributed under the Contract within thirty (30) calendar days of Contract termination. Items will be collected at a central (or regional) location(s) designated by the State. Contractor will be responsible for all costs associated with packaging and removing all Contractor-owned items from the State-designated location(s), which must be completed within thirty (30) calendar days of written notification from the State. If Contractor fails to remove its items within that time period, the State may charge Contractor for costs associated with storing the items; and may otherwise dispose of the items as allowed by applicable law. At Contractor's request, the State shall promptly provide supplemental documentation as to such Termination for Fiscal Necessity. Nothing in this section shall be construed as ability by the State to terminate for its convenience.

11. Merger Clause: This PADD and the Master Agreement set forth the entire agreement between the Addendum Parties with respect to the subject matter hereof, and all previous communications, representations or agreements, whether oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or effect whatsoever, unless embodied herein. Terms and conditions inconsistent with, contrary, or in addition to the terms and conditions of this Addendum and the Master Agreement, shall not be added to or incorporated into this Addendum or the Master Agreement by any subsequent contract or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Master Agreement shall prevail and govern in the case of any inconsistent or additional terms within the jurisdiction of the Participating Entity.

IN WITNESS WHEREOF, the Addendum Parties have executed this PADD which is effective as of the last date of execution below.

THE PARTIES HERETO HAVE EXECUTED THIS PARTICIPATING ADDENDUM

*** Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.**

<p>CONTRACTOR: SciQuest, Inc. dba JAGGAER Name: Vic Chynoweth Title: Chief Financial Officer</p> <p>DocuSigned by:  923A7AFA3398453... Signature 11/30/2018 Date: _____</p>	<p>AUTHORIZED PURCHASER: Name: Valerie Bollinger Title: State Purchasing Manager</p> <p>Valerie Bollinger <small>Digitally signed by Valerie Bollinger DN: cn=Valerie Bollinger, o=State of Purchasing, email=valerie.bollinger@adm.idaho.gov, c=US Date: 2018.11.30 12:26:18 -07'00'</small></p> <p>Signature _____ Date: _____</p>
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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

UNIVERSITY OF IDAHO

SUBJECT

Huron Consulting Group Contract – E-Procurement Software Implementation

REFERENCE

September 29, 2017	Board adopted the Higher Education Task Force recommendations, including the recommendation to increase systemness.
December 20, 2018	The Huron Consulting Group, Inc., presented its final report on Administrative Review and Consolidation Assessment to the Board.
January 18, 2019	Board accepted the final Huron report and authorized the Board president to appoint a subcommittee of Board members to identify a timeline and decision points for future Board consideration.
April 21, 2021	The Board approved the institutions entering into a Joint Purchasing Agreement.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho, with the approval of the Idaho State Board of Education, formed a higher education joint purchasing group, known as the Idaho Higher Education Procurement Federation (IHEPF), in order to help implement a recommendation from the Huron Report for the institutions to more fully cooperate on shared purchasing efforts and contracts in order to increase efficiency and effectiveness. Further, the four institutions entered into a Joint Purchasing Agreement to allow for the consolidation of purchasing efforts among the institutions.

Part of the Huron Report (Operational System Integration) recommended the acquisition of an E-Procurement software system to be utilized by the four institutions, and the execution of the Joint Purchasing Agreement allows the institutions to more easily implement this recommendation. IHEPF evaluated E-Procurement systems, and selected the Jaggaer E-procurement system. In a separate agenda item, the UI is requesting authorization to procure the Jaggaer E-procurement software system. Given the complexity of the system, having the assistance of a firm experienced in the implementation of the software will greatly assist the institutions in the implementation and utilization of the software. Huron Consulting is the primary implementation firm for Jaggaer. Pursuant to the Joint Purchasing Agreement, the University of Idaho is the lead institution for this proposed contract, and will be the contracting institution.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

IMPACT

The proposed acquisition of the E-Procurement software system will allow Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho to utilize Jaggaer's E-Procurement system, along with Jaggaer's contract management software, and other systems. The contract with Huron Consulting Group will allow the institutions to more efficiently implement the system. The total cost of the contract with Huron Consulting is \$1,481,430. Most of the cost of this contract and a separate proposed contract with Jaggaer for the E-procurement software (which has been presented in a separate agenda item) will be covered by a \$2.5 million appropriation from the Legislature to the State Controller's Office for the Building Idaho's Future initiative. The remaining costs will be divided among the institutions, with Idaho State University, Boise State University and University of Idaho paying 30% each, and Lewis-Clark State College paying 10%.

The Jaggaer E-Procurement system will be implemented at the four, four-year institutions with expandability to the two-year institutions.

ATTACHMENTS

Attachment 1 – University of Idaho Contract for Services

Attachment 2 – Huron Consulting Group Statement of Work

BOARD STAFF COMMENTS AND RECOMMENDATIONS

In response to the Board's initiative on system optimization, the four-year institutions entered into a Purchasing Agreement in April of 2021 and have worked together to complete the work recommended by the Huron Consulting Group. A request was made to the Legislature to fund this project, and the institutions, led by the University of Idaho, have determined a systemwide software that will serve the E-Procurement needs of the institutions. This request is to enter into a contract with Huron for implementation of the Jaggaer software.

Board Policy V.I.3.a. states, "Purchases exceeding one million dollars (\$1,000,000) require prior Board approval." The University of Idaho requests Board approval to enter the contract and request the funding be released from the State Controller's Office (SCO). Board staff will develop a Memorandum of Understanding with SCO for the transfer of the funds. The Jaggaer contract, which is being considered in a separate agenda item, will provide the software. Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

BOARD ACTION

I move to approve the request by the University of Idaho to execute the attached contract with Huron Consulting Group and to authorize the University of Idaho Vice-President for Finance and Administration, or designee, to execute the necessary contractual documents in substantial conformity to the documents attached to this motion.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

UNIVERSITY OF IDAHO
CONTRACT FOR SERVICES

This Agreement is made between the Regents of the University of Idaho, a public corporation and state educational institution, and body politic and corporate organized and existing under the Constitution and laws of the state of Idaho ("Institution"), and Huron Consulting Group, a corporation with its principal place of business in Chicago, Illinois and with authority to do business in the State of Idaho ("Contractor"), collectively the Parties.

RECITALS

- A. Institution desires to obtain the services of Contractor; and
- B. Contractor claims to have expertise and experience to provide the services described herein for the benefit of the Institution.

TERMS

The Parties in recognition of the good and valuable consideration as further described herein agree as follows:

1.0 Scope of Services

1.1 Contractor agrees to perform such professional services as are set forth in this Agreement with the standard of professional care and skill customarily provided in the performance of such services, and Institution agrees to pay Contractor such amounts as are specified in this agreement, all upon the following terms and conditions:

1.2 Contractor agrees to provide the deliverables set forth in Option 2 in the Huron Statement of Work for Idaho Higher Education Procurement Federation, Exhibit A, attached hereto and incorporated herein. Provided that if there are any conflicting terms between this Agreement and Exhibit A, the terms in this Agreement shall control.

1.3 Contractor shall provide such services as are necessary to provide the deliverables set forth in Exhibit A.

1.4 Contractor agrees to perform as set forth in sections 1.2 and 1.3 to the satisfaction of Institution.

1.5 Institution's liaison overseeing the services provided under this Agreement is Julia McIlroy, Director, Contracts and Purchasing Services, who is located at University of Idaho, Moscow, ID 83844-; Voice: (208) 885-6123.

1.6 The parties may from time-to-time extend the scope of services and deliverables or omit services and deliverables previously ordered, and the provisions of this Agreement shall apply to all such additions and omissions. All such additions and omissions must be in a writing executed by both parties in order to be effective.

2.0 Fees and Expenses.

2.1 Institution agrees to pay a maximum fee of one million four hundred eighty one thousand four hundred thirty and 00/100 dollars (\$1,481,430) for services, out-of-pocket expenses and deliverables rendered by Contractor hereunder, including all amounts already paid.

2.2 The total fee, and any reimbursement for incidental out-of-pocket expenses identified in section 2.4, shall be payable upon completion of the work on a monthly basis. An application for payment of fees and expenses, accompanied by proper documentation, including receipts, shall be submitted by Contractor to Institution upon completion of the work, said application to cover and include all fees earned and expenses incurred. Contractor shall be deemed to have waived its right to payment for any fees earned or expenses incurred if not included on the application. Institution reserves the right to require reasonable additional supporting documentation from Contractor. All applications for payment shall be on forms acceptable to or approved by Institution.

2.3 Contractor agrees that Contractor is solely responsible for payment of income, social security, and other employment taxes due to the proper taxing authorities, and that Institution will not deduct such taxes from any payments to Contractor hereunder. Contractor agrees to indemnify, defend, and hold harmless the state of Idaho and Institution and its governing board, officers, employees, and agents from and against any and all costs, losses, damages, liabilities, expenses, **demands, and judgments, including court costs and attorney's fees, relating to the** payment of income, social security, and other employment taxes for itself and subcontractor(s) of any tier.

2.4 Institution shall, at its discretion, reimburse or directly pay the following designated out-of-pocket expenses, provided the request for travel reimbursement is made to Institution in advance of travel and Contractor receives written approval prior the initiating the travel. Absent a specific statement from Institution that it will directly pay for a designated expense, a designated expense will be reimbursed. In all cases, whether direct pay, or reimbursement, the rates for the following **costs shall be consistent with the University's current travel policy and rates:**

- (1) Airplane travel for [TBD] person(s) not to exceed coach rate for dates of travel.
- (2) One rental car in an amount not to exceed economy rates for dates of travel, unless an upgrade is justified and authorized by Institution.
- (3) Lodging for [TBD] person(s) for [TBD] night(s) not to exceed standard single rates, unless otherwise justified and authorized by Institution.
- (4) Meals for [TBD] person (s) for [TBD] day(s) not to exceed Institution per diem for such location, per day.
- (5) Other as follows: none without prior written approval

2.5 Fees for services not within the scope of this Agreement shall be at an hourly rate to be negotiated in writing by the parties.

3.0 Term.

The services to be rendered by Contractor under this Agreement shall commence not later than September 1, 2021, and be completed by December 31, 2022. Time is of the essence for this Agreement. This term may be extended beyond such completion date if Institution agrees to the extension in writing.

4.0 Contractor's Capacity and Responsibilities.

4.1 It is expressly understood that Contractor is an independent contractor and not the agent, partner, or employee of Institution. Contractor and Contractor's workers are not employees of Institution and are not entitled to tax withholding, Workers' Compensation, unemployment compensation, or any employee benefits, statutory or otherwise.

4.2 Contractor shall not have the authority to enter into any contract or agreement to bind Institution and shall not represent to anyone that Contractor has such authority.

4.3 Contractor represents and warrants to Institution that in performing the services called for hereunder Contractor will not be in breach of any agreement with a third party.

4.4 In the event that Contractor subcontracts for the services to be provided herein, Contractor shall remain liable for all obligations and commitments under this Agreement and shall ensure that any necessary obligations and commitments flow through to the subcontractor(s) of any tier.

5.0 Confidentiality of Information.

5.1 Contractor agrees to keep confidential and not to disclose to third parties any information provided by Institution pursuant to or learned by Contractor during the course of this Agreement unless Contractor has received the prior written consent of Institution to make such disclosure. This obligation of confidentiality does not extend to any information that:

5.1.1 Was in the possession of Contractor at the time of disclosure by Institution, directly or indirectly;

5.1.2 Is or shall become, through no fault of Contractor, available to the general public, or

5.1.3 Is independently developed and hereafter supplied to Contractor by a third party without restriction or disclosure.

5.2 This provision shall survive expiration and termination of this Agreement.

6.0 Property Rights and Reports.

6.1 Contractor agrees that any intellectual property including but not limited to computer programs, software, documentation, copyrightable work, discoveries, inventions, or improvements developed by Contractor solely, or with others, resulting from the performance of services pursuant

to this Agreement is the property of Institution, and Contractor hereby agrees to assign all rights therein to institution. Contractor further agrees to provide Institution with any assistance which Institution may require to obtain patents or copyright registrations, including the execution of any documents submitted by Institution.

6.2 Intentionally Left blank.

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

6.4 This provision shall survive expiration and termination of this Agreement.

7.0 Suspension or Termination of Contract.

Institution reserves the right to suspend indefinitely or terminate the contract and the services to be rendered by Contractor for any reason upon seven (7) days' prior written notice. In the event of termination prior to completion of all work described in Section 1.0, the amount of the total fee to be paid Contractor shall be determined by Institution on the basis of the portion of the total work actually completed up to the time of such termination.

8.0 Indemnification and Hold Harmless.

8.1 Contractor agrees that any personal injury to Contractor or third parties or any property damage incurred in the course of performance of the Consulting Services shall be the responsibility of Contractor.

8.2 Contractor agrees to indemnify, defend, and hold harmless the state of Idaho and Institution and its governing board, officers, employees, and agents, Boise State University, Idaho State University, and Lewis-Clark State University from and against any and all costs, losses, damages, liabilities, expenses, demands, and judgments, including court costs and attorney's fees, which may arise out of Contractor's performance of the Consulting Services, including performance of subcontractor(s) of any tier, except to the extent such are caused by the negligence of Institution.

8.3 This provision shall survive the termination of this agreement.

9.0 Insurance

9.1 General Requirements

9.1.1 Contractor and its subcontractor(s) of any tier are required to carry the types and limits of insurance shown in this insurance clause, section 9.0, and to provide Institution **with a Certificate of Insurance ("certificate")**. All certificates shall be coordinated by the Contractor and provided to the Institution within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set

forth below. All certificates shall provide for thirty (30) days' written notice to Institution prior to cancellation, non-renewal, or other material change of any insurance referred to therein as evidenced by return receipt of United States certified mail. Said certificates shall evidence compliance with all provisions of this section 9.0. Exhibit B, the Request for Certificate of Insurance, provides a list of instructions for the insurance agent or broker of the Contractor and its subcontractor(s) of any tier.

9.1.2 Additionally and at its option, Institution may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the **Institution's** request.

9.1.3 All insurance required hereunder shall be maintained in full force and effect with **insurers with Best's rating of AV or better and be licensed and admitted in Idaho. All** policies required shall be written as primary policies and not contributing to nor in excess of any coverage Institution may choose to maintain. Failure to maintain the required **insurance may result in termination of this Agreement at Institution's option.**

9.1.4 All policies shall name Institution as Additional Insured. On the certificate, the Institution shall **be stated as: "State of Idaho and The Regents of the University of Idaho".** Certificates shall be mailed to: University of Idaho, Risk Management, 875 Perimeter Drive MS2433, Moscow, ID 83844-2433.

9.1.5 Failure of Institution to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Contractor and its subcontractor(s) of any tier to maintain such insurance.

9.1.6 No Representation of Coverage Adequacy. By requiring insurance herein, Institution does not represent that coverage and limits will necessarily be adequate to protect Contractor and its subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the Contractor and its subcontractor(s) of any tier under the indemnities granted to Institution in this Lease.

9.1.7 Contractor is responsible for coordinating the reporting of claims and for the following: (a) notifying the Institution in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperating completely with Institution in the defense of such injury or claim; and (c) taking no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the Institution from protecting its interests.

9.2 Required Insurance Coverage.

Contractor and its subcontractor(s) of any tier shall at its own expense obtain and maintain:

9.2.1 Commercial General and Umbrella / Excess Liability Insurance. Contractor and its **subcontractor(s) of any tier shall maintain Commercial General Liability ("CGL") written on** an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under a contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to **provide the required limits, the Commercial General Liability policy's limits may be layered** with a Commercial Umbrella or Excess Liability policy.

9.2.2 Commercial Auto Insurance. If applicable, Contractor and its subcontractor(s) of any tier shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

9.2.3 Personal property. If applicable, Contractor and its subcontractor(s) of any tier shall purchase insurance to cover personal property of Contractor and its subcontractor(s) of any tier. In no event shall Institution be liable for any damage to or loss of personal property sustained by Contractor, even if such loss is caused by the negligence of Institution, its employees, officers or agents. Waiver of subrogation language shall be included.

9.2.4 **Workers' Compensation. Contractor and its subcontractor(s) of any tier shall** maintain all coverage statutorily required of the Contractor and its subcontractor(s) of any tier, and coverage shall be in accordance with the laws of Idaho. Contractor and its **subcontractor(s) of any tier shall maintain Employer's Liability** with limits of not less than \$100,000 / \$500,000 / \$100,000.

9.2.5 Professional Liability. If available generally to members of the professions of Contractor and its subcontractor(s) of any tier, Contractor and its subcontractor(s) of any tier shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

10.0 Attorneys' Fees

In the event of any controversy, claim or action being filed or instituted between the parties to this Agreement to enforce the terms and conditions of this Agreement or arising from the breach of any provision hereof, the prevailing party will be entitled to receive from the other party all costs, damages, and expenses, including reasonable attorneys' fees, incurred by the prevailing party, whether or not such controversy or claim is litigated or prosecuted to judgment. The prevailing party will be that party who was

awarded judgment as a result of trial or arbitration, or who receives a payment of money from the other party in settlement of claims asserted by that party.

11.0 Notice.

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

the Institution: Contracts and Purchasing Services
University of Idaho
875 Perimeter Drive MS 2006
Moscow, ID 83844-2006
Phone: (208) 885-6116
Fax: (208) 885-6060

With a copy to (University contact):

Julia McIlroy
University of Idaho
875 Perimeter Drive MS 2006
Moscow, ID 83843
Phone: (208) 885-[6123](tel:2088856123)
Email: juliam@uidaho.edu

the Contractor: Jens Brown, Managing Director

Phone: 602-463-1555
Email: jensbrown@hcg.com

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

12.0 Entire Agreement; Modification.

This Agreement (and its attachments, if any) constitutes the entire understanding between the parties with respect to the subject matter hereof and may not be amended except by an agreement signed by Contractor and an authorized representative of Institution.

13.0 Severability.

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

14.0 Governing Law; Forum.

Any legal proceeding instituted between the parties shall be in the courts of the County of Latah, state of Idaho, and each of the parties agrees to submit to the jurisdiction of such courts. It is further agreed that this Agreement shall be governed by the laws of the State of Idaho as an agreement to be performed within the State of Idaho.

15.0 Paragraph Headings.

The paragraph headings in this Agreement are inserted for convenience only and shall not be construed to limit or modify the scope of any provision of this Agreement.

16.0 Non-Waiver.

The delay or failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

17.0 Assignment.

Contractor may not assign the rights or delegate the obligations under this Agreement without Institution's prior written consent.

18.0 Accounting; Audit.

For a period of three (3) years following completion of the services called for hereunder, Institution or its authorized representatives **shall be afforded access at reasonable times to Contractor's accounting** records relating to the services set forth herein in order to audit all charges for the services.

19.0 Nondiscrimination and Affirmative Action.

19.1 Contractor shall not discriminate against any employee or applicant for employment in the performance of this Agreement, with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, age, status as Disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant is a material breach of this agreement. The Contractor certifies that it does 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, the Contractor agrees to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

19.1.1 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). Contractor 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).

19.1.2 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).

19.1.3 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).

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

19.2 The Contractor 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.

20.0 Representations and Warranties.

Contractor represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the equipment and goods, complete the services, and perform its obligations hereunder; (b) that it is able to furnish any of the plant, tools, materials, supplies, equipment, and labor required to complete the services required hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and the services, equipment, and goods required hereunder, and has or will obtain all licenses and permits required by law; and (d) that it has familiarized itself with the local conditions under which this agreement is to be performed.

21.0 Compliance with Rules, Regulations, and Instructions.

Contractor shall follow and comply with all rules and regulations of the Institution and the reasonable instructions of Institution personnel. The Institution reserves the right to require the removal of any worker it deems unsatisfactory for any reason. The duties and responsibilities required under this

agreement shall be performed in accordance with all local, state and federal law. Failure to perform these obligations in conformity with controlling law may be construed as breach.

Some provisions of this Agreement may not be applicable, and those sections do not need to be completed by the parties. Please see attached Exhibit C for a list of provisions that are specifically excluded from this Agreement and, therefore, have no legal force or effect on the parties signing this Agreement.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Agreement:

INSTITUTION:
The Regents of the University of Idaho

CONTRACTOR:

Signature:

Signature:

Name:

Name (please print):

Title:

Title:

Date:

Date:

Exhibit A
Scope of Work

Exhibit B

Request for Certificate of Insurance to be sent to University of Idaho
RETURN A COPY OF THESE INSTRUCTIONS WITH YOUR CERTIFICATE.
 CERTIFICATE RECEIVED WITHOUT THIS SHEET WILL NOT BE APPROVED.

Contractor (Insured) is required to carry the types and limits of insurance shown in this Request, and to provide the University of Idaho with a Certificate of Insurance within 7 days of the signing of the contract.

- Certificate Holder shall read:
 State of Idaho and the Regents of the University of Idaho
 Attn: Risk Management
 875 Perimeter Drive MS 2433
 Moscow, ID 83844-2433
- Description area of certificate shall read: "Contracting Agreement with [Insert Named Insured]"
- All certificates shall provide for thirty (30) days' written notice to University prior to cancellation or material change of any insurance referred to therein.
- All insurers shall have a Best's rating of AV or better and be licensed and admitted in Idaho.
- All policies required shall be written as primary policies and not contributing to nor in excess of any coverage University may choose to maintain.
- All policies (except Workers Compensation and Professional Liability) shall name the following as an Additional Insured: The Regents of the University of Idaho, a public corporation, state educational institution, and a body politic and corporate organized and existing under the Constitution and laws of the state of Idaho.
- Failure of the University to demand a certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall **not be construed as a waiver of Contractor's** obligation to maintain such insurance.
- **Failure to maintain the required insurance may result in termination of this grant or contract at the Institution's option.**
- By requiring this insurance, University does not represent that coverage and limits will necessarily be adequate to protect Contractor, and such coverage and limits shall not be deemed as a limitation on Contractor's liability under the terms of the grant or contract.
- A copy of this certificate request must be sent with the Certificate.

Required Insurance Coverage. Contractor shall obtain insurance of the types and in the amounts described below.

