

**POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting**

June 20, 2007

11:00 a.m.

**City Hall
911 North 7th Avenue**

11:00 a.m. Council Chambers

Call to Order – Chairman Brown

Acknowledge Guests of Board, if any

Disclosure of Conflicts of Interest, if any

Agenda - Add or Delete Action or Discussion Items

Action and Discussion Items:

Check Presentation

Minutes for May 16, 2007 – Motion to Approve and/or Amend

Financial Report: May Income and Expenses

Central Corridor

Update on Triangle Project/Redevelopment Agreement

S. 1st Property Acquisition

Whitman Project Update

North Yellowstone

Consider Approving Pay Request 34

Consider Approving Pay Request 35

Update on Land Acquisition

Miscellaneous Items/Questions from Commissioners

Executive Session if Required

	<u>Current Month</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
Beginning Balance		\$680,166.84	\$680,166.84	
SOURCES OF FUNDS				
Kress District	\$0.00	\$2,305.63	\$5,748.75	\$3,443.12
Newtown District	\$0.00	\$20,331.20	\$56,230.27	\$35,899.07
Al Ricken Drive District	\$0.00	\$0.00	\$833,352.13	\$833,352.13
Old Town District	\$389.04	\$7,474.75	\$275,437.12	\$267,962.37
North Main District	\$0.00	\$36,596.39	\$105,500.68	\$68,904.29
Roosevelt District	\$0.00	\$0.00	\$0.00	\$0.00
Central Corridor District	\$9,213.19	\$137,797.63	\$488,069.77	\$350,272.14
North Yellowstone District	\$21,451.03	\$175,139.15	\$368,864.08	\$193,724.93
General Funds	\$0.00	\$0.00	\$0.00	\$0.00
Board Disc.*	\$0.00	\$0.00	\$15,000.00	\$15,000.00
Interest Income	\$438.04	\$2,896.74	\$3,600.00	\$703.26
TOTAL	\$31,491.30	\$382,541.49	\$2,151,802.80	\$1,769,261.31

CASH AVAILABLE **\$1,062,708.33** **\$2,831,969.64**

APPLICATION OF FUNDS

Kress District	\$0.00	\$0.00	\$5,748.75	\$5,748.75
Newtown District	\$0.00	\$20,331.20	\$56,230.27	\$35,899.07
Al Ricken Drive District	\$0.00	\$0.00	\$833,352.13	\$833,352.13
Old Town District	\$0.00	\$11,298.73	\$275,437.12	\$264,138.39
North Main District	\$0.00	\$85,279.77	\$105,500.68	\$20,220.91
Roosevelt District	\$0.00	\$196,208.64	\$196,208.64	\$0.00
Central Corridor	\$0.00	\$129,870.24	\$488,069.77	\$358,199.53
North Yellowstone District	\$0.00	\$153,688.12	\$368,864.08	\$215,175.96
Board Disc.	\$0.00	\$31,876.48	\$375,000.00	\$343,123.52
General Funds	\$0.00	\$6,725.18	\$17,200.00	\$10,474.82
Bank Charges	\$0.00	\$34.00	\$600.00	\$566.00
TOTAL	\$0.00	\$635,312.36	\$2,722,211.44	\$2,086,899.08

ENDING BALANCE **\$427,395.97** **\$109,758.20**

POCATELLO DEVELOPMENT AUTHORITY
May 2007

INCOME:

Old Town	\$389.04 Taxes
Central Corridor	\$9,213.19 Taxes
North Yellowstone	\$21,451.03 Taxes
Interest Income:	\$438.04

EXPENSES:

DISTRICT ENDING BALANCES
April 30, 2007

Bank Balance		\$395,904.67
General Fund	11,863.58	
Discretionary Funds	381,698.35	
Kress Project	2,342.74	
Newtown District	0.00	
Alvin Ricken District	0.00	
Old Town District	0.00	
North Main District	0.00	
Roosevelt District	0.00	
Central Corridor District	0.00	
North Yellowstone District	<u>0.00</u>	
District Totals		\$395,904.67

TO: Pocatello Development Authority
FROM: Tim Tingey, Division Manager, Neighborhood and Community Services
DATE: June 20, 2007
RE: North 3rd Development Agreement Review Items

Over the past few months City Planning and Development Services and Legal staff have provided input on previous drafts of the proposed development agreement documents for the North 3rd property redevelopment. There have been significant changes in the scope (reduction in building square footages from approximately 47,200 down to 34,800 square feet) and the development approach has changed from single ownership of the site to proposed subdividing and sale of lots. The proposed agreement documents that have been submitted as part of the June PDA agenda are a result of the input and negotiation efforts between DDC-LLC and City staff.

City Planning and Development Services Department staff recommends approval of the documents, subject to final Legal staff review with the following points to be clarified or added to the documents prior to signing:

1. Architectural plans are to be submitted as an attachment and are to meet standards described in the original Request for Proposal document (*i.e. the overall architectural, landscape, and site design shall be of high quality, exemplifying the best of contemporary design for the type of development. Brick is preferred as the primary building material. Building designs should be attractive and reflect appropriate levels of visual interest through the use of architecturally harmonious blending of textures, colors, roof treatments, building offsets, vertical focal elements (such as major tenant entrances, corner features), and other architectural elements. The provision of windows in storefronts is strongly encouraged*)
2. If the property is to be developed by other lot purchasers as described in the Redevelopment Grant Agreement, construction must meet the standards identified in these development agreements. The additional parking area east of North 3rd Avenue will be retained as parking for the whole site and is to be common area to the development;
3. Clarification on the timeframe for development to ensure timely construction and completion of the project;
4. Further Legal input on how best to secure the Deed of Trust is needed. Staff prefers a combination of performance and financial guarantees;
5. Any substantial amendments to the site (any reduction in building square footage by 15% from the original) or significant changes in proposed uses or architectural plan modifications must be approved by the PDA;
6. Re-word commitment of the PDA funds to include between January 1, 2008 to August 1, 2008 subject to timely receipt of tax proceeds.

Planning and Development Services staff will be available to discuss these items further.

COMPREHENSIVE REDEVELOPMENT AGREEMENT

This Agreement made this ____ day of June, 2007, by and between Triangle, Inc., a corporation formed under the laws of the State of Idaho (hereinafter "Triangle"), and the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho (hereinafter "PDA").

1. Recitals

1.1 PDA is the urban renewal agency for the City Of Pocatello, Idaho (hereinafter "City"), formed pursuant to Idaho Code §50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency, PDA aids and assists development projects that will redevelop and rehabilitate physical and/or economic deterioration in areas of the City.

1.2 Heretofore, the City and PDA had identified an area in Pocatello that had become seriously dilapidated and blighted, and was underutilized with a number of vacant lots and vacant buildings. The area is an approximate 2.5 acre parcel commonly known as the North 3rd Triangle. This triangular property is bounded on the southeast by East Lander, on the northeast by North 3rd Avenue, and on the northwest by Pocatello Avenue; and includes a 60' by 140' parcel located to the Northeast in Block 328. The legal description for the property is set out in Exhibit "A" attached hereto and made a part hereof.

1.3 To enable redevelopment of the property comprising the North 3rd Triangle, in 2005, a partnership of the City and PDA acquired the real property in the North 3rd Triangle in a series of purchases. Legal title to the property was acquired in the name of the PDA, where it vests at this time.

1.4 Based on the encouragement of the Legislature to afford opportunities for redevelopment and rehabilitation work by private developers (Idaho Code §50-2002 and 2003), PDA issued a Request for Qualifications and Proposals to developers and realtors soliciting plans and designs for redevelopment of the area.

1.5 A Selection Committee, composed of representatives from PDA and the City of Pocatello staff, reviewed the proposals submitted, ranked them and made recommendations to the Board of Directors of PDA. DDC, LLC, an Idaho Limited liability company (hereinafter "DDC") submitted a proposal and presented the same to the Selection Committee. DDC is engaged in development, design and construction of real estate projects, and has its headquarters at Pocatello, Idaho. One other real estate entity submitted a proposal.

1.6 On January 30, 2006, DDC was advised that its proposal for redevelopment of the North 3rd Triangle Area had been selected by the Selection Committee for consideration by the PDA Board.