- Commercial General and Umbrella / Excess Liability Insurance. Contractor shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an Contractor contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.
- Commercial Auto Insurance. If applicable, Contractor shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.
- Personal property. If applicable, Contractor shall purchase insurance to cover Contractor's personal property. In no event shall Institution be liable for any damage to or loss of personal property sustained by Contractor, even if such loss is caused by the negligence of University, its employees, officers or agents. Waiver of subrogation language shall be included.
- Workers' Compensation. Contractor shall maintain all coverage statutorily required of the Contractor, and coverage shall be in accordance with the laws of Idaho. Contractor shall maintain Employer's Liability with limits of not less than \$100,000 / \$500,000 / \$100,000.
- Professional Liability. If available generally to members of the Contractor's profession, Contractor shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars

(\$1,000,000).

If you have additional questions, please contact:

Risk Management
PH (208) 885-7177. FAX (208) 885-9490
risk@uidaho.edu

Exhibit C

Not Applicable Provisions

None.



JAGGAER IMPLEMENTATION SERVICES STATEMENT OF WORK

‘Idaho Higher Education Procurement Federation’

June 9, 2021

Revised June 23, 2021

SUBMITTED TO:

Julia McIlroy

Director, Contracts & Purchasing Services

University of Idaho

Lead entity for the ‘Idaho Higher Education Procurement Federation’

SUBMITTED BY:

Jens Brown

Managing Director

Huron Consulting Group

(602) 463-1555

jensbrown@hcg.com



June 23, 2021

Julia McIlroy
 Director, Contracts & Purchasing Services
 University of Idaho
 Lead entity for the 'Idaho Higher Education Procurement Federation'

Dear Julia:

We are pleased to confirm, on behalf of Huron Consulting Services LLC ("Huron" or "we"), our engagement to provide University of Idaho ("Client", "you" or "University") with services related to the implementation of JAGGAER solutions for Contract Lifecycle Management, eProcurement and Accounts Payable automation. Huron understands that the University of Idaho is taking a lead role in representing the '*Idaho Higher Education Procurement Federation*' ("IHEPF" or "the Federation") and is coordinating with Boise State University, Idaho State University and Lewis & Clark State College for this substantial initiative that will **drive transformational** change.

Huron is fortunate to have meaningful experience with the Idaho State Board of Education, and a variety of projects with signature Higher Education institutions across Idaho over the past few years spanning operational improvement, sponsored research finances and technology initiatives. As **procurement practitioners and eprocurement innovators**, we understand the importance of your vision to invest in the best platform that delivers a unified procurement lifecycle, including contract management, requisition to payment, and data analytics. Using a single platform that is easy-to-use, flexible, and comprehensive will make procurement processes easier, guide better alignment with institutional nuances and provide a single suite that empowers your future goals to operate in a more 'system-oriented' fashion. **Simply put our goal is to ensure you have the capabilities you need today and the flexibility and innovation to embrace tomorrow.**

Huron as your **trusted advisor and solution implementer** will help steer, advise, design, and deliver the JAGGAER solution. Our approach to implementation emphasizes collaboration, agility, and speed to help you realize the full value from JAGGAER, inspire user adoption and maximize procurement transformation. Huron brings unmatched practical experience **implementing JAGGAER with over 75 complex organizations** and the precise implementation services to ensure a successful implementation. Huron is uniquely positioned to provide a proven methodology in support of your JAGGAER implementation. We believe the Federation and related Higher Education entities will benefit from our methodology and expertise, to include the following:

Accelerated implementation. Our approach incorporates our existing templates to provide a "head start" when defining new business processes, solution design and advisory services to maximize value.

Flexible. While our approach combines standard tools, templates, and activities to help streamline the project progress, it is designed to be customized to fit the unique situations and distinctive environments of the Federation and various universities and colleges.

Improve compliance. Huron's methodology helps you utilize JAGGAER Contract, Procurement and Accounts Payable tools for governance and process compliance. By giving users a better online invoice processing experience, adoption is encouraged, and invoices are driven to contracts and other compliance steps, ultimately realizing cost savings.

Reduce risk. Huron's approach helps manage project risk by identifying the critical tasks along with the associated skill requirements at the initiation of a project, applying appropriate governance and controls to guide the project, and identifying and establishing risk mitigation plans throughout the lifecycle of the project.

As your partner, we are honored to help with your transformation efforts. If you have questions related to any aspect of this engagement, please contact me.

Sincerely,



Jens Brown
 Managing Director, Huron Consulting Group

Objectives and Scope

Our Understanding of Your Needs

We understand that the University of Idaho, as the lead entity for Idaho Higher Education Foundation, desires a statement of work for professional services to implement JAGGAER for contract lifecycle management, eprocurement and accounts payable automation. The scope and pricing information provided herein should be understood to be directionally correct and is subject to refinement as additional information and scope areas are identified. We understand some of the immediate goals for this project include:



- Obtain pre-implementation planning services and education of the JAGGAER solution capabilities that facilitate a strategic and efficient implementation that supports a level of 'systemness' and common business process decision making.
- Define an overall project governance structure and high-level project timeline for the Procurement technology implementation based on IHEPF's current state and future objectives.
- Improve compliance to policies and controls while also enabling efficiencies through automation.
- Enable the sharing of contract agreements across entities and potentially with other state Higher Education entities.
- Identify cost savings through process improvements and transparency of spend.
- Improve the user experience for procurement and accounts payable related activities.
- Ensure industry leading practices are used to expedite the implementation and provide the anticipated value for the eProcurement and Contracts+ solutions.
- Facilitate consistent contract workflow, process transparency and e-signature.
- Improve university requisition and invoice processing with a unified, self-service solution covering all procurement and payment types.

Huron Scope and Role

Huron is flexible in our potential role supporting this engagement. The role of your resources and ours should be further defined as part of scoping out this project, however we can recommend two flavors of implementation services 'Option 1: Planning, Project Advisory, Solution Configuration' and 'Option 2: Full-Service Implementation'. In summary:

Option 1: Planning, Project Advisory, Solution Configuration

- This option relies upon a heavy initial effort by Huron for planning, but transitions to a **Client-led project management model** and depends on the client to drive the process forward. During implementation **Huron provides part-time** project advisory services to the client Project Manager including regular status reports, performs the solution configuration, develops the JAGGAER interfaces with your ERP, and helps to prepare and support testing, and other activities to support readiness for go-live. After go-live Huron supports your ongoing deployment, for four months in a part-time fashion.
- In this model the client has a heavy responsibility to drive the project forward, confirm business decisions, and otherwise be the key project manager.
- Client is responsible for complete ERP technical integration development responsibilities. Huron perform the JAGGAER-side of all ERP integrations.

Option 2: Full-Service Implementation (This SOW)

- This option is a more classical approach whereas **Huron is the overall project manager throughout**, liaising with the **client in a more shared governance** fashion. Huron drives the project forward and directs the assignment of project tasks to client staff and stakeholders, performs the solution configuration, provide technical interfaces design advisory, leads, and performs testing and post-production support.
- This has the benefit of removing a heavy PM load from the client and relies less upon client staff for day-in-the-life project tasks and preparedness for key workstreams like testing, training, and production readiness.
- In this model, the Huron PM is a near full-time resource for the duration of the 16-month project, with increased level of support for key Huron roles including the Solution Consultant and Technical Consultant. Additionally, a near full-time Change Management, Training and Testing Readiness resources are provided, further augmenting the overall team, and reducing the resources needed from the client team to accomplish these tasks.
- After go-live Huron supports your ongoing deployment, for four months in a part-time fashion.
- Client is responsible for complete ERP technical integration development responsibilities. Huron perform the JAGGAER-side of all ERP integrations.

COMPARISON OF OPTIONS

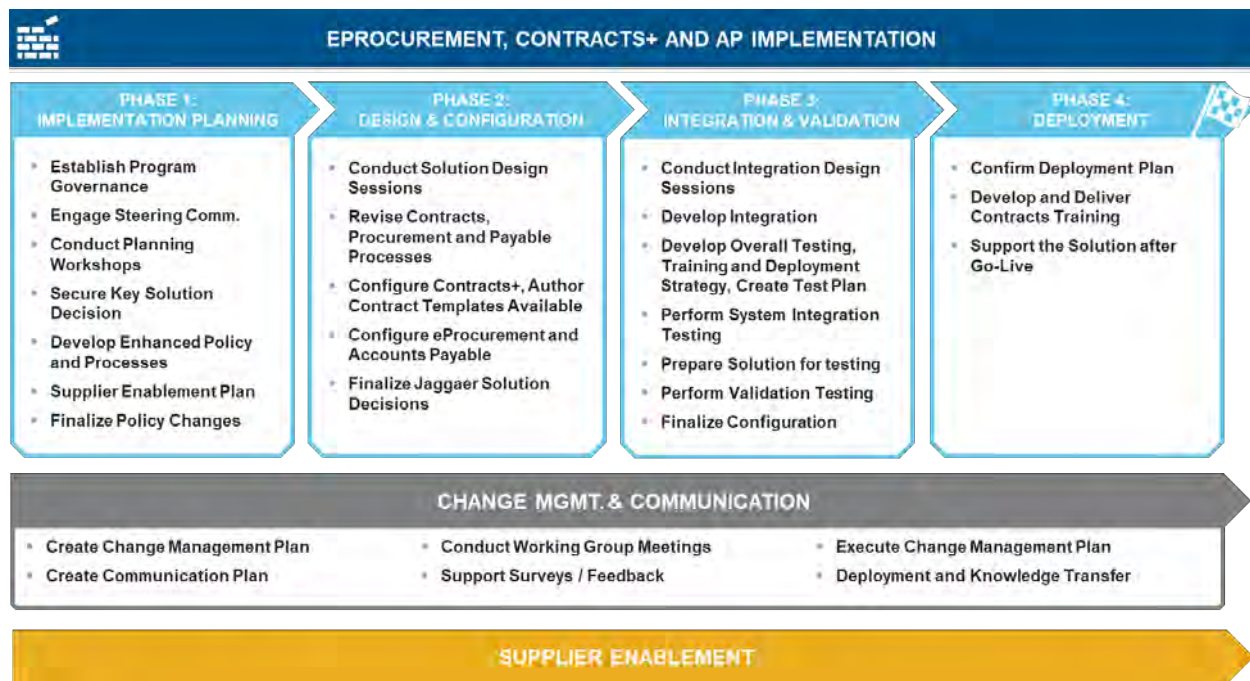
KEY TASKS & ACTIVITIES	Option 1: Planning, Project Advisory, Solution Configuration	Option 2: Full-Service Implementation
✓ Implementation Planning	Huron Led	Huron Led
✓ Overall Program Governance, partner with client	Client Managed	Huron Led
✓ Dedicated Project Manager	Client Provided	Huron Provided
✓ Facilitate Functionality / Design Session, Discovery	Huron Led	Huron Led
✓ Perform Jaggaer configuration	Huron Led	Huron Led
✓ Design System Interfaces	Client Led	Huron Led
✓ ERP System Interface Workstream Leadership	Client Led	Huron Led
✓ JAGGAER Interface Development	Huron Performed	Huron Performed
✓ ERP System Interface Development	Client Performed	Client Performed
✓ System Validation / Testing Workstream Leadership	Client Led	Huron Led
✓ Change Management Design / Communication Strategy	Client Led	Huron Led
✓ Training Materials Development / Curriculum Development	Client Performed	Huron Performed

KEY TASKS & ACTIVITIES	Option 1:	Option 2:
	Planning, Project Advisory, Solution Configuration	Full-Service Implementation
✓ Deployment Planning	Huron Led	Huron Led
✓ Deployment and Adoption Workstream Leadership	Client Led	Client Led
✓ System Go-Live	Huron Led	Huron Led
✓ Support Ongoing Adoption	Client Led	Huron Led

This statement of work comprises the services listed in **Option 2: Full-Service Implementation**.

Project Approach

Huron will serve in part time leadership role for the initial planning activities, followed by advisory and subject matter expert roles during implementation, performing the configuration of JAGGAER and providing guidance and support to the client business and technical teams and campus stakeholders. To accomplish the goals of this workstream, Huron recommends the following staged approach for the JAGGAER Implementation:



PHASE 1: IMPLEMENTATION PLANNING

The aim of Huron's Implementation planning services is to develop and define key business process and identify pertinent decision points to inform the solution design changes, re-configuration and system-wide deployment. Areas of focus will include tying the project activities to your overall project governance structure, creating, and validating the actionable project plan, developing relevant business process designs, as well as understanding and identifying the approach for configuration, integration, testing, organization readiness and preparation for deployment. Huron's role is to start the process in making

this a transformational effort, in terms of re-thinking your business processes to get the most value from the JAGGAER solution.

Huron will facilitate implementation planning sessions in month one, prior to starting implementation activities. The focus of activities will be to discuss, distinguish and document the configuration of Jaggaer to support existing and common practices, and align business requirements and change management considerations. A summary of roles and responsibilities for planning are noted below – the details of Lead, Advise and Support will be developed further during the planning process for this and subsequent activities:

Activities, Roles and Responsibilities	Client	Huron
Establish program governance structure with Procurement, Finance, General Counsel, IT, Sponsored Research and other stakeholders	Lead	Support
Conduct project kickoff planning session with team members to review project schedule and management ("Project Kickoff Meeting").	Support	Lead
Review and Demonstrate JAGGAER functionality	Support	Lead
Facilitate question and answer sessions regarding JAGGAER capabilities.	Support	Advise
Provide (i) Gantt chart of project showing detailed timeline and activities ("Project Plan") and (ii) an implementation workbook to document your business processes and decisions, including a listing of the overall deployment tasks such as change management, training, testing needs and deployment activities.	Support	Lead
Develop and define the governance model between the State Board, IHEPF and the respective campus, with the goal of defining an overall Project Manager, and Campus SPOCs to drive the tasks for each institution's involvement.	Advise	Lead
Create and maintain configuration design document. Provisions and commentary to be included to highlight potential impact areas for future phase initiatives.	Support	Lead
Conduct configuration checkpoint after design is finalized.	Support	Lead
Finalize and socialize the project plan with Client leadership and campus stakeholders	Advise	Lead

Project Governance Structure

Huron will assist with determining the overall project governance, with clear responsibilities outlined for business decisions and issue resolution. One of the goals will be to secure executive, key stakeholder, and Information Technology services support. We will also work with you to finalize the agreement on and development of necessary project management tools that will be used in support of the initiative. Huron will play an active role in executive steering committee meetings, with the monthly steering committee meetings intended to provide a status update on project timeline, recent activities, key decisions, and an opportunity to reflect on mitigating project risks with project sponsors. Huron also envisions specific monthly meetings to provide a gate-check with executive leadership as an approval to proceed to the next phase of the project.

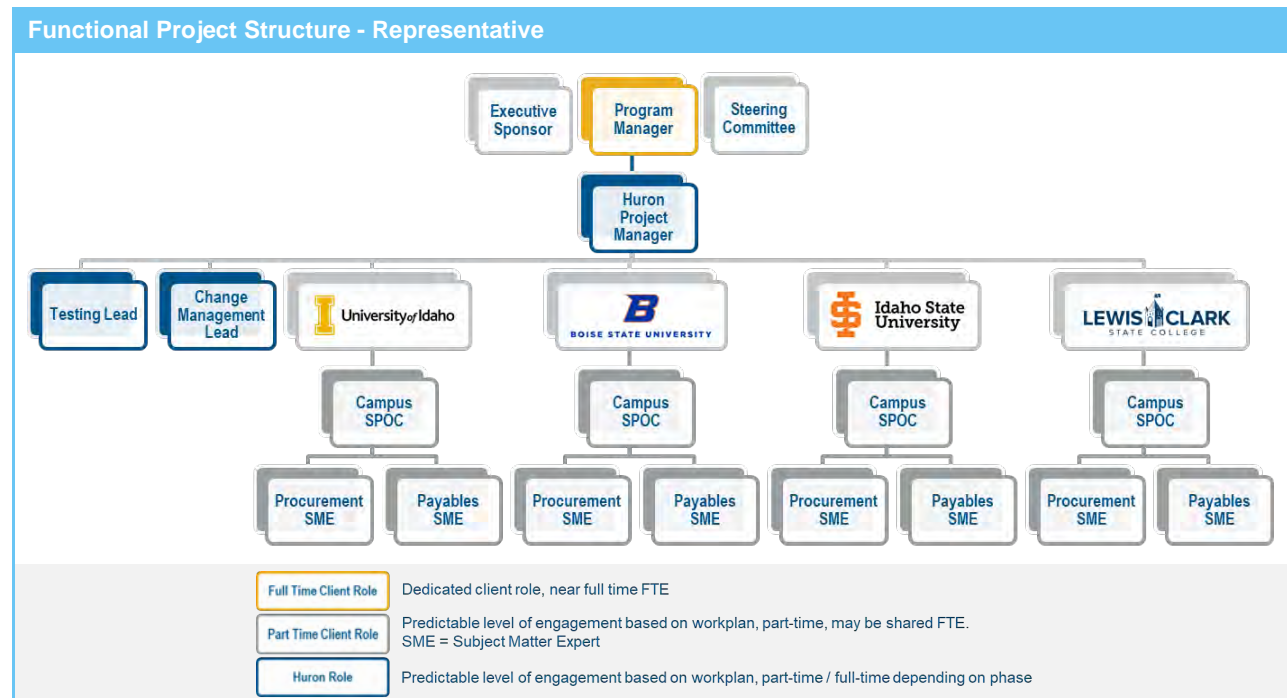
Develop High-Level Project Plan

Huron will develop an initial, high level project plan for the Implementation and Deployment phase of the JAGGAER solutions. This will be comprehensive listing of the overall deployment tasks such as change management, training, conversion strategy, testing needs and deployment activities. At the conclusion of this activity, Huron will partner with the designated client Project Manager and entity Workstream leads to execute against plan.

Develop Resource Plan

As part of the initial planning effort Huron will further refine the expectations for your resources required for the implementation team, including the estimated effort and duration for Campus Single Points of Contact and business and technical subject matter experts that may be needed for the project. In addition, the resource plan will provide an estimate of the time commitment required to fulfill each role in both the short and long term.

A representative view of the functional project structure is included below – this is based on the principle of a core Huron Project Manager reporting to your Program Manager, Executive Sponsor and Steering Committee. Likewise, each University / State College will have a designated Campus Single Point of Contact (herein 'SPOC') who is responsible for ensuring business decisions and risk are adequately managed and will take the local lead on ensuring implementation success for their institution. Each SPOC is supported by Subject Matter Experts ("SMEs") for Procurement, Payables and Contracting. A separate project structure reflecting technical work is included in Appendix B: Representative Project, page 26.



To ensure robust solution ownership, Huron will also develop a detailed Responsibility Assignment Matrix (e.g., RACI model) for all project team members and those who will be designated to administer the system going forward. This deliverable is an example of our focus to ensure your staff have role clarity and establish an accountable process to support effective program governance.

Business Process Discussions / Workshops

Huron will facilitate business process workshops during the planning phase to assist with initial decisions regarding future state business processes and to identify concerns or barriers with respect to those open decisions. Huron will perform a review of topic areas throughout the planning process with the dual purpose of (1) identifying risks associated with the project prior to implementation and (2) surfacing key business decisions that the organization will need to make throughout the implementation process and in advance of the design and configuration efforts.

Business Process Examples	
▪ Security and Application Management	▪ Supplier Management
▪ Purchase Requisitions (PR)	▪ Complex Services, Contract and Capex Ordering
▪ Approval Workflow	▪ Contract Requests
▪ Shopping w/ Forms (Non-catalog Items & Services)	▪ Contract Creation and Authoring and Compliance
▪ Shopping w/ Forms Internal Requests	▪ Contract Obligation and Performance Management
▪ Shopping from Hosted and Punchout Catalogs	▪ PO Invoice Creation
▪ Custom Fields / Accounting Information	▪ Non-PO / External Invoices
▪ Budget Check / FOAP / PR Validation	▪ AP Processing / Invoice Entry / Invoice flow
▪ PO Dispatch	▪ Imaging
▪ Change Orders	▪ Invoice Workflow / Match Exceptions
▪ Non-PO Payment Requests	▪ Credit Memos
▪ Receiving	▪ Payment Status

Data & ERP Readiness Examples	
▪ Shipping Addresses	▪ Vendors (i.e. types, records, structure)
▪ Billing Addresses	▪ User profiles (i.e. format, workflow implications)
▪ Units of Measure	▪ ERP Application Changes
▪ Commodity Codes (i.e. standards, mapping)	▪ Integration methodology / standards

Change Management and Communication Plan

The purpose of this component is to provide the major elements of change necessary to be managed as part of the implementation of the JAGGAER solution. Recommendations of effective ways to increase awareness of the solution and buy-in of solution users will be provided to identify the optimal methods of providing improvement updates and general awareness. The change management plan will also include recommendations for effective training approaches that are reflective of other successful JAGGAER deployments at organizations of similar size and complexity. In addition, Huron will lead regularly scheduled (often every six weeks) User Group review meetings to facilitate stakeholder buy-in of the implementation effort.

Phase 1 Planning Deliverable

Huron will present the final Phase 1 Planning documents to the Project Manager upon the conclusion of this phase of the engagement, comprised of an Implementation Planning document, which includes the following components:

- High level implementation plan, including a resource plan, project team organizational chart and designated roles
- Business process discovery matrix
- High level integration approach
- High level change management and communication plan
- Buying and paying classification matrix (template)

- Key Business Processes and Workflow
- Supplier Strategy and Enablement Plan

As informed by the Phase 1 Planning effort, if this is deemed unlikely, adjustments to timeline will be identified in Phase 1 and maybe subject to change in scope of services.

PHASE 2: DESIGN AND CONFIGURATION

Project Advisory Services

For the entirety of Phase 2 and Phase 3, Huron will provide an experienced Project Manager in a near full-time capacity throughout the JAGGAER solution implementation along with best practices guidance. Designated Client individuals are expected to be the overall Program Manager, Executive Sponsor(s), and Campus Single Points of Contact (SPOCs) respectively.