1.7 After additional meetings with PDA and further negotiations, on April 11, 2006, PDA and DDC entered into a Pre-Development Agreement, the purpose of which was to establish the parameters for a full redevelopment agreement to be entered into between PDA and DDC following further consideration, discussion and negotiations and preparation by DDC of preliminary plans.

1.8 The Preliminary plans were prepared by DDC, reviewed with staff of the City of Pocatello and PDA, and subsequently revised as a result of that review and discussion.

1.9 DDC has determined that its prospective lenders for the redevelopment project will require that development occur through a newly-formed single purpose entity; and for this

reason, DDC has formed Triangle, Inc. to serve as the redevelopment entity exclusively for the redevelopment of the North 3rd Triangle Area. It is by reason of these circumstances that Triangle, Inc. is the direct developer party to this Comprehensive Development Agreement.

1.10 By this Comprehensive Development Agreement, PDA and Triangle, Inc. wish to carry out the terms of the Pre-Development Agreement and to memorialize their mutual undertakings and commitments with respect to the redevelopment of the North 3rd Triangle Area.

NOW, THEREFORE, it is agreed by and between the parties hereto, as follows:

2. Redevelopment

2.1 Triangle will undertake redevelopment of the North 3rd Triangle Area generally in accordance with the Site Plan referred to in Paragraph 1.1 of the Redevelopment Grant Agreement between the parties to this Agreement and of even date herewith. Said Site Plan is attached to this Agreement as Exhibit "B" and incorporated herein.

2.2 Triangle shall report to PDA quarterly with regard to: (a) progress that has occurred in the redevelopment in the preceding quarter; and (b) anticipated schedule of continued redevelopment of the North 3rd Triangle Area in the coming quarter. Phases for the construction and development are set out in Paragraphs 4.4 and 4.7 of the Redevelopment Grant Agreement between the parties to this Agreement and of even date herewith.

3. Site Conveyance

3.1 To enable Triangle to commence the redevelopment of the North 3rd Triangle Area, following execution of this Comprehensive Redevelopment Agreement, PDA shall convey to Triangle fee simple title to the real property comprising the North 3rd Triangle Area, as described in Exhibit "A" hereto.

3.2 Such conveyance by PDA to Triangle shall be in the form of the Warranty Deed attached hereto as Exhibit "C."

3.3 The conveyance from PDA to Triangle shall be, in form and substance, a grant in furtherance of the redevelopment contemplated by this Comprehensive Redevelopment Agreement.

3.4 In connection with such conveyance, PDA shall provide to Triangle, but at Triangle's expense, a standard form owner's title insurance policy naming Triangle as the insured party; and subject only to the exceptions set out in the Warranty Deed (Exhibit "C" hereto).

3.5 If, during any of the following stated years, the property is not exempt from real property taxes, then the following allocation of real property taxes shall be made: (a) all real property taxes assessed against the property for 2006 and prior years, and unpaid, shall be paid at closing of the conveyance by PDA; (b) Any real property taxes assessed for 2007 shall be prorated to date of closing; and (c) Triangle shall be responsible for all real property taxes assessed for 2008 and subsequent years.

3.6 Triangle shall pay all of the closing costs incurred with Pioneer Title Company of Bannock County on the closing of the conveyance from PDA to Triangle.

4. Redevelopment Grants

4.1 In addition to a land grant valued at \$627,400, to enable redevelopment of the deteriorated area described here as the North 3rd Triangle Area, which development would otherwise be economically impractical for a developer, PDA shall provide to Triangle two additional redevelopment grants, as described in Paragraphs 4.2 and 4.3, below.

4.2 The first additional redevelopment grant shall be in the sum of \$300,000, and is limited to work and improvements related to the perimeter of the redevelopment of the North 3rd Triangle Area. Included in the work to be done under this redevelopment grant is the engineering work package (engineering drawings) to be prepared final form at a later time for this portion of the project, the preparation costs of which are an allowable expense to be paid from the redevelopment grant referred to in this paragraph.

4.3 The second additional redevelopment grant shall be in the sum of \$632,801.57, and is limited to infrastructure and site work in the North 3rd Triangle Area (including the common area), together with additional work and improvements related to the perimeter of the redevelopment of the North 3rd Triangle Area. Included in the work to be done under this redevelopment grant is the engineering work package (engineering drawings) to be prepared final form at a later time for this portion of the project, the preparation costs of which are an allowable expense to be paid from the redevelopment grant referred to in this paragraph.

4.4 The third redevelopment grant is the real property conveyance provided for in Paragraph 3.1, above, and referred to in Paragraph 4.1, above, which grant is valued at \$627,400.

4.5 Each of the grants shall be subject to the terms and conditions of the Redevelopment Grant Agreement, to be executed by the parties, and a copy of which is attached hereto as Exhibit "D."

5. Security

5.1 To secure Triangle's performance of its obligations under this Comprehensive Redevelopment Agreement and the Redevelopment Grant Agreement, Triangle shall (simultaneously with the conveyance from PDA to Triangle provided for in Paragraph 3, above)

grant to PDA a Deed of Trust for recording in the real property records of Bannock County, Idaho.

5.2 The Deed of Trust shall be in the form of Exhibit "E" hereto.

5.3 The Deed of Trust shall initially encumber all of the property in the North 3rd Triangle Area, as described in Exhibit "A" hereto.

5.4 Upon completion of the parking area, as identified in the Site Plan, PDA will release the lien of the Deed of Trust with respect to the parking area. Further, upon approval of the subdivision plat for the North 3rd Triangle Area by the appropriate governmental authorities, and recording of the same, PDA will release the lien of its Deed of Trust with respect to the common areas within the subdivision.

5.5 Upon Triangle entering into any contract for sale of property within the North 3rd Triangle Area that has been improved, directly or indirectly, by the redevelopment work referred to in Paragraphs 4.2 and 4.3, above, (perimeter, infrastructure and site work (including common area)), or in connection with Triangle obtaining financing to construct improvements for lease on property of which it will retain ownership, the lien of the Deed of Trust will be released as to that specific property to enable Triangle or a third-party purchaser to finance construction of residential and/or commercial improvements upon the property to be sold; PROVIDED THAT, PDA has approved the performance of Triangle under this Agreement. PDA may require Triangle to obtain a performance bond or to provide other performance security (such as evidence of a committed loan for construction) as to any property released from the lien of PDA's Deed of Trust to enable Triangle to construct improvements on the property.

5.6 Upon full performance by Triangle of this Agreement and the Redevelopment Grant Agreement, PDA will release any remaining lien of its Deed of Trust.

6. Subordination and Assignment

6.1 Triangle and PDA acknowledge that PDA will not have the monies to enable it to fund the redevelopment grant referred to in Paragraph 4.3, above, until sometime during the period of January 1, 2008 to August 1, 2008.

6.2 For that reason, Triangle and PDA intend that Triangle will obtain interim financing to enable the redevelopment work to proceed, notwithstanding the deferral in Triangle's receipt of the grant funds, as set out in Paragraph 6.1, above.

6.3 To facilitate such interim financing, PDA will cooperate to permit assignment by Triangle to a lender of its right under this Agreement and the Redevelopment Grant Agreement to receive the grant funds referred to in Paragraphs 4.3, above; and PDA will subordinate, as needed, the lien of its Deed of Trust to the lien of a lender providing such interim financing.

6.4 To effect subordination, PDA shall execute and deliver to the lender such form of subordination agreement as the lenders may reasonably require; provided the same preserves PDA's lien in a second lien position of priority.

7. Redevelopment Plan

7.1 Parties to this Comprehensive Redevelopment Agreement mutually acknowledge their compliance with the Pre-Development Agreement which remains effective to date of execution of this Comprehensive Redevelopment Agreement.

7.2 This Comprehensive Redevelopment Agreement, and the related Redevelopment Grant Agreement and Deed of Trust, shall supercede the Pre-Development Agreement of April 11,

2006, between PDA and DDC upon execution of the Comprehensive Redevelopment Agreement.