This option is a more classical approach whereas Huron is the overall project manager throughout, liaising with your leadership in a shared governance fashion. Huron drives the project forward and directs the assignment of project tasks to client staff and stakeholders, performs the solution configuration, provide technical interfaces design advisory, leads, and performs testing and post-production support.

The benefit of this approach is mitigating a heavy Project Management load from the client and rely less upon client staff for day-in-the-life project tasks and preparedness for key workstreams like testing, training, and production readiness.

Huron will specifically provide project management and advisory services, including:

- Providing remote advisory services throughout the entire project, including best practices advisory on all configurations based on Huron's extensive experience implementing JAGGAER modules across numerous clients.
- Contribute to solution design, configuration, and integration work sessions.
- Identifying opportunities to normalize business processes organizational units (if applicable).
- Working with client Program Manager to create a deployment planning, outreach and communication with Contract Management, General Counsel, Finance & Administration, and other key departments and organization stakeholders.
- Working with the client team members to craft a communication strategy to disseminate information about the initiative to the departments and draft PowerPoint presentations and communications.
- Engaging with the Client Program Manager to create weekly the JAGGAER Solution project status report including the following attributes / data:
 - Original planned date and current planned date for all major deliverables and milestones
 - Financial update: Budget, dollars spent, estimate to complete, estimate at completion.
 - Identified risks / issues / decisions made/required.
- Playing an active role in executive committee meetings, user group reviews, status reporting, scope management, and issue escalation.
- Outline critical path project action items to support deployment planning and execution.

Business Process Design

Huron will facilitate functional and technical discussions with planned cadence to identify key decisions, define application field and page changes, master data sources, workflow needs, user roles and responsibilities, project settings, business processes requirements and other solution configuration options. Huron will document all finalized configuration decisions in a configuration tracker. Huron will work with your leadership and identified stakeholders as needed to jointly finalize all configuration design decisions.

We understand the operating principle from the Board and 'Idaho Higher Education Procurement Federation' is to build the solution to focus on areas of 'systemness' and commonality. Accordingly, in all cases the Board, Federation and each University / College will actively seek to align to a common design and business processes for requisition workflow, contract request workflow, sponsored research review / approval activities, PO and Non-PO business processes, receiving and invoice matching rules.

A summary of roles and responsibilities for design and configuration are noted below:

Activities, Roles and Responsibilities	Client	Huron
Design		
Using Huron best practices and input as a starting point, develop plan for how replace your existing business processes.	Support	Lead
Using Huron best practices and input as a starting point, develop plan for how the JAGGAER Applications will be rolled out to your users and Individuals	Lead	Advise
Provide Initial Configuration based on institution feedback regarding business processes	Support	Lead
Configuration		
Review existing configuration with your team, review best practices configuration options and obtain Client feedback on its business process and how the Initial Configuration should be adjusted to best match your business processes ("Configuration Workshop"). Huron intends to be tightly aligned your designated Jaggaer System Administrator for most configuration activities.	Support	Lead
Provide a best practices validation test plan and testing guide, which Client may supplement with additional test scenarios, based on additional feedback and support from Huron.	Support	Lead
Conduct series of iterative working sessions to: (1) continue to adjust configurations to best meet your business processes need and (2) train your System Administrator(s) on how to configure the JAGGAER Applications, so that Client may continue to adjust configurations as needed based on its organizational and users' needs ("Configuration Sessions"). Conduct remotely via Huron Zoom meeting, twice a week for two (2) hours, for maximum of fourteen (14) weeks.	Support	Lead
Configure JAGGAER Application in test environment, based on Configuration Workshop and Configuration Sessions. To support collaboration and knowledge transfer, Huron will work jointing with the Jaggaer System Administrator to recap the revised configuration.	Support	Lead
Load sample of your data into the JAGGAER Applications in the test environment.	Support	Lead
Provide your team detailed walk through of newly configured JAGGAER Applications.	Support	Lead
Revise and Finalize configuration design document which you may continue to rely on as guide during both implementation and production to understand configuration decisions.	Support	Lead

Supplier Enablement

Huron will collaborate with you to assess the existing supplier base and how goods and services are procured. The outcome is a strategy for enabling your key suppliers within the JAGGAER eProcurement solution and supplier community. The enablement strategy will include the optimal way to procure goods and services from suppliers, such as punch-out versus hosted catalog, and inform the optimal mix of suppliers within the marketplace as well as the settlement approaches most beneficial to the institutions.

Huron will assist with the enablement of suppliers targeted for inclusion in the JAGGAER marketplace. Areas of focus include:

Activities, Roles and Responsibilities	Client	Huron
Supplier Enablement		
Work with JAGGAER representatives to schedule and conduct enablement calls with target suppliers	Support	Lead
If desired, act as your representative on initial supplier enablement calls and communicate business requirements to representatives of the supplier's team	Lead	Support
Develop a comprehensive plan for supplier enablement testing	Support	Lead
Execute supplier enablement test scenarios	Support	Lead
Work with the supplier's enablement teams to remediate identified issues	Support	Lead
Track and report testing progress	Support	Lead

Policy Recommendations

Huron will provide recommendations on policy revisions needed to support the adoption of procure-to-pay best practices as well as the decisions made during the design of the JAGGAER eProcurement system.

Develop Contracts Conversion Strategy

Realizing that you may have existing contracts that must be migrated to the new solution, Huron will develop a detailed conversion strategy to manage the build of the new Contracts+ solution. During our Design Phase, Huron will validate our initial plan with your Contract stakeholders to secure alignment on project scope, migration, rollout, and change management.

Huron will provide your Contract stakeholders with detailed contract data collection materials that cover the specific contract Masterdata collection (an excel template) and the convention that digital version of contracts must adhere. The respective entities are responsible for conducting the collection, formatting, and validation of this data prior to conversion into JAGGAER Contracts+.

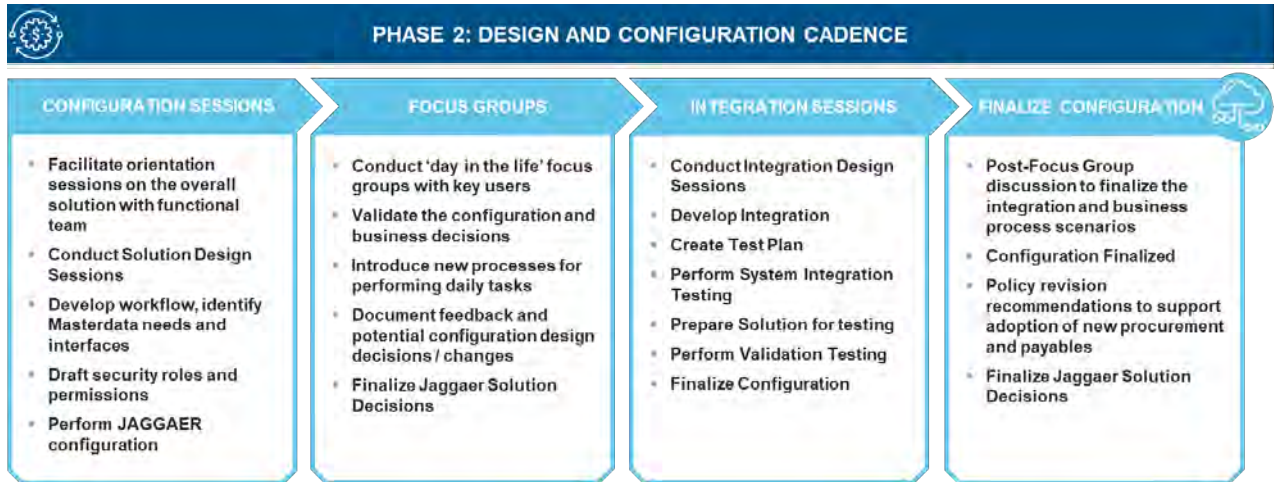
Once you are ready for go-live we propose a slow controlled phased by converting existing agreements first, the expanding to core groups including OGC, Procurement and other areas as identified. This will ensure that changes are applied correctly and change management process are in place to properly train users on the reimplementation.

Prepare Draft Deployment Plan

Huron will work with the Program Manager, campus Workstream Leads and the project team to assist in developing a comprehensive plan for deployment. The plan will be based on several factors, such as the departments included in the rollout, other current initiatives, or activities, and/or the benefits of a pilot release.

Perform Functional Build and Configuration Scope

Huron will provide subject matter advisory to your resources leading the functional and technical development of the solution. Based on Huron experience with similar implementations, tasks for this work include execution of solution configuration of end-to-end contract lifecycle management and Eprocurement solutions, design and configuration of contracts and policy workflow, development of data synchronization and interfaces, and configuration of security roles and permissions. This has been a proven model for driving collaboration and accountability for the overall implementation effort and the cadence of design and configuration is reflected below:



Configuration Scope

This configuration aspect of this project is estimated for a duration of up to twelve (12) months from the mutually agreed upon start date of the Project (the "Project Kickoff Date") to the Transition to JAGGAER Customer Support. Phase 2 includes implementation of the following JAGGAER products: eProcurement, Invoicing, and Contracts+.

Services for the following JAGGAER Applications and business processes are included in this Project:

- JAGGAER eProcurement: shopping, forms, approvals, and PO distribution, eProcurement contract compliance
- Supplier enablement activities will be coordinated and led by the JAGGAER Enablement team (not Huron) with key client staff being involved for vetting and approval of designated suppliers and desired catalog / punchout content.
- JAGGAER eInvoicing: receiving, invoicing, and workflow.
- JAGGAER Contracts+: request, request workflow, contract authoring, repository, and reporting

JAGGAER eProcurement Configuration Scope Details

Overall User Management	
Users	Perform a one-time load of users in Client's Production site and a subset in Client's Test site.
User Roles	<p>Configure up to twenty-five (25) new roles related to eProcurement, content management, and eInvoicing (Accounts Payable) activities envisioned.</p> <p>Informed by other implementations, below are the planned roles. System Administrators for each instance will the ability to setup additional roles over time to meet additional business needs. The following are potential roles give the modules and processes envisioned for by the Client:</p>

Overall User Management

- | | |
|------------------------------------|---------------------------------|
| 1. Shopper | 9. Invoice Entry |
| 2. Requisitioner | 10. Invoice Exception Processor |
| 3. Approver | 11. Invoice Approver |
| 4. Buyer / Professional Purchasing | 12. AP Manager |
| 5. Contract Admin | 13. Payment Specialist |
| 6. Contract Manager | 14. System Admin |
| 7. Catalog Admin | 15. ePro Administrator |
| 8. Catalog Manager | 16. AP Administrator |

Shopping

Shopping	Configure the solution to enable shopping for goods (catalog, punchout, non-catalog items) and services (via forms) including configuration of the Purchasing Showcase dashboard.
Branding	Configure initial site branding including color theme, client logo, site name, Login URL, and organization message.
General Settings	Configure general application and shopping settings.
Procurement Forms	Configure up to eight (8) custom forms and educate Client on process, options, and permissions needed to create additional forms. Forms will be developed to be as common as possible across instances – insofar as each University / State College will work towards a common set of information for forms.

Requisition Approvals

Approvals	Configure the solution to enable purchase requisition and purchase order approval and notification processing through workflow.
Workflow	Configure up to fifteen (15) workflow steps associated with requisition approvals and educate customer how to manage approval updates. The workflow steps can have subordinated settings that trigger intervention / approval / notification steps based on 'several 'dimensions'.
Purchasing Documents	Configure the solutions Purchase Requisition document (e.g. the fields and general layout of the user entry pages) to support Client requirements.

Order Delivery

Approvals	Configure the solution to enable purchase requisition and purchase order approval and notification processing through workflow.
Workflow	Configure up to fifteen (15) workflow steps associated with requisition approvals and educate customer how to manage approval updates. The workflow steps can have subordinated settings that trigger intervention / approval / notification steps based on 'several 'dimensions'.
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Order Delivery

Purchasing Documents	Configure the solutions Purchase Requisition document (e.g. the fields and general layout of the user entry pages) to support Client requirements.
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Master Data Load

Suppliers	Perform a one-time load of suppliers in the Jaggaer spreadsheet import format into Client's Production site and a subset in Client's Test site. This task will be performed in conjunction with the decision of the Supplier Management project.
Account Codes	Perform a one-time load of account codes in Client's Production site and a subset in Client's Test site.
Commodity Codes	Hosted and punchout catalogs are based on UNSPSC code set and as part of setting up the commodity codes there will be a 'mapping exercise' to roll-up the granular UNSPSC codes to more meaningful Commodity Codes. This will result in performing a one-time load up to 1,500 commodity codes in Client's Production site and a subset in Client's Test site.
Contracts	Provide the data load format and Contract header data template will be provided by Huron to the Client for completion. Perform a one-time load up to 1,500 contracts in Client's Production site and a subset in Client's Test site.

JAGGAER Contracts+ Configuration Scope Details**Activities, Roles and Responsibilities****CONTRACT REQUEST**

Contract Request	HURON to configure up to two (2) contract request template and a reasonable number of contract request workflow notification/approval steps to satisfy common and exception scenarios.
Request Workflow	HURON to configure up to ten (10) notification/approval steps, using Advanced Dynamic Workflow if applicable.

REPOSITORY

Contract Entities	HURON to configure up to ten (10) contract types and fifteen (15) work groups.
Users	HURON will perform a one-time load of users in Client's Production site and a subset in Client's Test site.
Legacy Contracts	HURON will perform an iterative load of up to 5,000 contracts in Clients' Production site and a subset in Client's Test site. Client will collaborate with HURON to resolve load errors. Client is solely responsible for populating the Contracts load template and denoting any Attachments.
Attachments	HURON will perform a one-time load up to 5,000 contract attachments (e.g., original contract document, PDF) in Client's Production site and a subset in Client's Test site. Client is solely responsible for preparing contract Attachments prior to load.

AUTHORING

Clause Libraries	HURON to configure one (1) clause library with up to fifteen (15) clauses.
Alternative Clause Language	HURON will configure in English and will configure up to twenty (20) custom / alternative clauses.
Templates	HURON to configure up to ten (10) simple (static) templates up to twenty (20) pages in length each. Configuration to include creating the template header record, uploading the MS Word document and inserting document placeholders.

Activities, Roles and Responsibilities

Contract Workflow	HURON to configure up to ten (10) notification/approval steps, using Advanced Dynamic Workflow if applicable.
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Contract Compliance Tracker

Contract Compliance	Configure the solution to enable contract compliance functionality.
General Settings	Work with Client to configure contract shopping settings.
Contract Item Import	Configure the solution and user roles to enable item import and item attributes.

JAGGAER Accounts Payable Configuration Scope Details

For the application and applicable add-on(s) referenced in the JAGGAER order form, Huron will perform configurations and provide guidance to Client on best practice configurations per the scope detailed below.

Master Data Load

Suppliers	Perform a one-time load of suppliers in the Jaggaer spreadsheet import format into Client's Production site and a subset in Client's Test site.
Account Codes	Perform a one-time load of account codes in Client's Production site and a subset in Client's Test site.

Invoice Creation

Invoicing	Configure the Solution to enable non-PO invoice creation (if applicable), both manually and electronically via the Supplier Portal.
General Settings	Configure general invoicing settings to support Client requirements
Custom Fields	Configure up to five (5) custom fields on Invoice document.
Invoice document layout	Configure the solutions invoice document (e.g., the fields and general layout of the user entry pages).
Credit Memo document layout	Configure credit memo document (e.g., the fields and general layout of the user entry pages).

Invoice Matching and Approvals

General Settings	Configure general invoice approvals and general matching settings to support Client requirements.
Matching and Tolerances	<p>Configure Advanced Dynamic Matching (ADM) for up to five (5) matching rules and educate Client on managing and updating ADM settings/rules. There are parameters used to set matching tolerances such as receipt quantity over/under PO, Receipt cost over/under PO, Invoice Quantity over/under PO/receipt Qty, Invoice Unit Price over/under, Invoice extended price over/under, etc. This is configurable within the tolerance parameters. Some examples of matching rules include:</p> <ul style="list-style-type: none"> ▪ 2 Way Matching ▪ 2 Way Matching Over \$50 ▪ 3 way for Cost Receiving Only orders ▪ 3 way over \$XXX within \$XX or XX% ▪ Exact Match for Enabled Vendors over \$XX ▪ Non-PO Invoice
Invoice Workflow	Configure up to fifteen (15) workflow/review steps associated with invoice workflow. Educate customer on workflow configuration is used to manage approval updates.

Invoice Approvals	
General Settings	Configure general invoice approvals and general matching settings to support Client requirements.
Invoice Workflow	Configure up to five (5) workflow/review steps associated with invoice workflow. Educate customer on workflow configuration is used to manage approval updates.

Non-PO Invoice Process and Approvals	
Updates to Invoice document layout	Configure invoice document to support Client non-po invoice requirements.
Updates to Credit Memo document layout	Configure credit memo document to support Client non-po credit memo requirements.

Jaggaer Environments

Huron will deliver and configure a test (UIT) environment to test the configurations and integrations selected by the University and train users and a production (PROD) environment for the University to conduct production transactions. Huron will also enable all integrations in both the test and production environments. The environments will be configured uniformly, and the integration messages and formats will be identical. These environments shall be available for your use including development, system integration testing, configuration testing and training. You will continue to have access to the test and production environments after completion of the Services and during the term of your agreement with JAGGAER.

PHASE 3: INTEGRATION & VALIDATION

Integration

Integration Design Support

Huron will work with the IT organization at each campus, in a collective fashion, to understand the integration requirements of your financial solution including:

- Facilitate discussions on Banner IFEP, Oracle Cloud and Colleague integration points and approach to support procurement, payables, reporting and related transactions.
- Support design of user import and accounting chart field data
- Support design and provide configuration advisory for the Jaggaer Solution integrations with Banner IFEP, Oracle Cloud and Colleague, including suppliers, user sync/import, budget validation, and purchase order and invoice transactions.

JAGGAER Integrations





Huron will collaborate with your resources on the design of interfaces with an expectation that you have appropriate integration resources assigned. JAGGAER will be integrated with your ERP systems in a variety of methods depending on the ERP.

This includes outlining the integration specifications required based on the requisite system interfaces. Your ERP configuration team will continue with those activities and Huron resources would provide advisory based on our experience with institutions implementing the same model.

Activities, Roles and Responsibilities	Client	Huron
JAGGAER Integration		
Integration design activities including optimal integrations and real time interfaces	Advise	Lead
Partner with HURON technical consultant to accomplish integration	Lead	Support

Jaggaer Integrations

- Single Sign-on (SSO) via LDAP, Active Directory, Login XML, SAML etc.
- 'Jaggaer Standard Integrations' for Supplier Import, Custom field import, invoice export, and invoice status import integration point.
- Ellucian Banner IFEP eProcurement and eInvoice interfaces

Planned Integration Points and Methods			
	 University of Idaho	 Idaho State University	 BOISE STATE UNIVERSITY
			 LEWIS & CLARK STATE COLLEGE
Integration	Banner IFEP [1]	Oracle Cloud [2]	Colleague [3]
Single Sign-on (SSO)	CAS, SAML, LDAP, LoginXML	CAS, SAML, LDAP, LoginXML	CAS, SAML, LDAP, LoginXML
User Import	XML, Flat File (CSV)	XML, Flat File (CSV)	XML, Flat File (CSV)
Account Codes / Custom Field Import	IFEP Included	JAGGAER Standard XML	JAGGAER Standard XML
Supplier Import	IFEP Included	JAGGAER Standard XML	JAGGAER Standard XML
PR Validation	IFEP Included	JAGGAER Standard XML	JAGGAER Standard XML
PO Export	IFEP Included	JAGGAER Standard XML	JAGGAER Standard XML
Invoice Export	eInvoice Adapter	JAGGAER Standard XML	JAGGAER Standard XML
Payment Status	JAGGAER Standard XML	JAGGAER Standard XML	JAGGAER Standard XML

Planned Integration Points and Methods / Assumptions

- Banner will require separate IFEP license to accomplish integration for eProcurement.
- Integration Services may be used to translate into client formats, or the Client can review the files as posted/messaged and process via local integration methods.

[1] **Banner** integration is using Banner IFEP and Banner eInvoice adapter (not Banner ETHOS), along with Banner integration tools for User Import and Payment Status.

[2] **Oracle Cloud** integration is based on OC configured to consume/produce standard XML messages.

[3] **Colleague** integration is based on use of Colleague integration tools + standard Jaggaer XML messages.

Testing

Testing Approach and Workplan

Huron will support the development of a comprehensive test plan that addresses all three phases of testing – supplier enablement testing, system testing (i.e. validation testing), and user testing. Huron will support the organization in coordinating system test efforts including establishing a testing workplan to outline testing and user acceptance resources and participation commitments.

Testing Support

Based on the business process inventory, Huron will develop test scenarios based on Client business needs, exception scenarios, and other test needs leveraging Huron's templates and comprehensive test

scenarios from other implementation examples. Huron will conduct a hand-off meeting with the Campus Workstream leads and the Project Manager testing stakeholders to vet and hand-off test scenarios for continued ownership by you.

Once the design has been finalized, Huron will assist part-time with providing advisory services to support the client development of a test plan and approach. Huron will also assist in testing prioritization and troubleshooting identified issues.

Test Execution

Huron will develop test scenarios based on identified business needs, exception scenarios, and other test needs leveraging Huron's templates and comprehensive test scenarios from other implementations. You are responsible for organizing and performing all tests, reporting on results and capturing testing issues.

Huron will conduct a hand-off meeting with key client testing stakeholders to vet and hand-off test scenarios ownership. Huron will manage / coordinate lead testing efforts.

A summary of roles and responsibilities to provide solution testing and validation are noted below:

Activities, Roles and Responsibilities	Client	Huron
Testing and Solution Validation		
Define the test plan and approach	Advise	Lead
Document end to end Contracts+ test scenarios	Support	Lead
Kick-off testing and solution validation	Support	Lead
Weekly execution of test plan	Support	Lead
Prioritize and troubleshoot issues	Support	Lead
Communicate issues to Huron for resolution	Lead	Support
Solution validation checkpoint after testing is completed and all critical issues addressed	Lead	Support
Validation Phase		
Kick off CLIENT's user validation testing of the configurations chosen by Client to best match your business processes ("Validation Testing")	Support	Lead
Finalize the Validation Testing plan with the specific workflows and integrations from the Configuration Design Document, so that Client may fully validate that the configurations best match Client's business processes	Support	Lead
Execution of Validation Testing	Support	Lead
Align JAGGAER Applications migration action items (test to production) with Client migration methodology	Support	Lead
Finalize plan to roll out JAGGAER Applications to Client's users	Support	Lead
Migrate the JAGGAER Applications configured for Client into a production environment	Support	Lead

Change Management and Communication

The purpose of this component is to define the appropriate frequency, methods, content, and style of messages to the internal/external constituents at each institution. An analysis of effective ways to penetrate the awareness of Campus users will be conducted to identify the optimal methods of providing project and solution introduction and updates.

Change Management and Communication	Client	Huron
Develop Plan		
Create Change Management plan, Create Communication plan	Support	Lead
Working group meetings	Support	Lead
Surveys / feedback	Lead	Advise
Execute Plan		
Execute Change Management and Communication Plan	Lead	Advise

Curriculum Development and Training

Huron will work with your team to confirm the deployment training approach and finalize the scope. Huron will validate the training modality and materials and will then develop materials based on your approved material inventory list. The institutions and Huron will undertake a review process of developed materials and perform content revisions. In preparation for go-live, Huron will deliver pilot training and then support your training staff. A summary of roles and responsibilities for this stage are noted below:

Curriculum Development and Training (Optional)	Client	Huron
Scope Audience(s), Roles and Volume		
Confirm the audience(s) for training	Support	Lead
Validate Modality and Materials		
Develop a list of all materials (curriculum inventory) and specify the methods for content delivery	Support	Lead
Instructional Design / Develop Materials		
Prioritize materials needed for 'day one' business use, including Develop JAGGAER tutorials, reference guides, JAGGAER Adopt, and other support material required to assist end users in their transition to the JAGGAER solution.	Support	Lead / Perform
Develop materials and give your resources time to review materials and likewise Huron enough turnaround time for content revisions	Support	Lead
Support Campus change leads as they drive adoption of JAGGAER within their organizations	Lead	Support
Establish a schedule for materials development, review, approval, and finalization to drive clarity and accountability. Materials developed will follow a pre-defined outline reviewed by Client stakeholders with up to 2 (two) rounds of review within 5 (five) business days of the drafts being received by CI.	Support	Lead
Deliver Pilot Training		
Huron delivers mock training to de-bug curriculum materials and validate test site	Support	Lead
Huron delivers course in classroom to your Trainer	Support	Lead
Client is responsible for classroom scheduling / logistics	Lead	Support
Client delivers course shadowed a few times by Huron to participate / co-deliver	Lead	Support

PHASE 4: DEPLOYMENT

Once the design has been finalized and testing completed, Huron will provide advisory and post-production support services for the deployment of the solution.

Production Migration, Activation and Live Testing

These testing activities represent the final stage of the project. It is important to communicate the solution rollout to all groups and individuals impacted by the project. Depending on the solution being rolled out, Live Testing can include sending out live orders, completing contract negotiations and workflow, etc.

Following the completion of testing, the JAGGAER solution will be activated into production. Typically, this involves migrating all desired configuration options into the production environment and confirming integration.

When the solution is first activated in production, the campus' conduct live order testing which includes sending out live orders, completing contract negotiations and workflow, etc. Live testing is a controlled event that is monitored for success. Once validated, the solution is ready for go-live.

Services following go-live include four months of deployment post-production support and incremental training services and coaching to improve utilization.

A summary of roles and responsibilities for deployment activities are noted below:

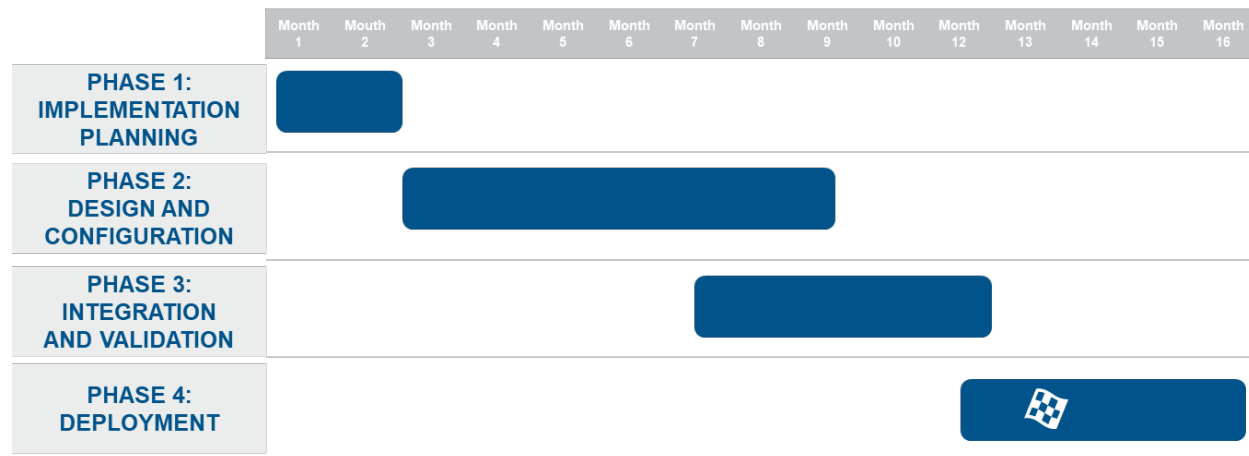
Activities, Roles and Responsibilities	Client	Huron
Deployment		
Identify user population, key groups/departments, deployment groups	Lead	Support
Plan, author and communicate based on the communication / org readiness plan	Lead	Support
Develop Post-Production Support Strategy and Plan	Support	Lead
Provide support during go-live and first month	Start Up	Lead
Go-Live Phase		
Deploy JAGGAER Applications to a control group selected by Client	Lead	Support
Transition Client to JAGGAER Customer Support; set up Customer Support Portal for Client	Support	Lead

Project Timeline

We estimate that the scope of this engagement will be accomplished in 16 months, commencing September 2021. The timeline below illustrates the estimated duration and sequence of the phases. We envision the involvement of a broad group of stakeholders from the Board, Federation, Universities, and the State College throughout the project with a particular emphasis on getting cross functional involvement from day 1.

To ensure solution adoption and success, thorough system and business process testing followed by training will result in a pilot go-live in month 12, followed by four months of deployment to support initial go-live activities, followed by utilization reinforcement with campus Workstream leads and other stakeholders.

Figure 1 - Overall Staged Timeline



Proposed Resource Model

HURON ENGAGEMENT TEAM

The Huron engagement team will consist of the following roles. Team members are subject to change based on project timing.

Role	Description	Est. Hours
Huron Program Executive and Quality Assurance	Jens Brown, a Managing Director within Huron's Spend Management practice will serve as the overall lead and will provide subject matter expertise on a part time basis over the 8-month project and will provide guidance and have overall quality assurance and delivery responsibility for Huron's engagement.	168
Huron Program Director	A Senior Manager or Director, this individual will provide part-time, project delivery oversight and contribute to best practices.	288
Planning Lead, Advisor and Project Mgmt. Support	A Manager will serve as the overall lead and advisor for Huron activities regarding the implementation of JAGGAER eProcurement, Contracts+ and Accounts Payable and lead the implementation planning portion of the project. Provides ongoing near full-time project management support to the client Program Manager.	2368

Role	Description	Est. Hours
Technical Consultant	David Joyner, a Manager, will be the Technical Consultant engaged to perform the JAGGAER portion of system integrations.	1068
Solution Consultant	An Associate with extensive JAGGAER experience, will perform the JAGGAER solution configuration and functional meeting facilitation for the JAGGAER solution in a part-time capacity.	1376
Change Management / Testing Readiness Lead	An Associate with extensive change management and testing experience, will support overall change management activities, including key pieces of curriculum development, instructional design, and organization / coordination of testing activities.	832

The Huron team members listed above will deliver our services – each have significant functional area expertise, deep multi-industry credentials and JAGGAER solution expertise. In addition to the core team members, we may leverage other subject matter expertise from our team to best accomplish the objectives of the engagement. Huron reserves the right shift hours among resources to best accomplish projects objectives.

Huron resources will perform most services in an off-site fashion. We will determine additional meaningful onsite activities in advance (e.g., monthly meetings, steering committee, etc.).

While we will attempt to comply with your requests for specific individuals, we retain the right to assign and reassign our personnel, as appropriate, to perform the services.

Pricing

PROFESSIONAL FEES

The estimated fees for the engagement will be **\$1,481,430** based on the terms of the Master Services Agreement and staffing plan provided in this Statement of Work.¹

Huron is equipped to deliver these services in a remote fashion, any planned travel expenses are estimated at approximately 16% of the total professional fees delivered onsite at various locations in the State of Idaho.

BILLING

Huron will invoice the University of Idaho on a monthly basis for fees and expenses incurred in the prior month. Payments may be made via ACH to:

Harris Bank Chicago, Illinois
Routing No. 071000288
Account Title: Huron Consulting Services, LLC
Account Number: 262-463-3

Comments: (Include Invoice Number to ensure proper credit)

CHANGES IN SCOPE

¹ The estimated fees of \$1,481,430 are a 5% discount if signed by June 30th, 2021. Otherwise, the non-discounted amount of \$1,559,400 will apply.

Any change in project scope or duration resulting in additional fees will be mutually agreed upon between the University and Huron Consulting Group and documented in an amendment to this letter of engagement prior to work beginning on additional scope of work.

OPTIONAL SERVICES

As an **optional service**, to support the transition of contract information from offline sources, you could anticipate the automated scrubbing, indexing, and OCR of legacy contracts (e.g., those in offline digital sources) to be accomplished via our intelligent automation service. Approximate fees for conducting this service range from \$12 to \$16 per contract.

Assumptions and Client Responsibilities

In connection with our provision of services, you will perform the tasks, furnish the personnel, provide the resources, and undertake the responsibilities specified below.

- You will designate an employee or employees within your senior management who will make or obtain all management decisions and/or provide proper guidance with respect to this engagement on a timely basis. You also agree to ensure that all assumptions set forth below are accurate and to provide us with such further information we may need and which we can rely on to be accurate and complete. You also agree to cause all levels of your employees and contractors to cooperate fully and timely with us. We will be entitled to rely on all of your decisions and approvals, and we will not be obligated to evaluate, advise on, confirm, or reject such decisions and approvals.
- To help maximize the value of our work to you and to keep the project moving on schedule, you agree to comply with all of our reasonable requests and to provide us timely access to all information and locations reasonably necessary to our performance of the services.
- The successful delivery of our services, and the fees charged, are dependent on (i) your timely and effective completion of your responsibilities, (ii) the accuracy and completeness of any assumptions, and (iii) timely decisions and approvals by your management. You will be responsible for any delays, additional costs, or other liabilities caused by any deficiencies in the assumptions or in carrying out your responsibilities.
- There will be a recurring project status meeting to address open issues and make key decisions. The format of the status meeting will be mutually agreed upon between Client and Huron at the start of the project.
- Documentation / deliverables will be delivered in electronic format, unless otherwise expressly agreed to by Client and Huron.
- Client will work to the agreed upon timeline and Huron will not be responsible for delays in the project timeline due to elongated decision-making processes, inability to provide required resources, information, or requirements, and delays in the execution of any aspect of the project. Any delays may have time and/ or cost impact.
- Huron will have reasonable access to required Client staff during this engagement as any delays in the implementation by either party will be highlighted during the standing status reports.
- Unless otherwise specified herein, your ERP / IT development resources are responsible for the development of any interfaces between files / messages provided by Jaggaer to your ERP system, and vice versa, if applicable.

* * * * *

Business Terms

The Master Services Agreement between Huron and _____ dated _____, 20__ shall be utilized to govern this engagement.

* * * * *

Please indicate your agreement with these terms by signing and returning to me the enclosed copy of this letter. This engagement will become effective upon our receipt of your signed copy. We appreciate the opportunity to be of service to you and look forward to working with you on this engagement.

Sincerely,

HURON CONSULTING SERVICES LLC

By: _____
Jens Brown, Managing Director

Date: _____

Acknowledged and Accepted:

UNIVERSITY OF IDAHO

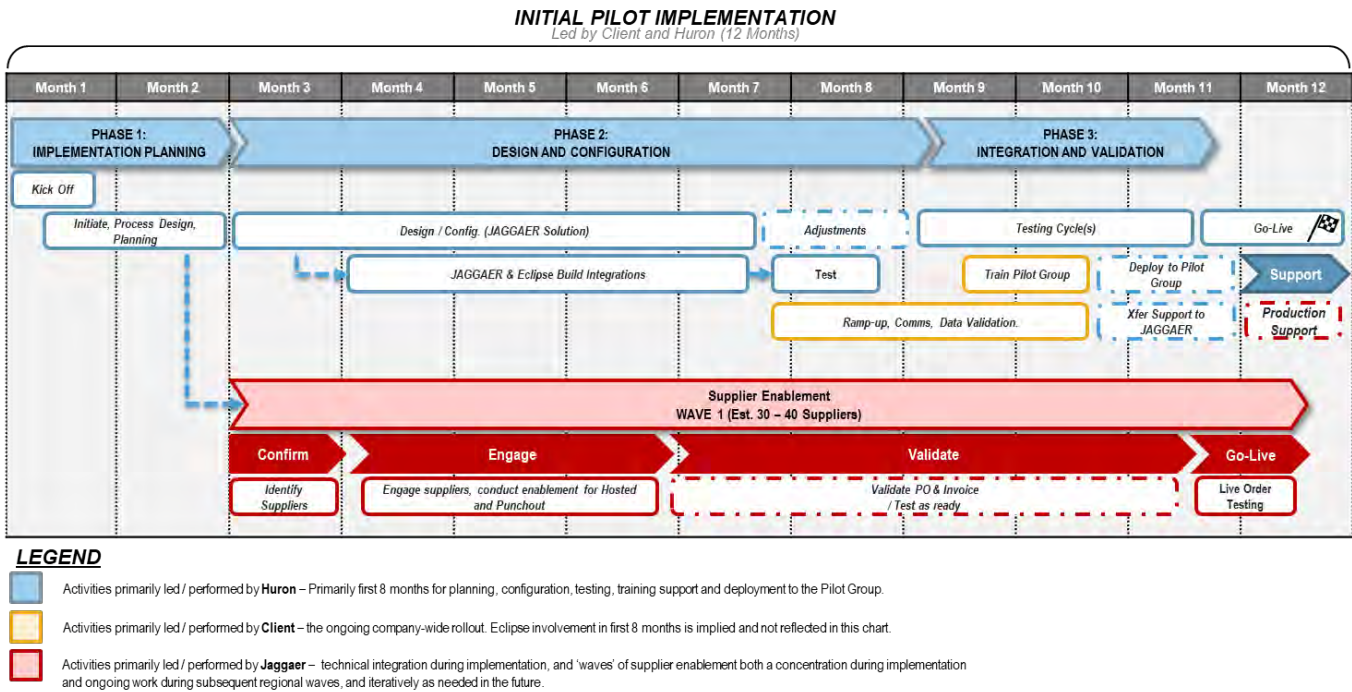
By: _____

Name: _____

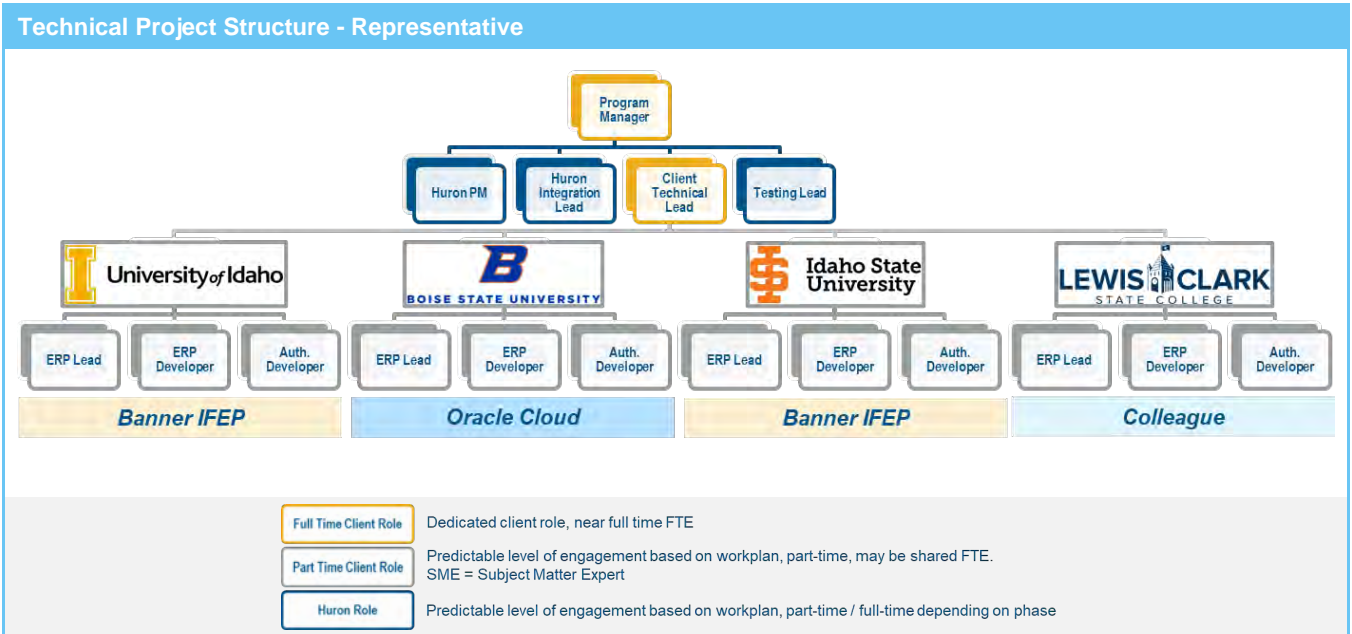
Title: _____

Date: _____

Appendix A: Representative Project Timeline – Pilot Implementation



Appendix B: Representative Project Structure





huronconsultinggroup.com

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

UNIVERSITY OF IDAHO

SUBJECT

Lease and option to purchase facility for UI College of Law in Boise

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

To meet increased student enrollment and program demands for the University of Idaho's legal education programs in Boise, UI is proposing to enter into a 30-year lease of a facility at 501 West Front Street in Boise, which building was recently vacated by the now defunct Concordia Law School. The current UI College of Law education space at the Idaho Law and Justice Learning Center is no longer adequate in size to meet program needs. A private real estate developer is arranging prompt purchase of the facility and has offered to lease the facility to UI for \$600,000/yr. This amount is fixed for the first five years of the lease, and then increases by 10% every five years thereafter over the term of the lease.

Additionally, the University will pay all building operating and maintenance costs. The agreement also provides an option to purchase and first right of negotiation to secure UI ownership. The option to purchase may be exercised at each five-year anniversary of the lease, and ties acquisition to a price set in the lease or 90% of fair market value at the time of purchase, whichever is greater. The UI administration has determined that securing the 30-year lease for this facility with an option to purchase is the best plan to address the immediate and long term demands for legal education in the Treasure Valley.

IMPACT

The lease will cost the UI \$600,000 in rent per year, with subsequent increases every five years, plus all costs required for building maintenance and operations. The building was originally built to be a law school, so it is already fully furnished and equipped to perform legal education, and will have minimal expense associated with getting it ready for classes. This provides for a quick transition and classes to start in the new location during the 2021-22 academic year. Rent and other leasing expenses for the term of the lease will be covered by the University's overall operating budget. The initial lease term is thirty years, but the University will have the option to purchase the building every five years. Should the UI decide to exercise the option to purchase, the UI will seek approval from the Board of Regents.

The lease of this facility will provide substantially more space for the College of Law's operations in Boise, allowing the UI to better meet the College of Law's immediate and long-term needs in the Treasure Valley.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 28, 2021

ATTACHMENTS

Attachment 1

Page 1: Triple Net Lease Agreement
Page 24: Subordination, Nondisturbance and Attornment Agreement
Page 35: Option and Right of First Negotiation Agreement
Page 46: Memorandum of Lease Agreement
Page 51: Memorandum of Option Agreement

STAFF COMMENTS AND RECOMMENDATIONS

The University of Idaho is in a unique position to be able to utilize the former Concordia Law School building to house the UI School of Law Boise campus, enabling them to more permanently establish the School of Law in the Treasure Valley and setting themselves up with an option to purchase at a price acceptable to the Lessor and the University of Idaho as the Lessee.

The 501 West Front Street property does not have any on or off site parking; but the University is in discussions with owners of vicinity parking garages to secure a fixed number of parking spaces for faculty, staff and students.

Staff recommends approval.

BOARD ACTION

I move to authorize the University of Idaho to lease the facility located at 501 West Front St., Boise, Idaho 83702 under the terms set forth in the attached Triple Net Lease Agreement; to enter into the Option to Purchase the facility; and to authorize the Vice President for Finance and Administration for the University of Idaho to execute all necessary transaction documents including, but not limited to, the Triple Net Lease Agreement; the Subordination, Nondisturbance and Attornment Agreement; the Option and Right of First Negotiation Agreement; the Memorandum of Lease Agreement; and the Memorandum of Option Agreement; in substantial conformity to the documents attached to this motion.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

TRIPLE NET LEASE AGREEMENT

by and between

LESSOR:

STODDARD 501 BUILDING, LLC,
an Idaho limited liability company

and

LESSEE:

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

DATED the ____ day of _____, 2021

TRIPLE NET LEASE AGREEMENT

THIS TRIPLE NET LEASE AGREEMENT ("Lease") is made and entered into this ____ day of _____, 2021 (hereinafter referred to as "Effective Date"), by and between **STODDARD 501 BUILDING, LLC, an Idaho limited liability company** (hereinafter referred to as "Lessor"), and 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** (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of certain real property located at 501 West Front Street, City of Boise, County of Ada, State of Idaho, 83702; as more particularly described in Exhibit A-1 attached hereto and incorporated herein by reference and hereinafter referred to as the "Premises"; and

WHEREAS, Lessor and Lessee desire to enter into this Lease for the purpose of leasing the Premises to the Lessee for the purpose of the use of the building as a law school.