8. Miscellaneous

8.1 This Agreement shall be governed by and construed under the laws of the State of Idaho.

8.2 This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors; but neither party may assign this Agreement without the express written consent of the other party.

8.3 In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party. Determination of the prevailing party in any such litigation shall be made on the basis of the factors enumerated in Rule 54(d)(1)(B), Idaho Rules of Civil Procedure, as the same now exists or may subsequently be amended.

8.4 Each party represents to the other that it has full legal authority to enter into and execute this Agreement, including obtaining of any required resolution of its governing board.

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

POCATELLO DEVELOPMENT
AUTHORITY, an urban renewal agency under
the laws of the State of Idaho

TRIANGLE, INC., an Idaho corporation

By: _____
Steven Brown, Chair

By: _____
Brent R. Nichols, President

ATTEST:

Garry J. Ratzlaff, Secretary

STATE OF IDAHO)
) ss.
County of Bannock)

On this ____ day of June, 2007, before me, a notary public in and for said State, personally appeared **STEVEN BROWN**, known or identified to me to be the Chair of the Pocatello Development Authority, the urban renewal agency that executed the within instrument, or the person who executed the instrument on behalf of said agency, and acknowledged to me that said agency executed the same.

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

NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____

STATE OF IDAHO)
) ss.
County of Bannock)

On this ____ day of June, 2007, before me, a Notary Public in and for said State, personally appeared **BRENT R. NICHOLS** and **GARRY J. RATZLAFF**, known or identified to me to be the president and secretary, respectively, of **TRIANGLE, INC.**, the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____

DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of June, 2007, by and between Triangle, Inc., a corporation formed under the laws of the State of Idaho, herein called Grantor, whose address is P. O. Box 7, Pocatello, Idaho 83204, and Pioneer Title Company of Bannock County, herein called Trustee, and the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho, herein called Beneficiary; and is made pursuant to Title 45, Chapter 15, Idaho Code, and successor statutes.

WITNESSETH: That Grantor does hereby irrevocably grant, bargain, sell and convey to Trustee in trust, with power of sale, real property located in Bannock County, Idaho, and more particularly described in Exhibit "A," attached hereto and made a part hereof.

FOR THE PURPOSE OF securing performance by Grantor of its obligations evidenced by or arising under:

- a. Comprehensive Redevelopment Agreement by and between Grantor and Beneficiary, dated June ____, 2007, and any indebtedness related thereto;
- b. Redevelopment Grant Agreement by and between Grantor and Beneficiary, dated June ____, 2007, and any indebtedness related thereto; and
- c. This Deed of Trust and any indebtedness related thereto.

PARTIES ACKNOWLEDGE that the underlying real property subject of the leasehold is:

- a. Within an incorporated city (Pocatello, Idaho); and
- b. Comprised of less than 40 acres.

I. SECURITY OF PROPERTY

To protect the security of this Deed of Trust, Grantor agrees:

1. Maintenance of Premises. To keep said real property in good condition; and not to commit or permit waste thereon.
2. Defense of Claims. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee.

3. Property Insurance. To continuously, and until reconveyance of this Deed of Trust, maintain casualty loss insurance on all insurable improvements constructed upon the real property subject to this Deed of Trust, excluding any property subsequently released from the lien of this Deed of Trust. Such insurance shall insure the improvements to their full fair market value; and Grantor shall be the loss payee with respect to such insurance.

4. Property Tax Obligation. To pay at least ten days before delinquency all real property taxes imposed with respect to the real property.

5. Advances. To pay immediately and upon demand all sums expended by Beneficiary or the Trustee in performing any obligation of Grantor pursuant to the provisions hereof, or as required by the Comprehensive Redevelopment Agreement and Redevelopment Grant Agreement referred to above, as provided in the following paragraphs.

(A) Should Grantor fail to perform any obligation under the Comprehensive Redevelopment Agreement or Redevelopment Grant Agreement referred to above, or to make any payment or to do any act related thereto, after written notice to Grantor from Beneficiary and expiration of thirty (30) days without cure by Grantor if the obligation can be cured within 30 days, then Beneficiary or Trustee, but without obligation so to do, and without releasing Grantor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof.

(B) Beneficiary or Trustee is authorized to enter upon the real property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and, in exercising such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel and pay counsel's reasonable fees.

6. Grantor's obligations under this Section I of the Deed of Trust (maintenance, defense of claims, property taxes and advances) shall be satisfied by maintenance, defense of claims, payment of taxes and advances by Grantor's lessee with respect to any portion of the above-described premises leased by Grantor to third-parties.

II. ADDITIONAL AGREEMENTS

It is agreed by Grantor that:

1. The failure to comply with the obligations and requirements referred to in this Deed of Trust shall be a default on the part of the Grantor in the event the Grantor, within 30 days after notice, fails to cure the breach; PROVIDED, HOWEVER, that if the obligation cannot be cured in said 30-day period, then if the Grantor shall have undertaken to cure the same within said 30-day period and shall diligently pursue such cure to completion, the non-performance of the obligation within 30 days shall not be considered a default by Grantor. Additional events of default hereunder (subject to the default cure mechanism described above) are:

- a. Appointment of a receiver to take possession of the assets of Grantor.
- b. Abandonment of the North 3rd Triangle redevelopment project.
- c. A general assignment for the benefit of creditors by Grantor under Idaho Code §§68-201 and 28-9-309(12).
- d. A complete liquidation of Grantor.
- e. The failure of Grantor to construct the improvements shown on its project plan in accordance with the terms of the Redevelopment Grant Agreement.

2. At any time or from time to time, upon written request of Beneficiary, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat with respect to the real property; or join in any agreement subordinating the lien or charge hereof.

3. Upon written request of Beneficiary stating that Grantor has fully performed all of its obligations under the Comprehensive Redevelopment Agreement and the Redevelopment Grant Agreement referred to above, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the real property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof.

4.

(A) In the event of default by Grantor, and ascertainment of the resulting monetary liability of Grantor (by written agreement or court decree), Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause to be sold the herein described real property to satisfy the ascertained obligation, and shall cause such notice to be recorded in the office of the Bannock County, Idaho Recorder, as provided in Idaho Code §45-1505(3), as the same now exists or may hereafter be amended.

(B) Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said real property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the real property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall

be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.

(C) After deducting all costs, fees and expenses of Trustee and of this trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: (i) the ascertained liability, not then repaid; and (ii) the remainder, if any, to the person or persons legally entitled thereto, as set out in Idaho Code §45-1507.

5. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their successors and assigns. The term "Beneficiary" shall have, in this Deed of Trust, the meaning ascribed to it in Idaho Code §45-1502(1), or like provision of successor statute.

6. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, as provided in Idaho Code §45-1504(2), and when any such substitution has been filed for record in the office of the Recorder of the county in which the real property is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein.

IN WITNESS WHEREOF, this Deed of Trust is executed the day and year first above written.

TRIANGLE, INC.

By: _____
Brent R. Nichols, President

Attest: _____
Garry J. Ratzlaff, Secretary

STATE OF IDAHO)
) ss.
County of Bannock)

On this _____ day of June, 2007, before me, a Notary Public in and for said State, personally appeared **BRENT R. NICHOLS** and **GARRY J. RATZLAFF**, known or identified to me to be the president and secretary, respectively, of **TRIANGLE, INC.**, the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____

REDEVELOPMENT GRANT AGREEMENT

This Agreement made this ____ day of June, 2007, by and between Triangle, Inc., a corporation formed under the laws of the State of Idaho (hereinafter "Triangle"), and the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho (hereinafter "PDA"). Triangle and PDA are at times hereinafter referred to collectively as "the parties to this Agreement."