NOW, THEREFORE, for good and valuable consideration, the receipt whereof is hereby acknowledged, and the mutual covenants, promises and agreements hereinafter contained, Lessor and Lessee do hereby mutually agree to enter into this Lease pursuant to the terms as set forth herein, and further agree as follows:

1. Definitions.

1.1 For the purposes of this Lease, the following terms shall have the following meanings:

(a) "Affiliate" means (i) in the case of Lessee, any Person which, directly or indirectly controls, is controlled by, or under common control with or by Lessee, and (ii) in the case of Lessor, any Person which, directly or indirectly, controls, is controlled by, or is under common control with or by Lessor.

(b) "Applicable Laws" means all the laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments which are applicable in the context when the term "Applicable Laws" is used in this Lease.

(c) "Capital Improvement" means any improvement to or replacement or expansion of the components the Premises which is capital in nature, as determined in accordance with GAAP, and which exceeds \$100,000 in cost.

(c) "Claims" means any and all claims, demands, obligations, losses, liabilities, damages, recoveries, deficiencies, liens, lawsuits and judgments (including interest, penalties, reasonable attorneys' fees, costs and expenses).

(d) "Facility" means the current building erected on or about the Premises and all of the furniture, fixtures, and equipment as enumerated in Exhibit A-2 attached hereto and incorporated herein by reference ("FF&E").

(e) "Fee Mortgage" means any mortgage or other security device which encumbers all or any part of Lessor's interest in the Premises.

(f) "Fee Mortgagee" means the holder of a Fee Mortgage.

(g) "Lessee Parties" means Lessee its successors, assigns, managers,

members, partners, shareholders, directors, officers, employees, agents, representatives and contractors.

(h) "Improvements" means Facility and other improvements erected on or about the Premises, all replacements thereof, all new or additional structures or buildings erected on the Premises, and all alterations, additions and improvements made to the Premises or such structures or buildings during the Term under this Lease, title to which vests in Lessor.

(k) "Material Adverse Effect" means changes in Lessor's Representations set forth in Section 2.4 that give rise to matters that materially and adversely affect Lessee's ability to operate the Business (as defined below) at the Premises.

(l) "Permitted Assignee" means a Successor Entity (defined below), an Affiliate or wholly-owned or controlled Subsidiary (defined below) of Lessee.

(m) "Permitted Encumbrances" means the items set forth in Section 17.6 hereto as Exhibit E, which is incorporated herein by this reference.

(n) "Permitted Use" means the use of the Premises for the operation of a law school or other uses directly related to the mission of Lessee.

(o) "Person" means any body politic or division thereof, individual, partnership, corporation, limited liability company or partnership, association, trust, joint venture, unincorporated organization, or entity, and any department, agency or subdivision thereof.

(p) "Subsidiary" means any Person (i) controlled by Lessee, and (ii) not less than fifty-one percent (51%) of whose outstanding ownership, voting stock, interests or other beneficial ownership interests shall at the time be owned or controlled directly or indirectly Lessee.

(q) "Successor Entity" means any Person with the financial capacity and operating experience necessary to operate the Facility for the Permitted Use (i) resulting from the merger or consolidation with or into Lessee, any of its parent entities, or a brother/sister entity or a Subsidiary, or (ii) that acquires all or substantially all of the assets of Lessee, its parent, a brother/sister entity or Subsidiary, and has a financial net worth after giving effect to such transactions, equal to or greater than Lessee as of the date hereof.

(r) "Tax" or "Taxes" means all real estate taxes, personal property taxes, any other taxes, sewer rents, water meter and water charges, excises, levies, license and permit fees, occupancy and rent taxes, charges for public utilities, special charges, including one-time or special assessments, and all other charges or burdens of whatsoever kind and nature, and whether general or special, ordinary or extraordinary, foreseen or unforeseen, which at any time during the Term that may be assessed, levied, confirmed, imposed upon, or become due and payable out of, or in regard of, or become a lien on the Facility and the Premises.

(s) "Threshold Amount" means Fifty Thousand and 00/100 Dollars (\$50,000.00).

1.2 The following terms shall have the meanings defined for such terms in the Sections set forth below:

<u>Term</u>	<u>Section</u>
Base Rent	3.1
Business (Use)	13
Commencement Date	2.2
Date of Taking	15.1
Default	18.1

<u>Term</u>	<u>Section</u>
Event of Default	18.1
Hazardous Substances	19.1
Initial Term	2.2
Lease	Preamble
Lessee	Preamble
Lessor	Preamble
Lessor's Representations	2.4
Memorandum of Lease/Option Agreement	21
Net Award	15.2
Official Records	17.2
Premises	Recitals
Qualifying Non-Disturbance Agreement	17.2
Renewal Term	2.2
Term	2.2

2. Lease.

2.1 Subject to the terms and conditions contained herein Lessor hereby leases and demises to Lessee and Lessee hereby leases and takes from Lessor, for the Term, at the rental and upon the covenants and conditions hereinafter set forth, the Premises and Facility.

2.2 The term and Lessee's obligation to pay rental hereunder shall commence on August 1, 2021 (the "Commencement Date"). This Lease shall have an initial term of thirty (30) years beginning on the Commencement Date and ending on July 31, 2051 (the "Initial Term"). Upon the expiration of the Initial Term, this Lease will automatically be renewed for one (1) additional five (5) year term, the "Renewal Term", and together with the Initial Term, the "Term"), unless Lessee provides Lessor written notice of its intention not to renew this Lease at least six months prior to the expiration of the Initial Term.

2.3 This Lease sets forth and states all of the terms of the Lease of the Premises and shall be construed and interpreted to effectuate the intentions of the parties as expressed by the language in this Lease.

2.4 Lessor hereby makes the following representations ("Lessor's Representations"), each of which are true and correct as of the Commencement Date:

(a) Lessor is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Idaho and is qualified to do business in the State of Idaho. The persons executing this Agreement on behalf of Lessor have all necessary power and authority to execute this Lease and the other agreements contemplated hereto;

(b) Lessor owns the Premises in fee simple absolute, free and clear of all liens and encumbrances except the Permitted Encumbrances;

(c) Lessor has full right and power to execute and perform this Lease and grant the estate demised herein;

(d) The Premises includes all of the real estate owned by Lessor in or around the Facility or contiguous thereto;

(e) To Lessor's knowledge, there are no off-record covenants affecting the Premises that would materially and adversely affect Lessee's ability to operate the Permitted Use at the Premises;

(f) Lessor has received no written notice of any existing, and to Lessor's knowledge, there are not proposed or threatened, eminent domain or similar proceedings which would materially and adversely affect the Premises or any portion thereof;

(g) Except as otherwise provided in this Lease, no Person other than Lessor, its designee or Lessee (by virtue of this Lease) has the legal right to occupy the Premises; and

(h) Any handling, transportation, storage, treatment or usage of Hazardous Substances that has occurred on the Premises during Lessor's ownership has been in compliance with Applicable Laws.; no leak, spill, release, discharge, emission or disposal of Hazardous Substances has occurred on the Premises during Lessor's ownership.

2.5 The Premises is hereby leased to Lessee in its "AS IS, WHERE IS" condition as of the Commencement Date, subject to (i) there being no Material Adverse Effect, and (ii) the Permitted Encumbrances. Lessee confirms that Lessee has fully inspected the Premises. The taking of possession of the Premises by Lessee shall conclusively establish that the Premises were at such time in satisfactory condition and totally acceptable to Lessee.

3. Rent.

3.1 Lessee shall pay to Lessor without deduction or offset of any kind rent for the Premises during the first year of the Initial Term the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00) per month (the "Base Rent"), due and payable on the first (1st) day of each month except for any partial leased month which shall be prorated between Lessor and Lessee.

3.2 The Base Rent shall be adjusted every five (5) years during the term of the Lease and any renewal periods, if any, commencing with the beginning of the fifth (5th) year from the date of the commencement of the term as follows:

Base Rent for first 5 years:	\$600,000.00 per year/\$50,000.00 per month
Base Rent for years 6 – 10:	\$660,000.00 per year/\$55,000.00 per month
Base Rent for years 11 – 15:	\$726,000.00 per year/\$60,500.00 per month
Base Rent for years 16 – 20:	\$798,600.00 per year/\$66,550.00 per month
Base Rent for years 21 – 25:	\$878,460.00 per year/\$73,205.00 per month
Base Rent for years 26 – 30:	\$966,306.00 per year/\$80,525.50 per month
Base Rent for Renewal Term:	\$1,062,936.60 per year/\$88,578.08 per month

3.3 Subject to the provisions of Section 5.4 of Lease, all Taxes, charges, costs, and expenses which Lessee is required to pay pursuant to the provisions of this Lease, together with all interest and penalties that may accrue thereon in the event of Lessee's failure to pay such amounts, and all damages, costs, and expenses which Lessor may incur by reason of any default of Lessee, shall be deemed to be additional rent, and in the event of nonpayment by Lessee, Lessor shall have all rights and remedies with respect thereto as Lessor has for the nonpayment of rent as herein provided.

3.4 It is the intention of the parties that the rent payment to the Lessor shall be absolutely net to Lessor undiminished by any expense or charge. Accordingly, Lessee shall pay all real estate taxes, taxes in the nature of real estate taxes or taxes in lieu of real estate taxes levied upon or in connection with the Premises. Even if Lessee self-insures with the written permission of Lessor, Lessee shall pay for all Lessor's casualty, liability and such other insurance as Lessor reasonably believes is necessary for the Premises or in connection with the Premises and placed on the Premises. Notwithstanding the foregoing, Lessee shall in no way be responsible for any claim against Lessor, whether

the claim arises in tort, contract, or otherwise. Likewise, Lessor shall in no way be responsible for any claim against Lessee, whether the claim arises in tort, contract or otherwise. Lessee shall pay all maintenance repair and replacement costs required by or in connection with the interior, exterior, roof, floor, walls, structure and all other elements of the Premises. Lessee shall pay all utility and services fees and costs for or in connection with the Premises, as well as the property management fee to Lessor's property manager. Lessee in its operations and its actions shall at all times comply with all applicable laws, ordinances, and regulations affecting the Premises and it shall pay any costs required to do so. Lessee shall maintain, repair and replace the entire loading area and parking areas, the landscaping, the lighting and all other elements of the entire Premises. All maintenance repair and replacement shall be done in a timely and workmanlike manner in accordance with good practice for the care of a public educational facility. All such net lease expenses and other payments shall be considered as additional rent and shall be paid when due or otherwise required. If any such item is not so paid it shall be a default under this Lease. Lessor shall have the right to make all such payments, if not paid when due, and to perform all acts or work required by these net lease and other payment provisions and to charge back such payments to Lessee. Lessee shall pay within ten (10) days after the date of any such billing.

3.5 The Premises shall be managed on behalf of Lessor by a property management company currently being TOK Commercial Real Estate, and the property management fee charged to Lessor shall be paid by Lessee on a regular basis as part of the Lessee's cost of maintenance and operation of the building provided that such property management fee shall be market competitive pricing. Lessor reserves the right to change the property management company at any time in its unrestricted discretion. Lessor and Lessee shall review the performance of the property management company on an annual basis. Should the property management company not perform to the standards mutually agreed upon by the parties, the Lessor shall change property management companies.

3.6 Upon execution of this Lease, Lessee shall deliver to Lessor a complete authorization agreement for prearranged payments establishing an arrangement whereby payments of the base monthly rent shall be transferred by Automated Clearing House debit, initiated by Lessee from an account established by Lessee at a United States bank or other financial institution to such account as Lessor may designate. Lessee agrees that it shall continue to pay all rent through the Automated Clearing House debit arrangement unless otherwise directed by Lessor.

4. Maintenance, Repairs and Replacements. Lessee shall be required to make such repairs or replacements as may be required for normal structural maintenance of the Facility, which shall include, but not be limited to, the repairs to walls, floors, ceilings, roof, foundation, HVAC, and sewer lines. Lessor shall maintain at Lessee's cost an HVAC maintenance contract in substantially the same form as currently in effect unless Lessor changes the terms of its maintenance contract for such system. Lessee shall pay the cost of such HVAC maintenance contract. All other repairs and replacements as may be reasonably required to the Facility shall be the financial obligation of Lessee. Lessee agrees to pay all utility expenses for the Premises including but not limited to heat, electricity, water, sewer, gas, and all other utilities used by or about the Premises and Lessee shall pay any and all costs without contribution from Lessor incurred with regard to maintaining, repairing, or replacing all portions of the Premises, including but not limited to the Premises parking, landscaped areas, trees, shrubs, grass, sprinkler system, plumbing and all mechanical systems relating to the Premises, including heating, air conditioning, electrical, sewer, plumbing, and other portions and systems relating to the Premises and the Improvements located thereon. Lessee agrees that it shall at all times keep and maintain the Premises neat and clean, in good order, repair and condition, reasonable wear and tear excepted. Provided, however, that Lessor shall be responsible for paying for Capital Improvements to the Premises and Facility, which Lessor shall then charge to Lessee as additional rent on a pro rata basis over the life of the Capital Improvement.

5. Taxes.

5.1 Subject to any exemption that might be granted pursuant to Section 5.4 below, Lessee shall pay or cause to be paid and discharged directly to the appropriate governmental authorities, as additional rent hereunder, before any fine, penalty, interest or cost may be added thereto (or, if the bills therefor are directed to Lessor, and Lessor fails to submit same to Lessee in a timely manner sufficient to

permit Lessee to comply with the foregoing, then within ten (10) business days after Lessor's submission of such bills to Lessee), all Taxes, excluding only any tax, assessment or charge described in Section 5.2. All Taxes for the fiscal or Tax years in which the Term begins and ends shall be apportioned so that Lessee shall pay only those portions thereof which correspond with the portion of said years as are within the Term.

5.2 Nothing in this Lease shall require Lessee to pay municipal, county, state or federal income taxes assessed against Lessor, or municipal, state or federal capital levy, gift, franchise, estate, succession, inheritance or transfer taxes of Lessor, or any income excess profits imposed upon Lessor or any income, profits, or revenue tax, assessment or charge imposed upon the Base Rent payable by Lessee under this Lease.

5.3 Lessor shall request the appropriate taxing authority to mail any and all real estate Tax bills covering the Premises to Lessee with copies to Lessor. Lessee shall pay the same directly to said taxing authorities as hereinabove provided.

5.4 Upon giving prior written notice to Lessor, Lessee at its own cost shall have the right to seek with Lessor's cooperation, which shall not be unreasonably withheld, a reduction in the valuation or an exemption of the Premises for Tax purposes pursuant to Idaho Code § 63-602E or otherwise and to contest or review the amount or validity, in whole or in part, of any Tax by appropriate proceedings or such other manner as Lessee may deem suitable and is permitted under Applicable Laws. Lessee shall conduct such contest or review at Lessee's own cost and expense and in a diligent and good faith manner. Any settlement reached by Lessee under this Section 5.4 is subject to Lessor's reasonable written approval.

5.5 Lessor shall join in any proceedings referred to in Section 5.4 (or permit the same to be brought in its name) if the provisions of any Applicable Law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Lessor or any owner of the Premises, in which event Lessee shall reimburse Lessor upon demand for all costs of Lessor incurred in connection therewith, including, without limitation, attorneys' fees. Provided that Lessor has approved the settlement in question, and no Default has occurred and is then continuing, Lessee shall be entitled to any refund of any Tax and penalties or interest thereon received by Lessor which have been paid by Lessee, or which have been paid by Lessor but previously reimbursed in full by Lessee; provided that if a Default has occurred and is then continuing, such refund shall be retained by Lessor until and if Lessee cures said Default.

5.6 Lessor hereby appoints Lessee as the attorney-in-fact of Lessor, coupled with an interest, for the purpose of making all payments to be made by Lessee pursuant to any of the provisions of this Lease to persons or entities other than Lessor. In the event any person or entity to whom any sum is directly payable by Lessee under any of the provisions of this Lease, shall refuse to accept payment of such sum from Lessee, Lessee shall promptly give written notice of such fact to Lessor and pay such sum directly to Lessor at the address specified in Section 29 hereof, whereupon Lessor shall pay such sum in the same manner as provided in Section 5.1. Lessor may revoke the rights granted to Lessee under this Section 5.6 at any time during the Term upon thirty (30) days written notice to Lessee.

6. Insurance and Indemnification.

6.1 Lessee shall be entitled by Lessor to self-insure, and at all times be liable during the Term and any extension thereof for any and all casualty to the Premises at Lessee's own cost and expense comparable to an "All Risks" policy covering the property and the Facility and improvements on the Premises for such full replacement value, including providing self-insurance coverage which covers loss or damage by water, flood, wind and sprinkler damage, fire and casualty for the full amount of such loss. Lessee shall provide a certificate of coverage to Lessor and Lessor's mortgagee upon the execution of this Lease. In lieu thereof, Lessee shall obtain and maintain in force at all times during the Term and any extension thereof, at its own cost and expense an "All Risks" policy of property insurance covering all property, including the Facility and Improvements on the Premises, to the extent of the full replacement value thereof, including without limitation coverage for loss or damage by water, flood, wind and sprinkler damage, fire and casualty with extended coverage endorsements. Lessee's liability is governed by the

Idaho Tort Claims Act, chapter 9, Title 6, Idaho Code. Per Idaho Code § 6-926, the University's liability is limited to \$500,000 per occurrence or accident. The University provides liability coverage through a self-funded program administered by the Idaho Bureau of Risk Management. Lessee shall furnish certificates of coverage, both for the property and liability coverage previously described, to Lessor.

Notwithstanding the foregoing, Lessor shall be entitled to have in place liability insurance and other insurance meeting the requirements above which costs shall be paid by Lessee and shall be in addition to any such insurance placed by Lessee or for which Lessee has self-insured.

6.2 Lessee agrees that Lessor shall not be liable for and hereby waives any Claims against Lessor on account of any loss or damage to Lessee, to the extent that such loss or damage is self-insured by Lessee or covered by insurance carried by Lessee pursuant to this Section 6 or by Lessor.

6.3 Each party shall be responsible only for the acts, omissions or negligence of such party and such party's own employees and agents. Nothing in this Agreement shall extend the tort responsibility or liability of the Lessee beyond that required by law, including the Idaho Tort Claims Act, Idaho Code section 6-901, *et. seq.* Lessee shall be responsible for damage to the property of Lessor caused by Lessee and Lessee's employees, agents, and students in the performance of this Agreement. If Lessee's liability for a property claim or damage is not covered by the University's self-insurance or other property coverage, the University shall pay the costs arising from such claim or damage to the extent funds are legally available therefor.

7. Additional Covenants of Lessor.

7.1 Lessor shall comply with the terms and provisions of each Fee Mortgage.

7.2 Lessor shall at all times cooperate, at Lessee's sole cost and expense, in all reasonable respects and take all actions necessary on its part to obtain and maintain in full force and effect all waivers, licenses, permits and governmental approvals, which may be necessary to permit Lessee to lease the Premises and operate the Facility for the Permitted Use; provided nothing herein shall require Lessor to take any action that would materially increase Lessor's obligations or liabilities hereunder, unless the same are fully assumed and paid by Lessee, or that would materially decrease Lessor's rights hereunder, unless the same are fully compensated by Lessee.

7.3 Lessor and Lessee shall promptly notify each other in writing of any written notice received by the other during the Term to the effect that (i) all or any part of the Premises is in material violation of any Applicable Law or in violation of any covenant of any Permitted Encumbrance, (ii) there exists any condition or event pertaining to the Premises, which after notice or lapse of time, or both, would be held to so violate or give rise to any such violation, (iii) there is any material violation or alleged or threatened violation of any federal, state, or local environmental laws, rules, standards or regulations, including, with limitation, those related to waste-management, air pollution control, waste-water treatment or noise abatement, or (iv) there are any substances or conditions in or on the Premises which may support a claim or cause of action under such environmental laws, rules, standards or regulations.

7.3.1 Lessee shall be responsible for obtaining any planning and zoning permits, certificates or other governmental approvals for its use of the Premises for its intended use at Lessee's sole cost. Lessor agrees to cooperate with Lessee in any such applications, provided it does not result in any expense or cost to Lessor.

8. Possession and Quiet Enjoyment. Lessee shall have the exclusive possession and control of the Premises during the Term of this Lease and upon its termination, Lessee shall return the Premises to Lessor in as good condition as delivered to Lessee, reasonable wear and tear excepted. Lessor agrees that Lessee, upon paying the rent and performing the covenants, terms, and conditions of this Lease required by the Lessee to be kept and performed, may quietly have, hold, and enjoy the Premises during the Term hereof.

9. Alterations and Additions.

9.1 Subject to the terms of any Fee Mortgage, Lessee may make any changes or alterations in or to the Improvements, and may erect and build any and all additions to the Improvements or erect any new Improvements upon the Premises which it desires, provided:

(a) Any such change, alteration, addition or replacement, the estimated cost of which shall exceed the Threshold Amount, shall not be commenced without, as a condition precedent, Lessee obtaining prior written approval from Lessor (which approval shall not be unreasonably withheld or delayed) and after Lessee has furnished to Lessor, and to the Fee Mortgagee if required by the Fee Mortgage, plans and specifications for such improvement, repair, addition or replacement;

(b) Lessee shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction;

(c) Any change or alteration or addition or replacement, the estimated cost of which shall exceed the Threshold Amount shall be conducted under the supervision of an architect or engineer selected by Lessee and approved in writing by Lessor (which approval shall not be unreasonably withheld or delayed) and, if required, by the Fee Mortgagee, and no such change or alteration shall be made except in accordance with detailed plans and specifications and cost estimates prepared and approved in writing by such architect or engineer;

(d) The change or alteration shall, when completed, be of such a character as not to reduce the value of the Improvements below their value immediately before such change or alteration, and such change or alteration shall be consistent with the quality and appearances of the Premises;

(e) Subject to Idaho law applicable to Lessee, general liability insurance and workmen's compensation insurance or permissible self-coverage for the mutual benefit of Lessee and Lessor against claims for bodily injury, death or property damage shall be in place before work is commenced and maintained by Lessee at Lessee's sole cost and expense at all times when any work is in process in connection with any change or alteration; and

(f) In making any change or alteration, as provided in this Section 9, Lessee agrees that:

(i) Lessee will at all times fully comply and continue to comply with the foregoing conditions;

(ii) Any such change or alteration shall be made in good and workmanlike manner, shall be at least equal in quality and class to the original work, and shall be in compliance with all Applicable Laws; and

(iii) The cost of any such change or alteration, including but not limited to all insurance premiums, labor and material, shall be paid by Lessee so that the Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Premises or for any other item or matter in connection with the making of said alteration or repair.