1. Recitals

1.1 Triangle is a single purpose entity formed by the developer party, DDC, LLC (described in Paragraph 1.5, below) for the sole purpose of acquiring and developing, as a mixed use redevelopment project, certain real property located in the City of Pocatello (Bannock County), Idaho; which real property consists of a triangular parcel encompassing Blocks 342 and 343 of the Original Pocatello Townsite; and which is bounded on the southeast side by East Lander, on the northeast side by North 3rd Avenue and on the northwest side by Pocatello Avenue; together with an additional 60-foot by 140-foot parcel in Block 328 of the Original Pocatello Townsite. The real property subject of the redevelopment, and described above, is hereinafter referred to as the "Project Area;" and is more particularly described in Exhibit "A" attached hereto and made a part, hereof. Exhibit "B," attached hereto and made a part hereof, is the site plan for the Project Area, showing the general and expected layout of the redevelopment of the Project Area Exhibit "B" is hereinafter referred to as "the Site Plan.". An historic easement for commemoration of the history of the Project Area will be included on the subdivision plat to be prepared by Triangle, presented for acceptance to the appropriate governmental authorities and recorded with the Bannock County, Idaho Recorder.

1.2 PDA is a public body created as an urban renewal agency pursuant to Idaho Code §50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency, PDA is charged with aiding and assisting economic development in Pocatello, Idaho (hereinafter at times “the community”), including assisting developments that will eliminate deteriorated areas in the community and bring them to greater and improved utilization; and is further charged with encouraging, to the extent possible, such development by private enterprise; all as more specifically provided in Idaho Code §§50-2002 and 50-2003, being part of the Idaho Urban Renewal Law of 1965, and Idaho Code §50-2902, being part of the Local Economic Development Act of 1988.

1.3 The Project Area became a deteriorated area that included auto repair facilities where numerous used vehicles and parts of vehicles were stored on the premises, vacant lots, and dilapidated houses and former commercial buildings that were no longer occupied.

1.4 Heretofore, in preparation for redevelopment of the Project Area, the City of Pocatello, Idaho, and the PDA cooperated (in a redevelopment partnership) in order for the PDA to acquire the real property now included in the Project Area; in the course of which acquisition said redevelopment partnership acquired fifteen separate parcels of real property in the Project Area, and obtained rezoning of the Project Area from the “Industrial” classification to the “Commercial General” classification, which is a classification more suited to the redevelopment of the Project Area.

1.5 DDC, LLC, the developer party, is an Idaho limited liability company based in Pocatello, Idaho, and is engaged in the development, design and construction of real estate projects (DDC, LLC is hereinafter referred to as “DDC”). DDC has developed a design, financing and

construction plan for mixed use redevelopment of the Project Area (hereinafter the “Redevelopment Plan”).

1.6 The Redevelopment Plan includes commercial and professional office development, retail space development and combination live/work units where residential units will be paired with commercial or professional work locations or retail space; together with parking areas to support the residential, commercial, professional and retail uses of the Project Area. The Redevelopment Plan contemplates primarily the sale to third-parties of the commercial and professional office improvements, retail space and the combination live/work units, with the associated land. The Redevelopment Plan shall be substantially similar to the development shown on the Site Plan; and the commercial and professional office development, retail space development and combination live/work units shall comprise approximately 26,400 square feet. The plan also includes a combination of public and private financing. Preparation of a subdivision plat for the Project Area and obtaining government approval and recording of the plat will be required by reason of the sales to third-parties described above. Triangle will prepare the subdivision plat and obtain approval and recording of the same at its sole cost and expense. The subdivision plat shall include designation of the historic easement and public ways which shall be dedicated to the public upon recording of the subdivision plat. As indicated above in this Paragraph, the development of the Project Area will be a mixed use development. The parking area shall comprise not less than ___ automobile parking spaces, and shall be an asphalt surface appropriately striped for automobile parking. The architectural form for buildings within the Project Area shall be as designated in an architectural standard to be prepared under the authority of this Agreement, unless deviation therefrom is authorized in

writing by PDA. The Redevelopment Plan will observe the objectives identified in the Central Corridor Urban Renewal Area Plan and will include the following:

- (a) The goal of the parties to this Agreement is to redevelop the entire project area, thereby increasing property values in the area. The Site Plan shall reflect provisions for access to properties outside of the Project Area, as appropriate.
- (b) The historic easement will be an approximate 30' by 30' triangle area on the southeasterly edge of the site (adjacent to North Third Avenue). The Site Plan will allow for an eventual monument/memorial surrounded by appropriate landscaping to be maintained in perpetuity by the future owners' association or associations for the Project Area, which monument will depict the site as being historically significant because of the rich ethnic history of this area.
- (c) The overall architectural, landscape, and site design shall be of high quality, exemplifying the best of contemporary design for the type of development. Building designs will be attractive and reflect appropriate levels of visual interest through the use of architecturally harmonious blending of textures, colors, roof treatments, building offsets, vertical focal elements (such as major tenant entrances, corner features), and other architectural elements. The provision of windows in storefronts should be encouraged.
- (d) The Redevelopment Plan will conform to current City of Pocatello requirements regarding building, parking and other site specifications identified in City Code. The Redevelopment Plan will accommodate appropriate pedestrian access to and within the site. Service and loading areas will be well screened from view.
- (e) Parking lot or site lighting will be compatible with that found in the nearby Downtown Historic District.
- (f) All signage will be coordinated and blend with the development and complement its architectural character. No off premise signage will be allowed.

1.7 The Project Area is within a previously designated urban renewal area as authorized by the City of Pocatello, Idaho Resolution No. 1998-37, dated October 1, 1998, and included in PDA's Urban Renewal Plan approved by City of Pocatello, Idaho, in Ordinance No. 2614, dated

December 17, 1998, in accordance with Title 50, Chapter 20, Idaho Code, as amended (the same being the Idaho Urban Renewal Law of 1965), together with Title 50, Chapter 29, Idaho Code, as amended (the same being the Idaho Local Economic Development Act of 1988). The Urban Renewal Plan referred to above includes identification of a revenue allocation area and a description of an urban renewal project consisting of the development and redevelopment of the Project Area. As a result of the establishment of the revenue allocation area, and by reason of its status as the applicable urban renewal agency, PDA has received, and will receive, certain property tax revenues allocated to it pursuant to Idaho Code §50-2908 to be used for development and redevelopment or rehabilitation purposes as described in the Idaho Urban Renewal Law of 1965 and the Idaho Local Economic Development Act of 1988.

1.8 Construction lender and long-term lender requirements for the redevelopment require that the project be conducted through, and the real property in the Project Area owned by, a newly-formed single purpose entity which is engaged in no other business activities other than design, financing, construction and lease and sale of the residential, commercial and professional facilities to be constructed in the Project Area under the Plan.

1.9 For the reasons explained in the preceding subparagraph, the principals of the developer entity, DDC, have caused to be formed the separate, single purpose entity of Triangle, all as more fully stated in the introductory paragraph to this Agreement and in Paragraph 1.1, above.

1.10 DDC has entered into a Pre-Development Agreement with PDA, providing for negotiation of a comprehensive agreement regarding (within the Project Area) development, financing, construction and lease and sale of the improved real property to third-parties by Triangle. On the authority of the Pre-Development Agreement, and as a result of the

negotiations between the parties, PDA and Triangle have, contemporaneously with entry into this Redevelopment Grant Agreement, entered into a Comprehensive Redevelopment Agreement.

1.11 PDA has determined that the above-described development project represents the type of urban area development and redevelopment to which it may apply revenue allocation funds (tax increment financing) under the applicable statutes; and that the same will promote economic development of the area, added tax base valuation and the creation of jobs consistent with the applicable Urban Renewal Plan. For that reason, PDA has committed to certain grants to Triangle, described below, for use in the redevelopment of the Project Area.

1.12 By this Agreement, PDA and Triangle wish to memorialize their mutual undertakings and commitments with respect to the grants hereinafter described and to supplement their Comprehensive Redevelopment Agreement with specific terms applying to such grants.

NOW, THEREFORE, it is agreed by and between the parties hereto, as follows:

2. PDA's Undertaking

2.1 To further the proposed development and the property improvement and jobs enhancement expected therefrom, PDA agrees to provide to Triangle the following redevelopment grants:

- (a) Transfer to Triangle of the real property located in the Project Area, City of Pocatello, Bannock County, Idaho, with an appraised value of \$627,400.00, and more particularly described in Exhibit "A" hereto.
- (b) Up to a maximum amount of \$300,000 for work and improvements related to the perimeter of the Project Area, including (but not limited to) architectural design or other design, engineering and hard costs.
- (c) Up to a maximum amount of \$632,801.57 needed for additional work and improvements related to the perimeter of the Project Area together with infrastructure and site work in the Project Area (including the common area), and to the extent not needed for site work, for façade work and

improvements to enhance the aesthetics of the Project Area; together with all other redevelopment uses authorized by the Idaho Urban Renewal Law of 1965, as amended, and the Local Economic Development Act of 1988, as amended.

2.2 The amount provided in Paragraph 2.1(b), above, shall be paid through an internal account known as the “perimeter construction account,” into which PDA shall deposit the funds to be used to make the payments. The perimeter construction account shall be an account held and maintained by PDA, but for the purpose of identifying and segregating the funds to be paid out in accordance with Paragraph 2.1(b), above. The perimeter construction account referred to in this paragraph shall be separate from the account established under Paragraphs 2.4 and 2.5 of this Redevelopment Grant Agreement.

2.3 From the perimeter construction account, PDA shall pay Triangle in response to qualified invoices for services provided to Triangle, such invoices to be submitted by Triangle in connection with the redevelopment project. “Qualified invoices,” as that term is used in this Paragraph 2.3, shall mean invoices including adequate detail of the charges represented thereby, and which relate to that portion of the redevelopment work described in Paragraph 2.1(b), above, or similar work, and consistent with the Urban Renewal Plan and Idaho Urban Renewal Law.

2.4 The amount provided in Paragraph 2.1(c), above, shall be paid through an internal account, known as the “interior construction account,” into which PDA shall deposit the funds to be used to make the payments. The interior construction account shall be an account held and maintained by PDA, but for the purpose of identifying and segregating the funds to be paid out in accordance with Paragraph 2.1(c), above. The interior construction account referred to in this paragraph shall be separate from the account established under Paragraphs 2.2 and 2.3, above.

2.5 From the interior construction account, PDA shall pay Triangle in response to qualified invoices for labor and materials submitted by Triangle in connection with the redevelopment project. "Qualified invoices," as that term is used in this Paragraph 2.5, shall mean invoices including adequate detail of the charges represented thereby, and which relate to that portion of the redevelopment work described in Paragraph 2.1(c), above, or similar work, and consistent with the applicable Urban Renewal Plan and Urban Renewal Law.

2.6 Payment pursuant to Paragraph 2.3 above, shall be made promptly following the submission of Qualified invoices after the date of this Redevelopment Grant Agreement, and funds to meet submitted invoices under Paragraph 2.3 shall be available from PDA by that date. With respect to payments pursuant to Paragraph 2.5, above, the parties to this Agreement acknowledge that PDA does not currently have the monies available to pay Qualified invoices under Paragraph 2.5; but will be receiving such funds in the time period of January 1, 2008 to August 1, 2008. Accordingly, until such funds are available to PDA, which PDA represents will be no later than August 1, 2008, Triangle shall seek interim financing to enable payment of Triangle's development and construction costs and expenses pending availability of the funds from PDA. Upon PDA's receipt prior to August 1, 2008 of all or any portion of the funds to be used to make the payments required of PDA under Paragraph 2.5, above, PDA shall promptly pay Triangle for Qualified invoices submitted by Triangle to that time to the extent of funds available to PDA at that time; which payment Triangle may apply to repay the interim financing. No later than August 1, 2008, PDA shall pay Triangle for all Qualified invoices submitted by Triangle to that time, and thereby enable Triangle to repay all of the interim financing; and

thereafter PDA shall promptly pay Triangle for all additional Qualified invoices up to the full amount of the redevelopment grant referred to in Paragraph 2.1(c), above.

2.7 The invoice submission, approval and payment provisions of Paragraphs 2.2 through 2.6, above, shall be deemed to be supplemented by the “Public Works, City of Pocatello Review and Invoice Process” attached hereto and made a part hereof.

3. Triangle’s Undertaking on Payments

3.1 Triangle shall provide Qualified invoices for the amount of the payments by PDA relating to the purchase of goods and services necessary and useful to the redevelopment of the Project Area.

3.2 Triangle shall provide to PDA such additional information respecting the work and payments as PDA may reasonably request.

4. Character of Redevelopment and Triangle’s Undertaking on Redevelopment

4.1 In implementing the redevelopment in the Project Area, Triangle shall establish a mixed use development in which portions of the Project Area will be utilized for commercial and professional activities, portions for retail space and portions for residential occupation and portions for live/work areas where the improvements constructed will be designed to include residential components and commercial or professional components in the same structure.

4.2 The redevelopment shall follow the Site Plan or any Amended Site Plan substantially similar to the Redevelopment Plan.

4.3 The emphasis of the redevelopment shall be sale of property improvements and the associated land to third-parties, rather than retention of ownership and lease by Triangle.

4.4 The general redevelopment shall be constructed and developed in phases, as follows:

- (a) First phase – Project Area perimeter (with intended completion by _____, 200_);
- (b) Second phase – Parking area and utilities and infrastructure for the Center Project Area (including common area) (with intended completion by _____, 200_); and
- (c) Third Phase - Subdivision of Project Area (with intended completion by _____, 200_).

4.5 All Project Area perimeter work to be done in the right-of-way shall be done by contractors licensed to do work in the City of Pocatello right-of-way.

4.6 Following the construction and development phases set out in Paragraph 4.4, above, lots will be marketed for the mixed use purposes herein described, with resulting construction of buildings by Triangle or lot purchasers to occur in connection with sale of the lots. This Paragraph 4.6 shall not be construed to limit Triangle's ability to sell or pre-sell lots following recordation of the subdivision plat, regardless of the stage of completion of the construction and development work called for by Paragraph 4.4(d), above.

4.7 The development shall be completed in the phases of construction and development set out in Paragraph 4.4, above.

4.8 The historic public easement shall be designated on the Subdivision Plat for the Project Area which will be prepared by the engineering firm employed by Triangle. Upon recording of the Subdivision Plat, the historic easement shall be dedicated to the public; PROVIDED THAT use by the public of the historic easement shall be limited to opportunity to observe and

photograph the monument/memorial and uses incidental thereto; and use by the public shall be subject to reasonable regulation by the Project Area property owners' association or associations. The property owners' association or associations for property owners within the Project Area will be responsible for ongoing maintenance of the monument to be constructed by third-parties within the historic public easement.

5. Insurance

5.1 During the construction of the redevelopment project, Triangle shall maintain or cause to be maintained, casualty loss insurance on the buildings constructed in the Project Area for the purpose of restoration of the buildings in the event of casualty loss. Triangle's obligation under this Paragraph 4.1 with respect to maintenance of casualty loss insurance on buildings shall terminate upon sale to a third-party of real property that includes any of the buildings; but only with respect to the building sold.

5.2 During the construction of the redevelopment project, Triangle shall maintain general liability insurance with PDA as an additional insured.

6. Effect of Agreement

6.1 The funds to be paid by PDA to Triangle under this Agreement, through PDA's payment of invoices submitted by Triangle, are intended to, and shall become, a permanent part of Triangle's working capital and capital investment in that the funds shall be used for capital improvements that Triangle will own and utilize in its redevelopment of the Project Area; and all such funds shall be utilized only for capital expenditures and not for operating expenses.

6.2 It is further intended by the parties to this Agreement that the amounts paid by PDA to Triangle hereunder, through payment of invoices submitted by Triangle, not be paid as

compensation for specific services by Triangle for PDA. Rather, the intent of the parties is that the payments assist Triangle in its need for capital in connection with the redevelopment project, and the parties shall take all action necessary to carry out that intent.

6.3 The contractual undertaking of PDA to pay amounts hereunder to Triangle, through payment of invoices submitted by Triangle, is the product of the parties' negotiations over a period of time, and is not a unilateral offer on the part of PDA.

6.4 Parties acknowledge that the effect of the payments by PDA required hereunder, as applied to capital improvements to be used in Triangle's real estate development business, will inure to the benefit of Triangle, while having the corresponding benefit for the public purposes of PDA, described above.

6.5 It is the further intent of the parties that the payments required of PDA hereunder, through invoices submitted by Triangle, shall be employed in redevelopment and rehabilitation of the Project Area with respect to Triangle, and so as to enhance Triangle's realization of return (income) on the total investment in the redevelopment property, and parties shall take all action appropriate to accomplish that intent.