9.2 Upon written request of Lessee, but at Lessee's sole cost and expense, Lessor shall join in Lessee's application for any building permit, plan review or license required in connection with such alteration and/or addition to the Improvements and, subject to the prior written consent of the Fee Mortgagee, if required, shall grant such utility easements as may be reasonably required in connection therewith; provided nothing herein shall require Lessor to take any action that would increase Lessor's obligations and liabilities hereunder, unless the same are fully assumed and paid by Lessee, or that would decrease Lessor's rights hereunder, unless the same are fully compensated by Lessee.

9.3 Notwithstanding any other provisions set forth in this Lease, if this Lease terminates then any and all Improvements installed by Lessee shall become the property of Lessor without any claim for reimbursement from Lessee.

10. Trade Fixtures. Any trade fixtures, equipment, or other personal property installed in the Premises by Lessee and not affixed to the walls, ceiling, floors, or other part thereof, shall remain the property of Lessee. Those trade fixtures or equipment which must necessarily be affixed to the walls, ceiling, floors, or other part of the Premises in such manner that damage thereto will result from the installation or removal thereof, shall not be installed without the prior written consent and approval of the manner of installation by Lessor (which consent and approval shall not be unreasonably withheld or delayed). Provided however, that if the cost to purchase and install the trade fixtures or equipment is less than \$100,000, Lessee need not obtain written consent or approval from the Lessor. If so installed, Lessee shall have the right to remove such trade fixtures and equipment, provided that Lessee shall, at the time of any such removal, repair any damage to the Premises in a good and workmanlike manner and restore the Premises back to its prior condition as when the Lease commenced unless waived by Lessor.

11. Inspection. Lessor shall have the right to enter upon the Premises at reasonable times and at reasonable intervals for the purpose of inspecting the condition thereof and showing the Premises to prospective tenants or purchasers.

12. Laws and Ordinances. Lessee shall not do nor permit to be done in the Premises anything that would be illegal or unlawful under any applicable local ordinances, the laws of the State of Idaho or the United States of America.

13. Lessee's Permitted Use. The Lessee shall only use and occupy the Premises for the conduct of its business consisting of those uses directly related to the mission of Lessee and for no other purpose (the "Business").

14. Damage or Destruction of the Premises. If, during the Term and any extension thereof, the Premises and/or the Improvements shall be destroyed or damaged in whole or in part by fire or other cause whether or not within the reasonable control of Lessee, Lessee shall promptly repair, replace and rebuild the same with buildings, structures, improvements and equipment of equal or better character, quality and condition than existed immediately prior to such occurrence. Lessee's obligation to repair, replace or rebuild shall not be limited to the amount of any net insurance proceeds made available to Lessee plus the amount of any deductible under such insurance, and any other funds that Lessor may (but shall not be obligated to) contribute for such purpose. To the extent the Premises cannot be occupied in whole following the casualty, Lessee shall continue to pay the Base Rent and all other charges due hereunder.

15. Condemnation.

15.1 Upon the taking of all of the Premises or any part thereof which materially and adversely affects the operation of the Facility or by condemnation or other eminent domain proceedings (or by conveyance in lieu thereof), at Lessee's option exercised by giving written notice to Lessor no later than the date of vesting of title in such taking (which date is hereinafter referred to as the "Date of Taking"), this Lease and the Term shall terminate and expire as of the Date of Taking, in which case the obligations and liabilities of Lessee under this Lease which have accrued on or prior to the Date of Taking, and the Base Rent provided in this Lease to be paid by Lessee, shall be apportioned and paid by Lessee through the Date of Taking, and all other rights and obligations of Lessee hereunder shall expire and terminate as of the Date of Taking.

15.2 Subject to Section 15.3 below, if at any time while Lessor is the fee owner of the Premises, the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain (or by conveyance in lieu thereof), Lessor shall be entitled to and shall receive any and all awards and payments that may be made in any such proceeding attributable to Lessor's interest in the Premises. Any award of payment that may be made in any such proceeding, after deducting the reasonable cost and expense

incurred in connection with the establishment and collection of such award or payment, is herein called the "Net Award". Notwithstanding anything else in this Section 15, Lessee may claim and recover from the condemning authority a separate award for the value of Lessee's leasehold interest, Lessee's moving expenses, and business dislocation damages, and any other award that would not reduce the award payable to Lessor. Each party shall seek its own award, as limited by this Section 15, at its own expense, and neither shall have any right to the award made to the other.

15.3 If a portion of the Premises shall be taken in or by condemnation or other eminent domain proceedings (or by conveyance in lieu thereof), and this Lease shall not be terminated in accordance with the provisions of Section 15.1, Lessee shall after any such partial taking, use the Net Award to promptly and diligently commence and complete the restoration work for the Premises as nearly as practicable to the condition which existed immediately prior to such partial taking, subject to any requirements of the Fee Mortgagee with respect to the use and disbursement of the Net Award. If the Net Award is greater than the Threshold Amount and if there are no requirements in any Fee Mortgage with respect to the use and disbursement of the Net Award, at Lessor's election, the Net Award will be held and disbursed to Lessor. Lessee's obligation to undertake any restoration work shall be limited to and subject to Lessee's receipt of the amount of the Net Award allocable thereto and any other funds that Lessor may (but shall not be obligated to) contribute for such purpose.

16. Assignment and Sublease. Except as otherwise provided in this Section 16, as long as no Default has occurred and is then continuing, Lessee may assign or sublease this Lease or any of Lessee's interest hereunder to a Permitted Assignee without obtaining Lessor's consent, upon ninety (90) days written notice. In all other cases, Lessor shall be entitled to withhold its consent to any such proposed assignment or sublease in Lessor's sole and absolute discretion. Each Permitted Assignee or other assignee, as the case may be, shall agree in writing for the benefit of Lessor to assume, to be bound by, and to perform the terms, covenants and conditions of this Lease to be done, kept and performed by Lessee. Lessee shall at all times remain liable for the full and complete performance of the terms of this Lease notwithstanding any assignment or sublease.

17. Fee Mortgages.

17.1 As of the Effective Date the Premises may be encumbered with one or more Fee Mortgages (as the same may be hereafter amended, modified, renewed, extended, consolidated or replaced).

17.2 Lessor and Lessee shall execute and Lessor shall use its best efforts to cause each Fee Mortgagee holding a Fee Mortgage that now or hereafter encumbers the Premises (as the same may be hereafter amended, modified, renewed, extended, consolidated or replaced) to execute and record in the Official Records of Ada County ("Official Records") a subordination, non-disturbance and attornment agreement substantially in the form of Exhibit B (a "Qualifying Non-Disturbance Agreement"), which is incorporated herein by this reference, or such form as required by Lessor's Fee Mortgagee, within thirty (30) days following the recording of the Fee Mortgage in the Official Records.

17.3 Subject to the provisions of Section 17.2:

(a) Lessee, for itself and its successors and assigns, agrees that this Lease and the rights of Lessee hereunder shall be and are hereby expressly made subject to and subordinate at all times to each Fee Mortgage now or hereafter existing and to all amendments, modifications, renewals, extensions, consolidations and replacements of each of the foregoing, and to all advances made or hereafter to be made upon the security thereof; and

(b) Such subordination shall be automatic and shall require no further action by Lessor or Lessee for its effectiveness.

17.4 Notwithstanding anything to the contrary contained herein, any Fee Mortgagee

may subordinate its Fee Mortgage to this Lease by sending Lessee notice in writing subordinating such Fee Mortgage to this Lease, and Lessee agrees to execute and deliver to such Fee Mortgagee an instrument consenting to or confirming the subordination of such Fee Mortgage to this Lease within twenty (20) days of its receipt of such notice.

17.5 In the event any proceedings are brought for the foreclosure of, or in the event of the conveyance by deed in lieu of foreclosure of, or in the event of the power of sale under, any Fee Mortgage, or in the event, subject to Lessee's rights pursuant to the Option Agreement, Lessor sells, conveys or otherwise transfers its interest in the Premises, this Lease shall remain in full force and effect. Lessee agrees to attorn to the new owner and recognize such new owner as the "Lessor" under this Lease. In the event of a voluntary sale, conveyance or transfer of the Premises by Lessor, Lessor agrees to cause the new owner to assume, to be bound by, and to perform the terms, covenants and conditions of this Lease to be done, kept and performed by Lessor, and Lessor shall thereupon be released from all obligations under this Lease.

17.6 Lessee hereby acknowledges and consents to the Permitted Encumbrances as set forth in Exhibit "E" attached hereto and incorporated herein by reference.

18. Default.

18.1 The occurrence of any of the following shall constitute a material default and breach of this Lease by Lessee (a "Default" or an "Event of Default"):

(a) Any failure by Lessee to pay the Base Rent or any other monetary sums required to be paid hereunder, where such failure continues for thirty (30) days after written notice by Lessor to Lessee;

(b) The failure to occupy or the abandonment or vacation of the Premises by Lessee;

(c) A failure by Lessee to observe and perform any other provisions of this Lease to be observed or performed by Lessee, where such failure continues for thirty (30) days after written notice thereof by Lessor to Lessee; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion, but in no event longer than six months, unless otherwise agreed to by the parties;

(d) The filing by or against Lessee of a petition to have Lessee adjudged bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days), the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days, or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days; and/or

(e) The removal or attempt to remove by Lessee the FF&E out of or from the Premises (except in the regular course of trade), without having paid in full all Base Rent that has become due during the term of this Lease, or the execution of other process being levied on the goods of Lessee in and on the Premises that is not within three (3) days thereafter released, or the violation of any other condition of this Lease.

18.2 Remedies. In the event of a Default, Lessor may at any time thereafter, without limiting Lessor in the exercise of any right of remedy at law or in equity which Lessor may have by reason of such default or breach:

(a) Maintain this Lease in full force and effect, and the Lease will continue in effect as long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to collect rent and other amounts from Lessee when due. During the period Lessee is in Default, and to the maximum extent permitted by Applicable Laws, Lessor can require Lessee to vacate the Premises, and at Lessor's option, and Lessor can enter the Premises before or after Lessee has vacated the Premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to Lessor for all costs Lessor incurs in reletting the Premises, including, without limitation, brokers' commissions and attorneys' fees incurred in connection with repossession and reletting of the Premises. Reletting can be for a period shorter or longer than the remaining Term of this Lease. Lessee shall pay to Lessor the rent due under this Lease on the dates the rent is due, less the rent Lessor receives from any reletting. No act by Lessor allowed by this Section 18 shall or shall be deemed to terminate this Lease unless Lessor notifies Lessee in writing that Lessor elects to terminate this Lease. After Lessee's Default and for as long as Lessor does not terminate Lessee's right to possession of the Premises, if Lessee obtains Lessor's consent, Lessee shall have the right to assign or sublet its interest in this Lease, but Lessee shall not be released from liability unless the assignment is to a Permitted Assignee. Lessor's consent to such a proposed assignment or subletting may be withheld in Lessor's sole and absolute discretion. If Lessor elects to relet the Premises as provided herein, rent that Lessor receives from reletting shall be applied to the payment of: first, any indebtedness from Lessee to Lessor other than rent due from Lessee; second, all costs, including for maintenance, incurred by Lessor in reletting; and third, rent due and unpaid under this Lease. After deducting the payments referred to in this Section 18.2(a), any sum remaining from the rent Lessor receives from reletting shall be held by Lessor and applied in payment of future rent as rent becomes due under this Lease. In no event shall Lessee be entitled to any excess rent received by Lessor. If, on the date rent is due under this Lease, the rent received from the reletting is less than the rent due on that date, Lessee shall pay to Lessor, in addition to the remaining rent due, all costs that Lessor incurred in reletting, including for maintenance, that remain after applying the rent received from the reletting as provided in this section.

(b) Terminate Lessee's right to possession by any lawful means and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's Default, including without limitation thereto the following:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that could be reasonably avoided; plus

(iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom including costs and expenses incurred by Lessor in making the Premises ready for a new Lessee; plus

(v) at Lessor's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law of the State where the Premises are located. Upon any such re-entry, Lessor shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Lessor in its sole discretion deems reasonable and necessary. As used in this Lease, the "worth at the time of award" is computed by allowing interest at the rate provided for on past due obligations as provided for herein from the date of Default. The term rent, means the Base Rent to be paid pursuant to Section 3 and all other monetary sums required to be paid by Lessee pursuant to the terms of this Lease.

(vi) in the event of such material Default or breach by Lessee, Lessor may, at its election and subject to the duty to mitigate damages in section 18.3, and without limiting Lessor's other rights and remedies, accelerate the payment of all rent and other monetary sums payable by Lessee for the balance of the term, and upon such elections, such sums shall be immediately due and payable in full. The acceleration of rent and monetary sums due shall be calculated at the present value using a discount rate equal to the Legal Rate of Interest then in effect as determined by the Idaho State Treasurer.

18.3 Duty to Mitigate Damages. Notwithstanding any of the above, regardless of which remedy Lessor chooses to exercise in the event of Lessee's default, Lessor shall have a duty to use commercially reasonable efforts to mitigate damages. At a minimum, without limiting Lessor's full duty to mitigate damages, any damages owed by Lessee shall be reduced by the amount of rent actually received or contracted to be received by the re-leasing of the Premises and Facility.

18.4 Special Damages. In addition to the damages for breach of this Lease described in this Lease, Lessee agrees that Lessor shall be entitled to receive from Lessee any and all costs in connection with Lessee's Default hereunder, including without limitation, administrative costs of Lessor associated with Lessee's default, and/or costs of repairing the Premises for new lessees and leasing commissions for any leasing agent engaged to re-let the Premises.

18.5 Late Charges. Lessee hereby acknowledges that late payment by Lessee to Lessor of Rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which are unknown and will be extremely difficult to ascertain other than such charges and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Rent or any other sums due from Lessee shall not be received by Lessor or Lessor's designee within thirty (30) days after such amount shall be due, Lessee shall pay to Lessor in addition to the late charges incurred by Lessor under any mortgage or deed of trust covering the Premises, a late charge equal to five (5%) percent of the amount(s) past due and additionally all such installments of rent or other sums due shall bear interest at the rate provided for on past due obligations as provided in this Lease from the date the same became due and payable. The parties hereby agree that such late charge represents fair and reasonable estimate of costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the rights and remedies granted hereunder.

18.6 Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to any Fee Mortgagee furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligations; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion, provided, further, that in the event that Lessor has defaulted in the payments of a monetary obligation and Lessee has advanced monies to pay such obligation. Lessor shall pay Lessee interest on such monies advanced at a rate of five percent (5%) per annum from the date the money was advanced by Lessee.

19. Environmental Representations and Warranties. Except as permitted herein, Lessee, its successors and assigns covenant, warrant, and represent that:

19.1 From and after the Commencement Date and throughout the Term, Lessee shall not bring, release, use, generate, manufacture, store or dispose of, or permit to be brought, released, used, generated, manufactured, stored or disposed of, on, under or about the Premises, or transfer or permit to be transferred to or from the Premises, any asbestos, asbestos containing materials, flammable explosives, radioactive materials, hazardous wastes, toxic mold, toxic substances or related materials (collectively "Hazardous Substances"). There is excluded from this prohibition, Hazardous Substances of the type commonly used in operation of the Business, subject to the condition that they are used, stored and disposed of in accordance with all Applicable Laws. As used in this Lease, Hazardous Substances shall

include, but not be limited to, substances defined as “hazardous substances”, “hazardous materials”, or “toxic substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Clean Water Act, 33 U.S.C. Section 466 et seq.; the Safe Drinking and Reauthorization Act of 1986, Public Law 99-499, 100 Stat. 1613; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., as amended; and those materials and substances of a similar nature regulated or restricted under any other laws now existing or hereafter adopted, and in regulations adopted and publications promulgated pursuant to said laws, and under all Applicable Laws in the State of Idaho.

19.2 No asbestos or asbestos-containing materials shall be installed, used, incorporated into, or disposed of on the Premises.

19.3 No polychlorinated Bipheyls (“PCB’s”) shall be installed or incorporated into, or disposed of on the Premises in the form of electrical transformers, fluorescent light fixtures with ballasts, cooling oils, or other devices or forms.

19.4 No underground storage tanks shall be installed on the Premises.

19.5 Lessee’s operations at the Premises shall at all times be in compliance with all applicable federal, state, and local statutes, laws, and regulations.

19.6 Failure to comply with any provision in this Section 19 hereof shall be deemed to be an occurrence of Default under this Lease.

19.7 Lessee shall be liable for all damages and costs from any and all Claims arising during or after the Lease is terminated arising as a result of (i) any Hazardous Substances brought onto and/or released from or onto the Premises by Lessee from the Commencement Date and during the Term of the Lease (excluding migration of Hazardous Substances onto or under the Premises from property lying adjacent to the Premises) and/or (ii) Lessee’s failure to perform any of its obligations under this Section 19. This obligation includes, without limitation, any and all costs incurred because of any investigation of the site or any clean up removal or restoration mandated by federal, state or local agencies or political subdivision or deemed desirable by Lessor.

20. Option to Purchase. Provided Lessee is not in Default under this Lease, Lessee (i) shall have the option to purchase the Premises during the Option Exercise Period (defined in the Option Agreement), and shall have a right of first negotiation to purchase the Premises during the Term and any extension thereof. The terms of the option and the right of first negotiation are set forth in the Option Agreement attached as Exhibit C.

21. Memorandum of Lease. Lessor and Lessee agree to execute concurrently with the execution of this Lease which Lessee may cause to be recorded in the public records of Ada County, Idaho substantially concurrently herewith a memorandum of this Lease substantially in the form of Exhibit D (“Memorandum of Lease/Option Agreement”), which is incorporated herein by this reference. Lessee agrees to execute, deliver and record a memorandum of termination of this Lease upon termination of this Lease in accordance with its terms.

22. Holding Over. If Lessee should remain in possession of the Premises after the expiration of the Term and any extension thereof and without executing a new lease agreement, then such holding over shall be construed as a tenancy from month to month, subject to all the conditions, provisions, and obligations of this Lease insofar as the same may be relevant to the month-to-month tenancy, except that the monthly base rental shall increase to one hundred twenty-five percent (125%) percent of the then existing rent and shall thereafter increase three percent (3%) annually based on the then existing rental amount otherwise due and owing pursuant to the terms of this Lease as of the date of the holding over.

23. Signage. Lessee may place signage in and around the Premises so long as such signage complies with Applicable Laws and Lessee obtains any required permits or governmental approvals in connection therewith. Notwithstanding the foregoing, if Lessee proposes any signage involving a penetration of the roof area, then Lessee shall first obtain the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed, and Lessee agrees to pay the cost of any contractor or technician of Lessor who shall at all times have the right to observe the roof penetration and the installation of the signage.

24. Further Assurances. Each party from time to time shall execute and deliver to the other such additional documents and provide such additional information as such party may reasonably require to carry out the terms of this Lease (including without limitation any change of ownership notices required to be provided under Applicable Laws in connection with Lessee's exercise of any rights contained in the Option Agreement); provided nothing herein shall require either party to take any action that would materially increase that party's obligations or liabilities hereunder, unless the same are fully assumed and paid by the other party, or that would materially decrease either party's rights hereunder, unless the same are fully compensated by the other party.

25. Severability. Whenever possible, each provision of this Lease is to be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability does not affect any other provision or any other jurisdiction, but this Lease is to be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

26. Section Headings. The section headings used in this instrument are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease.

27. Entire Agreement; Amendments and Waivers. This Lease, including the schedules and exhibits hereto, represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Lease signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. This Lease supersedes, terminates, and cancels any and all previous offers, counteroffers, conversations, negotiations, arrangements, leases, agreements, and understandings, whether oral or written, between the parties with respect to the Premises. No action taken pursuant to this Lease, including without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Lease shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. No supplement, modification or waiver of this Lease shall be binding unless executed in writing by the party to be bound thereby.

28. Time. It is agreed that time is of the essence of this Lease. All of the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or in equity.

29. Notices. Any notice provided for by this Lease and other notices between Lessor and Lessee shall be mailed by certified mail with postage prepaid to the parties at the following addresses:

Lessor: Stoddard 501 Building, LLC
Attn: Jeffrey L. Stoddard
28281 Crown Valley Pkwy., Ste. 200
Laguna Niguel, California 92677

With a copy to: Davison, Copple, Copple & Copple, LLP
Attn: Terry C. Copple, Esq.
199 N. Capitol Blvd., Ste. 600
P.O. Box 1583
Boise, Idaho 83701

With a copy to: TOK Commercial
Attn: Property Management Manager
250 S. 5th Street, 2nd Floor
Boise, Idaho 83702

Lessee: Board of Regents of the University of Idaho
Attn: Brian Foisy, Vice President for Finance and Administration
875 Perimeter Drive, MS 3168
Moscow, Idaho 83844-3168
brianfoisy@uidaho.edu

30. Relationship to Parties. This Lease constitutes a lease of real property between Lessor and Lessee and the relationship that exists between the parties hereto is that of Lessor and Lessee. Lessee shall have absolutely no authority to obligate or bind Lessor in any manner whatsoever with regard to the Premises and any attempt by Lessee to do so shall be void. No provision in this venture or other business relationship between Lessor and Lessee other than that of Lessor and Lessee, or cause Lessor or Lessee to be responsible in any manner whatsoever for the debts or obligations of the other party.

31. Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and personal representatives. Nothing in this Lease shall create or be deemed to create any rights as third-party beneficiaries to this Agreement in any Person not a party to this Lease.

32. Choice of Law. The laws of the State of Idaho shall govern the validity, performance, and enforcement of this Lease. Should either of the parties institute legal suit or action for enforcement of any obligation contained herein, it is agreed that the venue of such suit or action shall be in Ada County, Idaho. This Lease was negotiated between the parties and accurately reflects their negotiated agreement and, thus, shall not be construed either for or against the Lessor or Lessee, but shall be interpreted in accordance with the general tenor of the language contained in this Lease.

33. Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall constitute a complete and original instrument but all of which together shall constitute one and the same agreement (notwithstanding that all of the parties are not signatories to the original or the same counterpart, or that signature pages from different counterparts are combined), and it shall not be necessary when making proof of this Lease or any counterpart thereof to account for any other counterpart, and the signature of any party to any counterpart shall be deemed to be a signature to and may be appended to any other counterpart. For purposes of this Lease, a document (or signature page thereto) signed, electronically scanned and transmitted by facsimile machine or email is to be treated as an original document. The signature of any party on any such document, for purposes hereof and thereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. No party may raise the use of a facsimile machine or other electronic means or the fact that any signature was transmitted through the use

of a facsimile machine or other electronic means as a defense to the enforcement of this Lease.

34. Appropriations. The Lessee's obligations and liabilities hereunder are subject to the appropriation of funds from the State of Idaho, which appropriation shall be in the State of Idaho's sole discretion, from revenues legally available to the University for the ensuing fiscal year for the purposes of this Agreement.

35. Intentionally Omitted. **36. Parking.** The parties agree that Lessee shall provide its own parking for its faculty, staff, and students at the sole cost of Lessee

37. Interest. Any amount due hereunder between the parties not paid when due shall accrue interest at eighteen percent (18%) per annum.

38. Uses Prohibited. Lessee shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with the law, statutes, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Lessee shall at its sole cost and expense promptly comply with all applicable laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not relating to or affecting the condition, or not related or afforded by Lessee's improvements or acts. The judgment of any court or competent jurisdiction or the admission of Lessee in any action against Lessee, whether Lessor be a party thereto or not, that Lessee has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Lessor and Lessee.

39. Transfer of Lessor's Interest. In the event of a sale or conveyance by Lessor of Lessor's interest in the Premises, other than a transfer for security purposes only, Lessor shall be relieved from and after the date specified in any such notice of transfer of all obligations and liabilities accruing thereafter on the part of the Lessor, provided that any funds in the hands of Lessor at the time of transfer in which Lessee has an interest shall be delivered to the successor of Lessor. This Lease shall not be affected by any such sale and Lessee agrees to attorn to the purchaser or assignee provided all Lessor's obligations hereunder are assumed in writing by the transferee. Upon the sale of the Premises, Lessee upon notice of any such transfer, shall change the named insured in the certificate of coverage of Lessor or insurance policies described herein to the new Lessor.

40. Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, pandemic, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage except the obligations imposed with regard to Base Rent and other charges to be paid by Lessee pursuant to this Lease.

41. Non-Discrimination and Affirmative Action. Lessor and Lessee 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. Lessor and Lessee 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, the Lessor and Lessee agree to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including: 1) 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). 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); 2) 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): 3) 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); and 4) For nondiscrimination based on Age this includes, but is not limited to, Executive Order 11141, February 12, 1964 (29 CFR 2477). Lessor and Lessee 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.

[Remainder of page intentionally left blank; signature page follows]

[Signature Page to Lease Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

LESSOR: STODDARD 501 BUILDING, LLC,
an Idaho limited liability company

By: _____
Jeffry L. Stoddard, its Manager

LESSEE: BOARD OF REGENTS OF THE UNIVERSITY IDAHO,
a body politic and corporate organized and existing
under the constitution and laws of the State of Idaho

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

The Board of Regents of the University of Idaho approved
the execution of this agreement at a meeting on the ____
day of _____, 2021.

EXHIBIT A-1**Premises**

A parcel of land being a portion of Block 13 of Davis Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 93, Records of Ada County, Idaho, and a portion of the Southwest Quarter of the Northeast Quarter of Section 10, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho, more particularly described as follows:

Commencing at a found aluminum cap monumenting the centerline intersection of South Sixth and West Broad Street;

Thence South $54^{\circ}47'05''$ East, 40.00 feet along the centerline of said Broad Street to a point;

Thence leaving said centerline North $35^{\circ}13'17''$ East, a distance of 40.00 feet to a point being the most Westerly corner of Lot 7 in Block 13 of Davis Addition to the City of Boise;

Thence South $54^{\circ}47'05''$ East, 141.86 feet along the Northeasterly right of way line of said Broad Street, said point being the TRUE POINT OF BEGINNING;

Thence leaving said right of way line North $35^{\circ}15'51''$ East, 215.14 feet along the Southeasterly line of Lots 7 through 12 and the Northerly extension thereof, to a point on the Southwesterly right of way line of West Front Street;

Thence along said Southwesterly right of way line, 159.78 feet along the arc of a curve to the right, said curve having a radius of 5360.00 feet, a central angle of $1^{\circ}42'29''$, and a long chord bearing South $46^{\circ}32'00''$ East, 159.77 feet to a point of intersection with the Northwesterly right of way line of South Fifth Street;

Thence South $35^{\circ}15'06''$ West 192.21 feet along the Northwesterly right of way line of South Fifth Street to a point;

Thence leaving said Northwesterly right of way line North $54^{\circ}47'05''$ West, 158.18 feet along the Northeasterly right of way line of said Broad Street to the POINT OF BEGINNING.

EXHIBIT A-2

Furniture, Fixtures and Equipment

[TO BE ADDED PRIOR TO EXECUTION OF LEASE]

EXHIBIT B

Form of Qualifying Non-Disturbance Agreement

[See Attached]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Terry C. Copple, Esq.
Davison, Copple, Copple & Copple, LLP
P.O. Box 1583
Boise, Idaho 83701

SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT (this "Agreement") is made and entered into this ____ day of _____, 2021, by and among **STODDARD 501 BUILDING, LLC, an Idaho limited liability company** (hereinafter referred to as "Lessor"), **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** (hereinafter referred to as "Lessee"), and [_____] (hereinafter referred to as "Lender").

RECITALS:

A. Lender has made or is about to make one or more loans to Lessor, secured by a deed of trust or mortgage (the "Mortgage") covering the land situated in Boise Idaho, more particularly described on Exhibit A attached hereto and made a part hereof, together with the improvements now or hereafter erected thereon (said land and improvements to be constructed thereon being hereinafter collectively referred to as the "Real Property").

B. Pursuant to that certain Lease Agreement dated as of _____, 2021, by and between Lessor and Lessee (such lease and all amendments, extensions and renewals thereto are hereinafter called the "Lease"), Lessor leased the Real Property to Lessee. A memorandum of the Lease ("Lease Memorandum") was recorded on _____, 2021 as Instrument No. _____ in the Official Records of Ada County, Idaho ("Official Records").

C. In connection with the execution of the Lease, Lessor and Lessee also executed that certain Option Agreement dated as of _____, 2021 (the "Option Agreement"), pursuant to which Lessor granted to Lessee an option to purchase the Real Property and first right to negotiate a purchase of the Real Property as more particularly described therein (collectively, the "Options"), subject to the limitation set forth in Section 20 of the Lease. A memorandum of the Option Agreement was recorded in the Official Records on _____, 2021 as Instrument No. _____ (the "Option Memorandum").

D. Lender has required that Lessee certify and confirm certain matters about the Lease to Lender and subordinate the Lease, the Option Agreement and the liens of the Lease Memorandum and Option Memorandum (collectively, the "Lessee's Rights") in all respects to the lien of the Mortgage.

E. As a condition precedent to Lessee's subordinating the Lessee's Rights, Lessee is requiring Lender to agree to not disturb the Lessee's Rights in the event of foreclosure of the Mortgage.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged by each of the parties hereto, Lender and Lessee, intending to be legally bound, hereby agree as follows:

1. No Credit or Offset. As of the date hereof, except as set forth in Schedule I hereto, Lessee is entitled to no credit and no offset or deduction in rent under the Lease and Lessee has no claims or defenses to enforcement of the Lease.

2. Subordination. The Lessee's Rights, including without limitation the leasehold estate created under the Lease and the Options created pursuant to the Option Agreement, are hereby subjected and subordinated and shall remain in all respects and for all purposes subject, subordinate and junior to the lien of the Mortgage.

3. Reliance by Lender. The parties further agree that the disbursement by Lender of all or any substantial part of the indebtedness shall constitute conclusive reliance by Lender upon this instrument and the provisions hereof and the subordination effected hereby.

4. Lessee's Rights Not to Be Disturbed. So long as Lessee is then not in Default (as defined in the Lease) and the term of the Option has not expired, (i) neither the Lease, the Option Agreement or any of the other Lessee's Rights shall be terminated on account of any foreclosure of the Mortgage or proceedings brought in lieu of foreclosure, (ii) Lessee's Rights under the Lease (including but not limited to quiet enjoyment and possession of the Real Property) and Lessee's rights under the Option Agreement (including Lessee's right to exercise the Options created thereby) shall not be diminished, disturbed or interfered with by Lender or any other person or entity taking title to the Real Property on account thereof, and (iii) the Lease, the Option Agreement and the other Lessee's Rights shall specifically survive such foreclosure or acceptance of a deed in lieu thereof.

5. Lessee to Attorn to the Successor. If the interests of Lessor shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any other manner, and Lender or any other person or entity taking title to the Real Property on account thereof (a "Successor") succeeds to the interest of the Lessor under the Lease, Lessee shall be bound to the Successor under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof with the same force and effect as the Successor were the lessor under the Lease; and Lessee shall attorn to the Successor, as its lessor, said attornment to be effective and self-operative immediately upon the Successor sending written notice to Lessee advising that the Successor has succeeded to the interest of Lessor in the Real Property without the execution of any further instruments on the part of any of the parties hereto. Except in the event of breach by Lessor under the Mortgage and notice thereof from the Successor, and without affecting the Lender's security interest in rent due under the Lease, Lessee shall be under no obligation to pay rent to the Successor until Lessee receives written notice from the Successor that it has succeeded to the interest of Lessor under the Lease. The respective rights and obligations of Lessee and the Successor upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth in length herein.

6. Lender and Successor Not Bound by Certain Acts of the Lessor. If Lender or a Successor shall succeed to the interest of Lessor under the Lease, Lender and the Successor shall not (a) be liable for any act or omission of any landlord (including Lessor) occurring prior to the Lender's or Successor's succession (other than continuing breaches by the lessor); (b) be subject to any offsets or defenses which Lessee might have against lessor (including Lessor) arising prior to Lender's or Successor's succession (other than by reason of any continuing breaches by the Lessor); (c) be bound by any security deposits (unless actually turned over to Lender or the Successor) or by any rent or additional rent which Lessee might have paid for more than one month in advance (excluding the amount of any replacement reserve funded by Lessee); nor (d) be bound by any amendment or modification of the Lease or any release from liability of any party liable for the obligations of Lessee under the Lease made after the date of this Agreement without Lender's or the Successor's consent.

7. Notice and Cure of Lessor's Breach. No notice by Lessee to Lessor under the Lease shall be binding on Lender unless a copy thereof is sent to Lender. Lessee agrees to send Lender a copy of any notice relating to a breach under the Lease at the same time any such notice is sent to Lessor. Lessee agrees that if any such notice relates to the breach by Lessor under the Lease, then Lender at its

sole option and without obligation so to do, may cure any such breach within a reasonable period, but in no event less than any period of time as would be available to Lessor, but measured from the date that Lessee delivers a copy of such notice to Lender.

8. No Modification. No modification, amendment, or release or any provisions of this Agreement, or of any right, obligation, claim, or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and executed by the party against whom the same is sought to be asserted.

9. Reserves. Notwithstanding anything to the contrary contained or in any loan document executed in favor of Lender in connection with the indebtedness secured by the Mortgage (the "Obligations"), Lender agrees that any payments made by Lessee directly to Lender and escrowed by Lender for the payment of real property Taxes (as identified and defined in the Lease), insurance, deferred maintenance and replacements shall not be applied against the Obligations (regardless of whether Lessor is in default under any such loan document and regardless of whether or not Lender or a Successor shall have taken title to the Real Property by foreclosure or acceptance of a deed in lieu thereof) and Lender shall make all such escrowed proceeds available for disbursement for the purposes for which such proceeds were initially escrowed.

10. Notices. All notices required to be given hereunder shall be given in writing to the appropriate party or parties at the following addresses:

To Lessor:

STODDARD 501 BUILDING, LLC
Attn: Jeffrey L. Stoddard
28281 Crown Valley Pkwy., Ste. 200
Laguna Niguel, California 92677

With a copy to:

DAVISON, COPPLE, COPPLE & COPPLE, LLP
Attn: Terry C. Copple, Esq.
199 N. Capitol Blvd., Ste. 600
P.O. Box 1583
Boise, Idaho 83701

With a copy to :

TOK COMMERCIAL
Attn: Property Management Manager
250 S. 5th Street, 2nd Floor
Boise, Idaho 83702

To Lessee:

BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO
Regents of the University of Idaho
Attn: Brian Foisy, Vice President for Finance and Administration
875 Perimeter Drive, MS 3168
Moscow, Idaho 83844-3168
brianfoisy@uidaho.edu

or at such other place as such party may designate in writing to the other party. All notices shall be deemed

to have been delivered (a) upon delivery if hand-delivered, (b) on the next business day after deposit with a recognized overnight courier, or (c) on the date shown on the return receipt if delivered by registered mail, return receipt requested.

11. Lessor's Consent. Lessor is joining herein solely for the purpose of consenting to the terms and conditions of this Agreement and agreeing that Lessee may rely upon any and all notices from Lender relating to the rights of Lender hereunder and under the Mortgage.

12. Successors and Assigns. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, administrators, representatives, successors and assigns, including without limitation each and every holder of the lessor's or the lessee's interest in the Lease, including purchasers at a foreclosure sale and any other person having an interest therein.

13. Choice of Law. This Agreement shall be constructed and enforced according to, and governed by, the laws of the State of Idaho without reference to conflicts of laws provisions which, but for this provision, would require the application of the law of any other jurisdiction.

14. Captions and Headings. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

15. Counterparts. This Agreement may be executed in any number of counterparts for the convenience of the parties, all of which, when taken together and after execution by all parties hereto, shall constitute one and the same Agreement.

[Remainder of page intentionally left blank; signature page follows]

[Signature Pages to Subordination, Non-Disturbance and Attornment Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Subordination, Non-Disturbance and Attornment Agreement the day and year first above written.

LESSOR: STODDARD 501 BUILDING, LLC,
an Idaho limited liability company

By: _____
Jeffrey L. Stoddard, its Manager

LESSEE: BOARD OF REGENTS OF THE UNIVERSITY IDAHO,
a body politic and corporate organized and existing under the
constitution and laws of the State of Idaho

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

The Board of Regents of the University of Idaho approved the
execution of this agreement at a meeting on the ____ day of
_____, 2021.

LENDER: [_____]

By: _____
Name:
Title

STATE OF _____)
COUNTY OF _____) ss

This record was acknowledged before me on _____, 2021, by Jeffry L. Stoddard, as the Manager of Stoddard 501 Building, LLC.

Signature of notary public
My commission expires: _____

STATE OF IDAHO)
) ss
COUNTY OF _____)

 This record was acknowledged before me on _____, 2021, by Brian Foisy as the Vice President for Finance and Administration of the Board of Regents of the University of Idaho.

Signature of notary public
My commission expires: _____

STATE OF IDAHO)
) ss
COUNTY OF _____)

 This record was acknowledged before me on _____, 2021, by _____
as the _____ of _____.

Signature of notary public
My commission expires: _____

EXHIBIT A

To Subordination, Nondisturbance and Attornment Agreement

[Real Property Description]

Premises

A parcel of land being a portion of Block 13 of Davis Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 93, Records of Ada County, Idaho, and a portion of the Southwest Quarter of the Northeast Quarter of Section 10, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho, more particularly described as follows:

Commencing at a found aluminum cap monumenting the centerline intersection of South Sixth and West Broad Street;

Thence South 54°47'05" East, 40.00 feet along the centerline of said Broad Street to a point;

Thence leaving said centerline North 35°13'17" East, a distance of 40.00 feet to a point being the most Westerly corner of Lot 7 in Block 13 of Davis Addition to the City of Boise;

Thence South 54°47'05" East, 141.86 feet along the Northeasterly right of way line of said Broad Street, said point being the TRUE POINT OF BEGINNING;

Thence leaving said right of way line North 35°15'51" East, 215.14 feet along the Southeasterly line of Lots 7 through 12 and the Northerly extension thereof, to a point on the Southwesterly right of way line of West Front Street;

Thence along said Southwesterly right of way line, 159.78 feet along the arc of a curve to the right, said curve having a radius of 5360.00 feet, a central angle of 1°42'29", and a long chord bearing South 46°32'00" East, 159.77 feet to a point of intersection with the Northwesterly right of way line of South Fifth Street;

Thence South 35°15'06" West 192.21 feet along the Northwesterly right of way line of South Fifth Street to a point;

Thence leaving said Northwesterly right of way line North 54°47'05" West, 158.18 feet along the Northeasterly right of way line of said Broad Street to the POINT OF BEGINNING.

SCHEDULE I

To Subordination, Nondisturbance and Attornment Agreement

None.

EXHIBIT C

Form of Option Agreement

[See Attached]

OPTION AND RIGHT OF FIRST NEGOTIATION AGREEMENT

THIS OPTION AND RIGHT OF FIRST NEGOTIATION AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2021, by and between **STODDARD 501 BUILDING, LLC, an Idaho limited liability company** (hereinafter referred to as "Owner"), **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** (hereinafter referred to as "Optionee")

RECITALS:

A. Owner and Optionee have executed a lease of even date herewith (the "Lease"). The Lease covers certain property owned by Owner and leased to Optionee as follows:

1.1. The real property located at 501 West Front Street, in Boise Idaho, which is more particularly described on the attached Exhibit A (the "Land").

1.2. The current building containing certain leased furniture, fixtures and equipment on or about the Land. (the "Facility").

1.3. Any and all other improvements erected on or about the Land, all replacements thereof, all new or additional buildings erected on the Land, and all alterations, additions and improvements made to the Facility or such buildings during the term of the Lease (the "Improvements").

1.4. The Land, Facility and Improvements are referred to hereinafter as the "Premises."

B. Optionee is willing to enter into the Lease provided, among other things, that Optionee receives this Option and Right of First Negotiation Agreement to purchase the Premises as set forth herein, and subject to the terms of the Lease.

C. Capitalized terms used herein and not defined shall have the meaning set forth in the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby mutually covenant and agree as follows:

1. Incorporation of Recitals. The recitals are incorporated into this Agreement.

2. Loss of Option. The option set forth in Section 3 below is subject to forfeiture in accordance with Section 20 of the Lease.

3. Optionee's Option Right. Subject to Section 2 above, Optionee shall have the option (the "Option") to purchase the Premises from Owner at the Purchase Price (defined in Section 4 below), on each fifth anniversary date of the Lease and upon the expiration of the Term (the "Option Exercise Period"). The Option shall be exercised by Optionee giving written notice of its intent to exercise to Owner no later than five months prior to the Option Exercise Period ("Exercise Notice"). The Exercise Notice shall include a statement of the anticipated date (the "Closing Date") of the closing of the Optionee's purchase of the Premises (the "Closing"), which date shall be no more than sixty days (60) days after the Option Exercise Period. By giving the Exercise Notice, the Option shall be deemed to be automatically exercised as of the applicable anniversary date.

4. Purchase Price.

(a) The "Purchase Price" of the Premises purchased pursuant to the Option at the time of the first five (5) year Option Exercise Period shall be the greater of (a) Eleven Million and 00/100 Dollars (\$11,000,000.00), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice

(excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee (the "Option Price"). The cost of the appraiser shall be equally divided between Lessor and Lessee. If a party elects not to participate in selecting a mutually selected appraiser within twenty-one (21) days of the request, then the appraiser shall be selected by the party who has requested the appraisal. The Option Price shall be paid in cash on the Closing Date.

(b) At the time of the ten-year option to purchase, the Purchase Price of the Premises pursuant to the Option shall be the greater of (a) twelve million one hundred thousand and 00/100 dollars (\$12,100,000), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice (excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee.

(c) At the time of the fifteen-year option to purchase, the Purchase Price of the Premises pursuant to the Option shall be the greater of (a) thirteen million two hundred thousand and 00/100 dollars (\$13,200,000), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice (excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee.

(d) At the time of the twenty-year option to purchase, the Purchase Price of the Premises pursuant to the Option shall be the greater of (a) fourteen million three hundred thousand and 00/100 dollars (\$14,300,000), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice (excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee.

(e) At the time of the twenty-five-year option to purchase, the Purchase Price of the Premises pursuant to the Option shall be the greater of (a) fifteen million four hundred thousand dollars (\$15,400,000), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice (excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee.

(f) At the time of the thirty-year option to purchase, the Purchase Price of the Premises pursuant to the Option shall be the greater of (a) sixteen million five hundred thousand and 00/100 dollars (\$16,500,000), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice (excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee.

(g) At the time of the one five-year extension period, the Purchase Price of the Premises pursuant to the Option shall be the greater of (a) seventeen million six hundred thousand and 00/100 dollars (\$17,600,000), or (b) 90% of the fair market value of the Premises as of the date of the Exercise Notice (excluding the book value of any Improvements made by Optionee) as determined by an independent real estate appraiser mutually selected by Owner and Optionee.