7. **Miscellaneous**

7.1 This Agreement shall be governed by and construed under the laws of the State of Idaho.

7.2 This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors; but neither party may assign this Agreement without the express written consent of the other party.

7.3 In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party. Determination of the prevailing

party in any such litigation shall be made on the basis of the factors enumerated in Rule 54(d)(1)(B), Idaho Rules of Civil Procedure, as the same now exists or may subsequently be amended.

7.4 Each party represents to the other that it has full legal authority to enter into and execute this Agreement, including obtaining of any required resolution of its governing board.

7.5 Notwithstanding the cooperation of the parties contemplated by this Redevelopment Grant Agreement to accomplish the redevelopment project, the parties to this Agreement (PDA and Triangle) shall not be deemed partners or joint venturer with respect to the redevelopment project.

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

POCATELLO DEVELOPMENT
AUTHORITY, an urban renewal agency under
the laws of the State of Idaho

TRIANGLE, INC.

By: _____
Steven Brown, Chair

By: _____
Brent R. Nichols, President

ATTEST:

Garry J. Ratzlaff, Secretary

STATE OF IDAHO)
) ss.
County of Bannock)

On this ____ day of June, 2007, before me, a notary public in and for said State, personally appeared **STEVEN BROWN**, known or identified to me to be the Chair of the Pocatello Development Authority, the urban renewal agency that executed the within instrument, or the person who executed the instrument on behalf of said agency, and acknowledged to me that said agency executed the same.

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

NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____

STATE OF IDAHO)
) ss.
County of Bannock)

On this ____ day of June, 2007, before me, a Notary Public in and for said State, personally appeared **BRENT R. NICHOLS and GARRY J. RATZLAFF**, known or identified to me to be the president and secretary, respectively, of **TRIANGLE, INC.**, the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____

WARRANTY DEED

FOR VALUE RECEIVED, the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho, Grantor, does hereby grant, bargain, sell and convey unto Triangle, Inc., a corporation formed under the laws of the State of Idaho, Grantee, whose current address is P. O. Box 7, Pocatello, Idaho 83204, real property located in Bannock County, Idaho, and more particularly described in Exhibit "A," attached hereto and made a part hereof.

Subject to:

- a. Rights reserved in Federal patents;
- b. Building or use restrictions;
- c. Building and zoning ordinances of any governmental unit;
- d. Easements and rights-of-way of record as disclosed in Preliminary Title Commitment of Pioneer Title Company of Bannock County, effective June ____, 2007, Order Number _____.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, its successors and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that it is the owner in fee simple of said premises; that they are free from all liens and encumbrances (save and except those referenced above); and that Grantor will warrant and defend the same from all lawful claims whatsoever.

IN WITNESS WHEREOF, the Grantor, pursuant to a resolution of its Board of Directors, has caused its name to be hereunto subscribed by its Chair, and attested to by its Secretary, this ____ day of June, 2007.

POCATELLO DEVELOPMENT AUTHORITY, an urban renewal agency formed under the laws of the State of Idaho

By: _____
Steven Brown, Chair

ATTEST:

Darcy Taylor, Secretary

STATE OF IDAHO)
) ss.
County of Bannock)

On this _____ day of June, 2007, before me, the undersigned Notary Public in and for said State, personally appeared **STEVEN BROWN** and **DARCY TAYLOR**, known or identified to me to be the Chair and Secretary, respectively, of **POCATELLO DEVELOPMENT AUTHORITY**, the urban renewal agency that executed the instrument or the person who executed the instrument on behalf of said agency, and acknowledged to me that such agency executed the same.

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

NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____



D.D.C. LLC.
 design development construction
 Pocatello, Idaho

Myers ■ Anderson
 ■ Architecture
 ■ Interior Design
 ■ Landscape Architecture
 101 North Main Street
 Pocatello, Idaho 83204
 Tel. (208) 232-3741
 Fax (208) 232-3782

**THE TRIANGLE - A MIXED USE DEVELOPMENT
 SITE DEVELOPMENT PLAN**

POCATELLO, IDAHO

PDA Report 6/20/2007



The Whitman Renovation

Owner- The Housing Company

Architect- Myers ■ Anderson Architects

Construction Manager - DeWall Construction

A/E Consultants-

Structural - A-J Engineers

Mechanical - Engineers + Systems Associates

Electrical - Payne Engineering

Funding Sources-

Pacific Development Authority

Historic Tax Credits

Idaho Housing & Finance Association

Wells Fargo Bank

Information

Corner 8 Corner - 208-233-8241

Project - www.whitmanproject.com



Myers ■ Anderson Architects

A/E Consultants-

Structural - A-J Engineers

Mechanical - Engineers + Systems Associates

Electrical - Payne Engineering

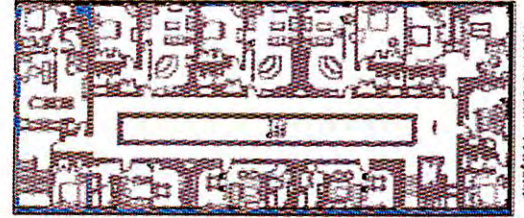
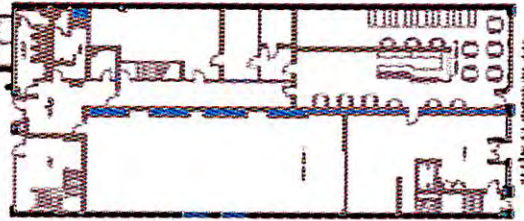
Funding Sources-

Pacific Development Authority

Historic Tax Credits

Idaho Housing & Finance Association

Wells Fargo Bank



Status:

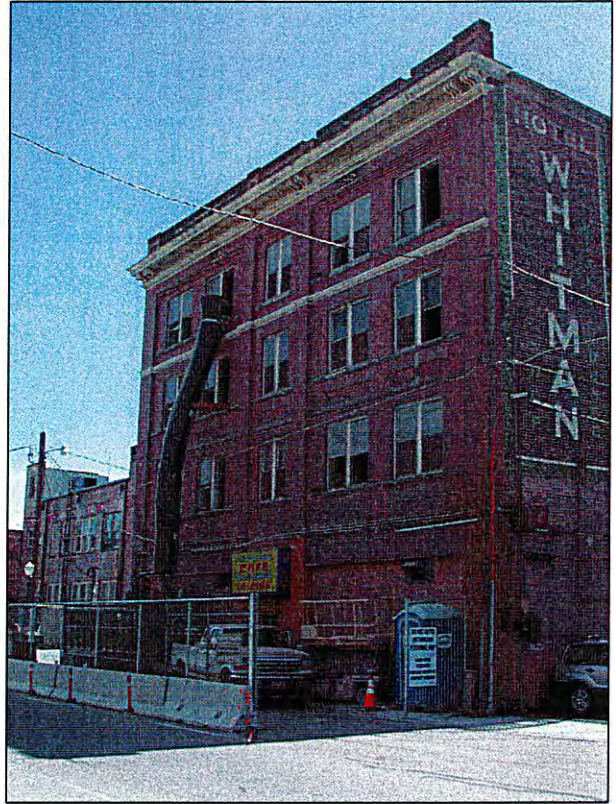
- Funding is in place with tax credits and conventional financing.
- Construction Manager on board – Dewall Construction, Pocatello.
- Asbestos Abatement Completed.
- Selective Demolition underway with completion within a few weeks.
- Recently bid all but 6 bid packages out of 29. Most bids were in line with the budget.
- Structural work is being bid in next two weeks, with some other high bid items.

Next steps:

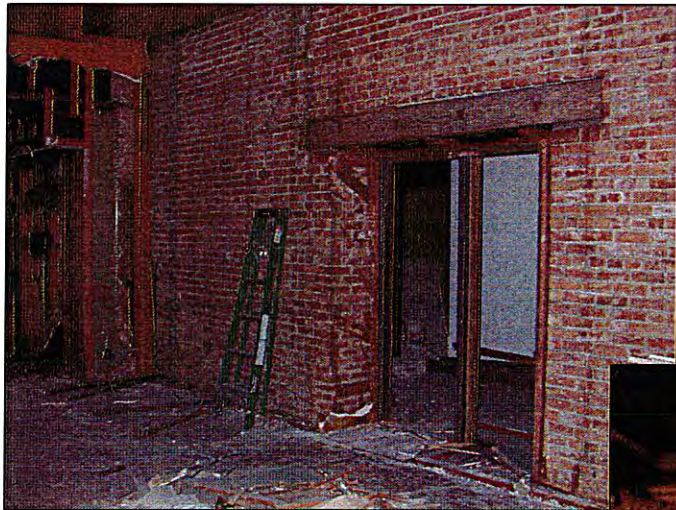
- Establish Guaranteed maximum Price.
- Structural upgrades.
- Exterior Cleaning.
- New Roof.
- Masonry repair.
- Windows and Storefront.
- Interior build out.

Other:

- Scheduled for residential occupancy before December 2008.
- Negotiating approval for expanded community parking across UP Avenue.



Whitman Hotel Development



Bar Area



Basement area



Henry's Salon Ceiling

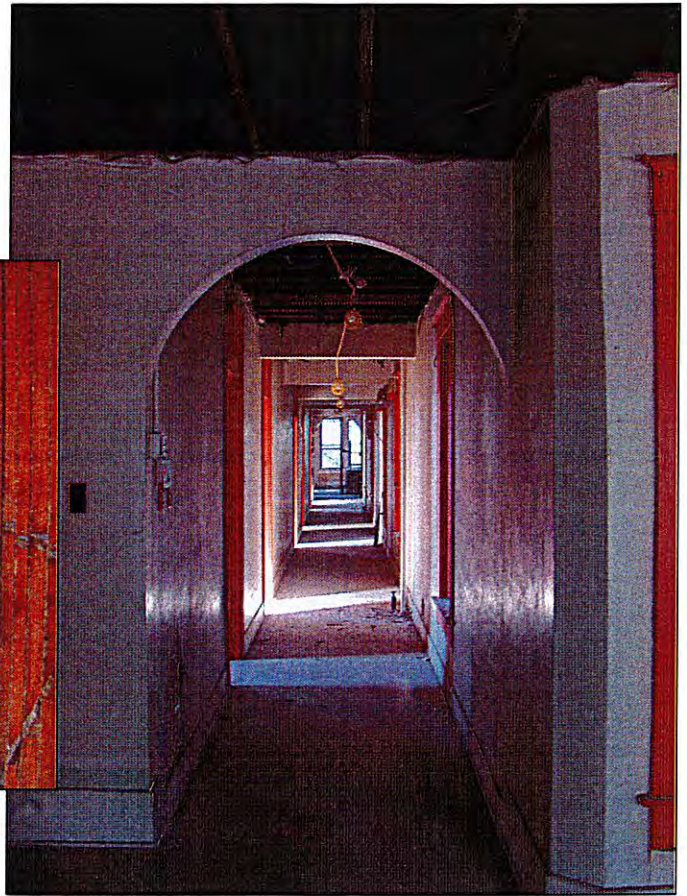


Henry's Salon

Whitman Hotel Development



Upper Level Area



Corridor to remain



Eagles Building Apartment

Whitman Hotel Development

POCATELLO DEVELOPMENT AUTHORITY
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A
REQUISITION PURSUANT TO BOND ORDINANCE

Wells Fargo Bank
MAC U1859-031
999 Main Street, 3rd Floor
Boise, Idaho 83702
Attn: Corporate Trust Services

The undersigned, who is authorized to make such request under Section 11 of the Bond Ordinance, dated as of December 8, 2004, between First Security Bank, N.A. ("Trustee") and the Pocatello Development Authority (the "Agency"), hereby requests the above Trustee as follows:

1. Requisition Number: 34
2. Payment is due to: Rail Crossings
3. The amount to be disbursed is: \$5,175.00
4. The obligation mentioned above for which payment is requested in this Requisition is due, is a proper charge against the Construction Fund and has not been previously paid from said Fund or from the proceeds of the Bonds.
5. All of this requested payment is for the items on the attached Schedule, which are costs of acquisition and construction or costs of issuing the Bonds.

Attachments: See Attached Schedule of Costs to Requisition

DATED: June 20, 2007

POCATELLO DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF POCATELLO

Authorized Representative

Terms used herein shall be as defined in the Bond Ordinance.

**SCHEDULE OF COSTS TO REQUISITION
CERTIFICATE NO. 34**

<u>Description of Costs</u>	<u>Payee and Location</u>	<u>Amount</u>
Rail Crossings	Rail Crossings C/o PEG Development One East Center St. Ste 300 Provo, UT 84606	\$5,175.00

The above are to be paid upon receipt by Trustee of an invoice therefor.

POCATELLO DEVELOPMENT AUTHORITY
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A
REQUISITION PURSUANT TO BOND ORDINANCE

Wells Fargo Bank
MAC U1859-031
999 Main Street, 3rd Floor
Boise, Idaho 83702
Attn: Corporate Trust Services

The undersigned, who is authorized to make such request under Section 11 of the Bond Ordinance, dated as of December 8, 2004, between First Security Bank, N.A. ("Trustee") and the Pocatello Development Authority (the "Agency"), hereby requests the above Trustee as follows:

1. Requisition Number: 35
2. Payment is due to: JB Parsons/Rail Crossings
3. The amount to be disbursed is: \$67,185.90
4. The obligation mentioned above for which payment is requested in this Requisition is due, is a proper charge against the Construction Fund and has not been previously paid from said Fund or from the proceeds of the Bonds.
5. All of this requested payment is for the items on the attached Schedule, which are costs of acquisition and construction or costs of issuing the Bonds.

Attachments: See Attached Schedule of Costs to Requisition

DATED: June 20, 2007

POCATELLO DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF POCATELLO

Authorized Representative

Terms used herein shall be as defined in the Bond Ordinance.

**SCHEDULE OF COSTS TO REQUISITION
CERTIFICATE NO. 35**

<u>Description of Costs</u>	<u>Payee and Location</u>	<u>Amount</u>
Rail Crossings	Rail Crossings C/o PEG Development One East Center St. Ste 300 Provo, UT 84606	\$67,185.90

The above are to be paid upon receipt by Trustee of an invoice therefor.

Rail Crossings Breakdown

Date	Requisition	Amount	Total Paid	Balance
7/19/2006				\$800,000.00
2/21/2007	27	\$5,842.50	\$5,842.50	\$794,157.50
2/21/2007	28	\$96,053.50	\$101,896.00	\$698,104.00
3/21/2007	29	\$6,195.90	\$108,091.90	\$691,908.10
4/18/2007	30	\$5,586.00	\$113,677.90	\$686,322.10
4/18/2007	31	\$119,055.65	\$232,733.55	\$567,266.45
5/16/2007	32	\$3,961.50	\$236,695.05	\$563,304.95
5/16/2007	33	\$42,579.00	\$279,274.05	\$520,725.95
6/20/2007	34	\$5,175.00	\$284,449.05	\$515,550.95
6/20/2007	35	\$67,185.90	\$351,634.95	\$448,365.05



412 W. Center, Suite 330 • Pocatello, ID 83204
208-238-2146 • Fax: 208-238-2162 • keller@kellerassociates.com

A Company of Professional Engineers

June 11, 2007

Greg Lanning, P.E.
Public Works Director
911 North 7th Avenue
Pocatello, Idaho 83205

RE: Rail Crossings, LLC
Yellowstone & Quinn Street improvements
Pay Application Request Number 5 Analysis & Summary

Dear Mr. Lanning:

Keller Associates, Inc. has reviewed the attached Payment Application Request and finds this application to be complete as submitted. Please see the following payment summary:

<u>Contractor</u>	<u>Payment Request</u>
JB Parsons Companies	\$67,185.90
Wheeler Electric, Inc.	\$0.00
Keller Associates, Inc.	5,175.00
Total Pay Request	\$72,360.90

We recommend payment in full based on our review.