Notwithstanding the foregoing, if Owner has secured a loan or loans against the Premises, then at the time of the purchase of the Premises by the Optionee, the loan or loans, provided that in the aggregate the outstanding balance does not exceed the Purchase Price and are in the aggregate commercially reasonable, may either be assumed by the Optionee at the Optionee's expense or alternatively, if the loan or loans are to be satisfied at the closing of the purchase, then and in such event, any and all prepayment premiums, lender closing costs, and other lender charges associated with the satisfaction of any secured indebtedness against the Premises shall be paid by the Optionee and not the Owner as part of the closing of the sale. If Owner secures a loan or loans against the Premises at any time, Owner shall ensure the terms of loan allow the Optionee to assume to loan with only customary and reasonable assumption costs should Optionee exercise this option.

5. Right of First Negotiation. If Owner elects in Owner's unrestricted discretion to sell all of its interest in the Land and Facility, then and in such event, Lessor shall give a thirty (30) day notice to Lessee during which time Lessor and Lessee may negotiate if they so elect to determine if the parties can agree on the terms of a contract of sale whereby the Land and Premises shall be sold to Lessee. If the

parties are unable to negotiate a purchase and sale agreement during such thirty-day period of time, then Lessor shall thereafter be entitled to sell the Land and Premises to any other party and on any such terms as the Lessor is able to negotiate with a buyer without prior notice to Lessee. Nothing herein shall compel Lessee or Lessor to buy or sell the real property to the other unless the parties enter into a binding, and definitive written agreement for a sale.

6. No Warranties. Except as otherwise provided in Section 7 below, Owner's sale and transfer of the Premises will be without warranty of any kind, other than the common law and statutory warranties of a grant or a special warranty deed, that contains a warranty of title to ownership of the Premises, and Owner will convey the Premises to Optionee, and Optionee will accept the Premises, in an "AS IS, WHERE IS" condition.

7. Status of Title and Title Insurance. Optionee's obligation to consummate the Closing pursuant to Optionee's exercise of the Option and Closing of the purchase of the Premises shall be subject to Optionee's approval of the status of title to the Premises. Not less than thirty (30) days prior to the Closing Date, Optionee shall obtain a commitment for title insurance ("Commitment") issued by Pioneer Title of Ada County or another reputable title insurance company, licensed to transact a title insurance business in the State of Idaho (the "Title Company") selected by Optionee, relating to the status of fee title of the Premises. Owner shall be obligated to remove from title to the Premises, at or prior to the Closing Date, (collectively, the "Required Removal Exceptions") (a) all Fee Mortgages, (b) all Owner liens encumbering the Premises, and (c) all other exceptions recorded against the Land; other than and expressly excluding (i) those items that are Permitted Encumbrances under the Lease and listed on Exhibit B hereto, (ii) liens and encumbrances arising other than due to Owner's failure to pay moneys due and owing, (iii) any exceptions resulting from an act or omission by Optionee, and (iv) encumbrances and liens that Optionee caused to be placed on the Premises. If Optionee elects to close escrow subject to any Required Removal Exceptions, Owner agrees to indemnify, defend and hold harmless Optionee from and against any and all Claims (as defined in the Lease) resulting from Owner's failure to remove any Required Removal Exceptions by the Closing Date. The Lease and all rights and obligations of Owner and Optionee pursuant to the Lease will terminate on the Closing Date. At Closing, Optionee, at its option and expense, may obtain a title insurance policy with reasonable endorsements requested by Optionee or its lender with respect to the Premises at no cost to Lessor.

8. Survey. Optionee, at its option and expense, may obtain an ALTA/ASCM certified survey of the Premises (the "Survey") prepared by a surveyor licensed under the laws of Idaho, giving the legal description of the Land and the acreage contained and certified to Optionee. The Survey shall show the location of boundaries and any encroachments. In the event the Survey discloses any matters reasonably objectionable to Optionee and Owner fails to cure such objections prior to the Closing Date, Optionee may elect not to close escrow by delivery of written notice to Owner on or before the Closing Date and this Lease shall continue in full force and effect.

9. Closing Procedure. On or before Closing Date, the parties shall authorize files to be opened at the office of the Title Company or at such other title company mutually acceptable to Owner and Optionee ("Closing Agent"), for the purpose of carrying out the provisions of this Agreement. The parties agree that no funds will be disbursed to Owner until the Closing Agent has recorded all applicable documents and instruments.

(a) On or before the Closing Date, Owner will deposit with the Closing Agent the following documents:

(i) A grant or a special warranty deed covering the real property comprising the Premises, fully executed and acknowledged in recordable form sufficient to convey the fee title to such real property to the Optionee;

(ii) An executed copy of a closing statement for the transaction;

(iii) Any other documents or instruments reasonably necessary or appropriate

as may be required by the Title Company or the Closing Agent; and

(iv) Copies of all permits, entitlements, building plans, warranties, surveys (ALTA or environmental), zoning reports and conditional use permits related to the premises, to the extent the same exist and are in Owner's possession.

(b) On or before the Closing date, Optionee or Optionee's lender shall deposit with Closing Agent the following:

- (i) The Option Price and other amounts due as set forth above;
- (ii) Optionee's share of the costs and charges pursuant to Section 10 below and the prorations pursuant to Section 10 below;
- (iii) An executed copy of a closing statement for the transaction; and
- (iv) Any other documents or instruments reasonably necessary or appropriate as may be required by the Title Company or the Closing Agent.

10. Allocation of Closing Costs. Owner and Optionee shall equally share the cost of any real property transfer taxes, if any, assessed as a result of the sale of the Premises. Optionee, at its option and expense, may obtain a title insurance policy and endorsements with respect to the real property comprising the Premises. Owner shall pay the costs of obtaining and recording all curative instruments and Optionee shall pay all the costs of recording the deed and other documents of transfer. Except for costs and charges that are specifically allocated to one party or the other herein, Optionee and Owner each shall pay an equal portion of the costs and charges that are normally charged under existing closing practices in the State of Idaho.

11. Prorations. Any county ad valorem real and personal property taxes shall be prorated as of the Closing Date; provided, however, nothing contained herein shall relieve Optionee of its obligations to pay such taxes pursuant to the Lease. The net balance of the proration, if in favor of Owner, shall be added to the cash required to be paid by the Optionee, prior to the close of the transaction; or, if in favor of the Optionee, shall be deducted from such cash required. Optionee shall also be responsible for the payment of any transfer tax, if any.

12. Brokers' Commissions. Optionee represents that it has not dealt with any agent, broker or similar person with respect to the Lease and this Agreement, and shall pay any commission it may incur in any event. Owner represents that it has not dealt with any agent, broker or similar person with respect to the Lease and this Agreement and shall pay any commission it may incur in any event.

13. Casualty and Condemnation. The risks and responsibilities for a casualty or condemnation of the Premises during the term of the Lease are set forth in the Lease.

14. Exchange. Optionee hereby agrees to cooperate with Owner in effecting a Section 1031 tax-deferred exchange in connection with Owner's sale of the Premises to Optionee (the "Exchange"), provided such cooperation is at no cost, expense or liability to Optionee or delays the Closing. The occurrence of the Exchange is not a condition to Optionee's rights and Owner's obligations in this Agreement.

15. Default. In the event of a party's default of its obligations hereunder, the non-defaulting party shall have the right to require specific performance of the defaulting party's obligations hereunder in addition to all of the non-defaulting party's rights and remedies at law or in equity. The exercise of any right or remedy shall not be exclusive but shall be cumulative of all other rights and remedies.

16. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of

the parties hereto and their respective successors and assigns. Without limiting the foregoing, Optionee may assign this Agreement or any of Optionee's interest hereunder to a Permitted Assignee (as such term is defined in the Lease) without obtaining Owner's consent,

17. Attorney's Fees. In the event of any litigation, arbitration or other legal action between the parties arising out of this Agreement, whether sounding in contract or in tort, the party prevailing in such action shall be entitled to recover from the other party its attorney's fees and costs, including fees and costs incurred upon appeal or in bankruptcy court.

18. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable or unenforceable, such void, voidable or unenforceable term or provision shall not affect any other term or provision of this Agreement, provided the remaining terms of the Agreement are sufficient to provide each of the parties their reasonably expected results from the Agreement.

19. Captions. The article and section headings contained in this Agreement are for purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

20. Governing Law. This Agreement and all matters relating hereto shall be governed by, construed and interpreted in accordance with the laws of the State of Idaho.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute only one instrument.

22. Notices. All notices to be given pursuant to this instrument shall be sufficient if given by personal service, guaranteed overnight delivery service, or mailed postage prepaid, certified or registered mail, return receipt requested, to the parties hereto as set forth below. Any time period provided in the giving of any notice hereunder shall commence, as applicable, upon the date of personal service, the date of delivery by guaranteed overnight delivery service, or five (5) days after mailing certified or registered mail.

To Owner:

STODDARD 501 BUILDING, LLC
Attn: Jeffrey L. Stoddard
28281 Crown Valley Pkwy., Ste. 200
Laguna Niguel, California 92677

With a copy to:

DAVISON, COPPLE, COPPLE & COPPLE, LLP
Attn: Terry C. Copple, Esq.
199 N. Capitol Blvd., Ste. 600
P.O. Box 1583
Boise, Idaho 83701

With a copy to:

TOK COMMERCIAL
Attn: Property Management Manager
250 S. 5th Street, 2nd Floor
Boise, Idaho 83702

To Optionee:

BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO
Regents of the University of Idaho
Attn: Brian Foisy, Vice President for Finance and Administration
875 Perimeter Drive, MS 3168
Moscow, Idaho 83844-3168
brianfoisy@uidaho.edu

Owner and Optionee may change their respective addresses for notices by giving notice of such new address in accordance with this Section.

23. Entire Agreement. This Agreement and the Lease constitute the entire understanding and agreement between the parties hereto and supersedes all prior agreements, representations or understandings between them relating to the subject matter hereof. All preceding agreements relating to the subject matter hereof, whether written or oral, are hereby merged into this Agreement. Notwithstanding the foregoing, the parties have this day entered into the Lease which is not superseded hereby.

24. Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

25. Further Action. The parties hereby agree to execute and deliver such additional documents and to take further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

26. Exhibits. All exhibits which are attached hereto and schedules referred to herein are hereby incorporated herein as though set forth herein at length.

27. Memorandum. Upon execution of this Agreement, Owner and Optionee agree to execute a Memorandum of Option and Right of First Negotiation Agreement in the form of Exhibit C hereto, which shall set forth the Option, but shall not set forth the Purchase Price, and such Memorandum shall be promptly recorded by Optionee in the Ada County Recorder's office. Optionee agrees to cause to be recorded a release of the Memorandum upon the expiration of all rights contained herein, so long as the same are not subject to reinstatement as provided herein.

[Remainder of page intentionally left blank; signature page follows]

[Signature Page to Option Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Subordination, Non-Disturbance and Attornment Agreement the day and year first above written.

OWNER: STODDARD 501 BUILDING, LLC,
an Idaho limited liability company

By: _____
Jeffry L. Stoddard, its Manager

OPTIONEE: BOARD OF REGENTS OF THE UNIVERSITY IDAHO,
a body politic and corporate organized and existing
under the constitution and laws of the State of Idaho

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

The BOARD OF Regents of the University of Idaho
approved the execution of this agreement at a meeting on
the ____ day of _____, 2021.

EXHIBIT A**To Option Agreement****Legal Description of Land**

A parcel of land being a portion of Block 13 of Davis Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 93, Records of Ada County, Idaho, and a portion of the Southwest Quarter of the Northeast Quarter of Section 10, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho, more particularly described as follows:

Commencing at a found aluminum cap monumenting the centerline intersection of South Sixth and West Broad Street;

Thence South $54^{\circ}47'05''$ East, 40.00 feet along the centerline of said Broad Street to a point;

Thence leaving said centerline North $35^{\circ}13'17''$ East, a distance of 40.00 feet to a point being the most Westerly corner of Lot 7 in Block 13 of Davis Addition to the City of Boise;

Thence South $54^{\circ}47'05''$ East, 141.86 feet along the Northeasterly right of way line of said Broad Street, said point being the TRUE POINT OF BEGINNING;

Thence leaving said right of way line North $35^{\circ}15'51''$ East, 215.14 feet along the Southeasterly line of Lots 7 through 12 and the Northerly extension thereof, to a point on the Southwesterly right of way line of West Front Street;

Thence along said Southwesterly right of way line, 159.78 feet along the arc of a curve to the right, said curve having a radius of 5360.00 feet, a central angle of $1^{\circ}42'29''$, and a long chord bearing South $46^{\circ}32'00''$ East, 159.77 feet to a point of intersection with the Northwesterly right of way line of South Fifth Street;

Thence South $35^{\circ}15'06''$ West 192.21 feet along the Northwesterly right of way line of South Fifth Street to a point;

Thence leaving said Northwesterly right of way line North $54^{\circ}47'05''$ West, 158.18 feet along the Northeasterly right of way line of said Broad Street to the POINT OF BEGINNING.

EXHIBIT B

To Option Agreement

Permitted Encumbrances

EXHIBIT C

To Option Agreement

Memorandum of Option Agreement

EXHIBIT D

Form of Memorandum of Lease/Option Agreement

[See Attached]

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Terry C. Copple, Esq.
Davison, Copple, Copple & Copple, LLP
P.O. Box 1583
Boise, Idaho 83701

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE ("Memorandum") dated this ____ day of _____, 2021, by and between **STODDARD 501 BUILDING, LLC, an Idaho limited liability company** (hereinafter referred to as "Lessor"), **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** (hereinafter referred to as "Lessee").

WITNESSETH:

1. For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by Lessee to Lessor and in further consideration of the rents reserved and the covenants and conditions more particularly set forth in that certain Lease between Lessor and Lessee dated _____, 2021 (the "Lease"), the Lessor demised and let unto Lessee and Lessee leased and took from Lessor that certain parcel of land, the improvements and furniture, fixtures, and equipment thereon legally described in Exhibit A attached hereto and made a part hereof (the "Premises"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The term of the Lease shall commence on the "Commencement Date" as defined in the Lease and shall terminate thirty (30) years after the Commencement Date, provided that the term is subject to all of the rental terms, covenants, provisions and conditions contained in the Lease. Lessee has the right to extend the term of the Lease for one (1) additional five (5) year renewal term.

3. There is attached to the Lease an Option Agreement to purchase the Premises according to the terms contained therein, subject to the terms and conditions of the Lease (including without limitation, those set forth in Section 20 of the Lease), a memorandum of which has also been recorded.

4. This Memorandum of Lease is executed in simplified short form solely for the convenience of the parties and for the purpose of recording the same and giving public notice of the existence of this Lease.

5. This Memorandum of Lease shall not have the effect of in any way modifying, supplementing or abridging the Lease or the Option Agreement or any of the provisions as the same are now or may hereafter be in force and effect. In the event of any conflict between the terms of the Lease, the Option Agreement and this Memorandum, the terms set forth in the Lease shall take precedence over those contained in the Option Agreement and this Memorandum.

6. Lessor and Lessee agree to record a release of this Memorandum of Lease of record when the Lease terminates in accordance with its terms.

7. This Memorandum may be executed in counterparts.

DATED the day and year first above written.

LESSOR: STODDARD 501 BUILDING, LLC,
an Idaho limited liability company

By: _____
Jeffry L. Stoddard, its Manager

LESSEE: BOARD OF REGENTS OF THE UNIVERSITY IDAHO,
a body politic and corporate organized and existing
under the constitution and laws of the State of Idaho

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

The Board of Regents of the University of Idaho approved
the execution of this agreement at a meeting on the ____
day of _____, 2021.

STATE OF _____)
COUNTY OF _____) ss

This record was acknowledged before me on _____, 2021, by Jeffry L. Stoddard, as the Manager of Stoddard 501 Building, LLC.

Signature of notary public
My commission expires: _____

STATE OF IDAHO)
) ss
COUNTY OF _____)

 This record was acknowledged before me on _____, 2021, by Brian Foisy as the
Vice President for Finance and Administration of the Board of Regents of the University of Idaho.

Signature of notary public
My commission expires: _____

EXHIBIT A**[Real Property Description]****Premises**

A parcel of land being a portion of Block 13 of Davis Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 93, Records of Ada County, Idaho, and a portion of the Southwest Quarter of the Northeast Quarter of Section 10, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho, more particularly described as follows:

Commencing at a found aluminum cap monumenting the centerline intersection of South Sixth and West Broad Street;

Thence South $54^{\circ}47'05''$ East, 40.00 feet along the centerline of said Broad Street to a point;

Thence leaving said centerline North $35^{\circ}13'17''$ East, a distance of 40.00 feet to a point being the most Westerly corner of Lot 7 in Block 13 of Davis Addition to the City of Boise;

Thence South $54^{\circ}47'05''$ East, 141.86 feet along the Northeasterly right of way line of said Broad Street, said point being the TRUE POINT OF BEGINNING;

Thence leaving said right of way line North $35^{\circ}15'51''$ East, 215.14 feet along the Southeasterly line of Lots 7 through 12 and the Northerly extension thereof, to a point on the Southwesterly right of way line of West Front Street;

Thence along said Southwesterly right of way line, 159.78 feet along the arc of a curve to the right, said curve having a radius of 5360.00 feet, a central angle of $1^{\circ}42'29''$, and a long chord bearing South $46^{\circ}32'00''$ East, 159.77 feet to a point of intersection with the Northwesterly right of way line of South Fifth Street;

Thence South $35^{\circ}15'06''$ West 192.21 feet along the Northwesterly right of way line of South Fifth Street to a point;

Thence leaving said Northwesterly right of way line North $54^{\circ}47'05''$ West, 158.18 feet along the Northeasterly right of way line of said Broad Street to the POINT OF BEGINNING.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Terry C. Copple, Esq.
Davison, Copple, Copple & Copple, LLP
P.O. Box 1583
Boise, Idaho 83701

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT ("Memorandum") dated this ____ day of _____, 2021, by and between **STODDARD 501 BUILDING, LLC, an Idaho limited liability company** (hereinafter referred to as "Owner"), **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** (hereinafter referred to as "Optionee").

WITNESSETH:

1. For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by Optionee to Owner, the adequacy and sufficiency of which Owner acknowledges, that Owner and Optionee entered into that certain Option Agreement dated as of _____, 2021 (the "Option Agreement") with respect to that certain land and the improvements thereon, legally described in Exhibit A attached hereto and made part hereof (the "Premises"). Pursuant to the terms and conditions of the Option Agreement, Owner has granted to Optionee (i) an option to purchase the Premises on each fifth anniversary date of the Lease and expiration of the Term of the Lease, and (ii) an ongoing right of first negotiation to purchase the Premises, as more particularly described in and limited by the Option Agreement and the Lease. The Option Agreement and the Lease and all terms, conditions and covenants contained therein are hereby incorporated into this Memorandum by this reference.

2. This Memorandum is executed in simplified short form solely for the convenience of the parties and for the purpose of recording the same and giving public notice of the existence of the Option Agreement.

3. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Lease and the Option Agreement.

4. This Memorandum shall not have the effect of in any way modifying, supplementing or abridging the Lease or the Option Agreement or any of the provisions as the same are now or may hereafter be in force and effect. In the event of any conflict between the terms of the Lease, the Option Agreement and this Memorandum, the terms set forth in the Lease shall take precedence over those contained in the Option Agreement and this Memorandum, and the terms of the Options Agreement shall take precedence over this Memorandum.

5. Lessor and Optionee agree to record a release of this Memorandum of record when all rights and obligations of the parties contained therein have terminated and are no longer of any force or effect.

6. This Memorandum may be executed in counterparts.

DATED the day and year first above written.

OWNER: STODDARD 501 BUILDING, LLC,
an Idaho limited liability company

By: _____
Jeffry L. Stoddard, its Manager

OPTIONEE: BOARD OF REGENTS OF THE UNIVERSITY IDAHO,
a body politic and corporate organized and existing
under the constitution and laws of the State of Idaho

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

The Board of Regents of the University of Idaho approved
the execution of this agreement at a meeting on the ____
day of _____, 2021.

STATE OF _____)
COUNTY OF _____) ss

This record was acknowledged before me on _____, 2021, by Jeffrey L. Stoddard, as the Manager of Stoddard 501 Building, LLC.

Signature of notary public
My commission expires: _____

STATE OF IDAHO)
) ss
COUNTY OF _____)

 This record was acknowledged before me on _____, 2021, by Brian Foisy as the
Vice President for Finance and Administration of the Board of Regents of the University of Idaho.

Signature of notary public
My commission expires: _____

EXHIBIT A**[Real Property Description]**

A parcel of land being a portion of Block 13 of Davis Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 93, Records of Ada County, Idaho, and a portion of the Southwest Quarter of the Northeast Quarter of Section 10, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho, more particularly described as follows:

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Thence South $54^{\circ}47'05''$ East, 141.86 feet along the Northeasterly right of way line of said Broad Street, said point being the TRUE POINT OF BEGINNING;

Thence leaving said right of way line North $35^{\circ}15'51''$ East, 215.14 feet along the Southeasterly line of Lots 7 through 12 and the Northerly extension thereof, to a point on the Southwesterly right of way line of West Front Street;

Thence along said Southwesterly right of way line, 159.78 feet along the arc of a curve to the right, said curve having a radius of 5360.00 feet, a central angle of $1^{\circ}42'29''$, and a long chord bearing South $46^{\circ}32'00''$ East, 159.77 feet to a point of intersection with the Northwesterly right of way line of South Fifth Street;

Thence South $35^{\circ}15'06''$ West 192.21 feet along the Northwesterly right of way line of South Fifth Street to a point;

Thence leaving said Northwesterly right of way line North $54^{\circ}47'05''$ West, 158.18 feet along the Northeasterly right of way line of said Broad Street to the POINT OF BEGINNING.

EXHIBIT E

Permitted Encumbrances

1. Fee Mortgage now existing or hereafter recorded on the Premises.
2. Matters disclosed by Record of Survey
Survey No.: 2487
Recorded: May 26, 1993
Instrument No.: 9339461
3. Matters disclosed by Record of Survey
Survey No.: 4877
Recorded: February 14, 2000
Instrument No.: 100009163
4. Matters disclosed by Record of Survey
Survey No.: 5927
Recorded: September 16, 2002
Instrument No.: 102105883
5. Covenants, Conditions, Restrictions, Reservations, and Easements
Recorded: August 30, 2002
Instrument No.: 102099092
Deleting or omitting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).