Additionally, throughout the progress of this project, Keller Associates, Inc. has observed the signalization and intersection geometric construction coordination efforts as provided by Wheeler Electric and Jack B. Parsons Companies with their associated subcontractors. We attended and conducted weekly on-site construction progress meetings attended by both all contractors and PEG Development as well as ITD and City of Pocatello representatives. During these meetings, we found as a project team that progressive efforts were made on all accounts to solve on-site issues and add to the continued success of the construction and future site efforts.

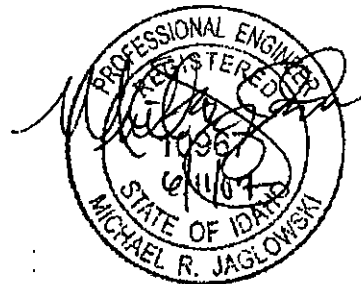
Keller Associates has available, upon request, the construction progress meeting minutes as well as our on-site observation reports.

Should you have any further questions please contact us.

Respectfully Submitted,
KELLER ASSOCIATES, INC

Michael R. Jaglowski, P.E.

Attachments:
Pay Application Request Packet



Yellowstone & Quinn Street Improvements
 Draw 5
 Date 6/3/2007

Budget #	Line Item	Vendor	Invoice	Description	Invoice Amt	Retainage	Amount Paid	Total Paid Vendor	
JB Parsons Draw 4									
	1			Curb and Sidewalk Removal West Side	\$5,025.00	\$251.25	\$ 4,773.75	\$67,185.90	
	2			All sub excavation-concrete prep - west side	\$11,400.00	\$570.00	\$ 10,830.00		
	4			Saw Cutting - west side	\$9,197.00	\$459.85	\$ 8,737.15		
	13			West Side Electrical Work Relocates	\$1,230.00	\$81.50	\$ 1,168.50		
	15			West Side Traffic Control	\$10,200.00	\$510.00	\$ 9,690.00		
	17			Mobilization	\$5,500.00	\$275.00	\$ 5,225.00		
	22			Curb and Sidewalk Removal East Side	\$2,000.00	\$100.00	\$ 1,900.00		
	23			Sub excavation concrete prep - east side	\$3,225.00	\$161.25	\$ 3,063.75		
	24			Saw Cutting - east side	\$3,570.00	\$178.50	\$ 3,391.50		
	31			East side electrical relocates	\$1,375.00	\$68.75	\$ 1,306.25		
	33			East side traffic control	\$6,000.00	\$300.00	\$ 5,700.00		
	35			East side mobilization	\$9,500.00	\$475.00	\$ 9,025.00		
	37			Relocate Existing Street Light East side	\$2,500.00	\$125.00	\$ 2,375.00		
		Construction Admin & Insp: Keller & Associates			\$5,175.00	\$0.00	\$ 5,175.00		
Total Draw Request					\$75,897.00	\$ 3,536.10	\$ 72,360.90		

Subcontractor's Lien Releases From Prior Draw Received? Yes

Change Orders Received This Period
 1 Raised Island JB persons \$10,500



A Company of Professional Engineers

412 W. Center, Suite 330 • Pocatello, ID 83204
208-238-2146 • Fax 208-238-2162 • keller@kellerassociates.com

May 24, 2007
Project No: 107011-000
Invoice No: 0000003

Rail Crossings, LLC
PEG Development
Attn: Robert Schmidt, PE
1 E. Center Street, Suite 300
Provo UT 84606

Project: 107011-000 PEG - Yellowstone Flandro Intersection

Project Manager: [Signature]

Professional Services: March 1, 2007 through April 30, 2007

Professional Personnel

	Hours	Rate	Amount
Hansen, Eddy	26.50	45.00	1,192.50
Hines, Danielle	2.00	45.00	90.00
Jaglowski, Michael	36.00	90.00	3,240.00
Mullen, James	2.00	140.00	280.00
Pettyjohn, Jason	5.00	72.00	360.00
Szelmezcza, Kristine	0.25	50.00	12.50
Totals	71.75		5,175.00
Total Labor			5,175.00

Total this Invoice \$5,175.00

Billings to date	Total this Invoice		
	Current	Prior	Total
Labor	5,175.00	3,445.00	8,620.00
Totals	5,175.00	3,445.00	8,620.00

Received: 6.6.07
 Approved: [Signature]
 Acct #: 15112
 Posted: 6.7.07
 Paid: _____
 Mailed: _____

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 122964

To Owner: Rail Crossings LLC
 PEG Development
 1 E Center St, Ste 300
 Provo, UT 84606

Project: 570006. Rail Crossing

Application No.: 4

Distribution to:
 Owner
 Architect
 Contractor

Period To: 5/20/2007

From Contractor: Jack B. Parson Companies
 P.O. Box 4002
 Pocatello, ID 83205

As Via Architect: Great Basin Engineering

Project Nos:

Contract For: Rail Crossings

Contract Date: 1/1/2007

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. Original Contract Sum	\$569,382.20
2. Net Change By Change Order	\$0.00
3. Contract Sum To Date	\$569,382.20
4. Total Completed and Stored To Date	\$86,922.00
5. Retainage:	
a. 5.00% of Completed Work	\$4,348.10
b. 0.00% of Stored Material	\$0.00
Total Retainage	\$4,348.10
6. Total Earned Less Retainage	\$82,575.90
7. Less Previous Certificates For Payments	\$15,390.00
8. Current Payment Due	\$67,185.90
9. Balance To Finish, Plus Retainage	\$486,806.30

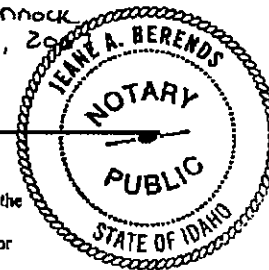
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the work covered by this Application for Payment has been completed in accordance with the Contract Documents. That all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Jack B Parson Companies

By: Larry Koleson Date: 5/17/07

State of Idaho
 Subscribed and sworn to before me this 17th
 Notary Public: Jeanne A. Berends
 My Commission expires: 1-29-2013

County of Bannock
 day of May, 2007



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information, and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount specified. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: [Signature]
 By: [Signature] Date: 6/11/07

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total Approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
Net Changes By Change Order	\$0.00	

CONTINUATION SHEET

Application and Certification for Payment, containing Contractor's signed certification is attached. In tabulations below, amounts are stated to the nearest dollar. Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 4
 Application Date : 5/17/2007
 To: 5/20/2007
 Architect's Project No.:

Invoice #: 122964 Contract: 570006. Rail Crossing

A Item No.	B Description of Work	C Scheduled Value	D Work Completed		F Materials Presently Stored (Not in D or E)	G Total Completed and Stored To Date (D+E+F)	H % (G / C)	I Balance To Finish (C-G)	J Retainage
			From Previous Application (D+E)	This Period In Place					
1	Curb And Sidewalk Removal	5,025.00	0.00	5,025.00	0.00	5,025.00	100.00%	0.00	251.25
2	All Sub Excavation-Concrete Prep As	12,000.00	0.00	11,400.00	0.00	11,400.00	95.00%	600.00	570.00
3	Remove Fence Where Required	6,000.00	0.00	0.00	0.00	0.00	0.00%	6,000.00	0.00
4	Saw Cutting	9,197.00	0.00	9,197.00	0.00	9,197.00	100.00%	0.00	459.85
5	Install Curb And Gutter	25,630.00	0.00	0.00	0.00	0.00	0.00%	25,630.00	0.00
6	Sidewalk	23,225.00	0.00	0.00	0.00	0.00	0.00%	23,225.00	0.00
7	Concrete Road	155,138.40	0.00	0.00	0.00	0.00	0.00%	155,138.40	0.00
8	SDMH Over Existing 36" SD	12,900.00	0.00	0.00	0.00	0.00	0.00%	12,900.00	0.00
9	Install New Catch Basin And Pipe	8,700.00	0.00	0.00	0.00	0.00	0.00%	8,700.00	0.00
10	Adjust Existing Manholes To Grade	2,250.00	0.00	0.00	0.00	0.00	0.00%	2,250.00	0.00
11	Install New Drop Inlet	10,200.00	0.00	0.00	0.00	0.00	0.00%	10,200.00	0.00
12	Protection Around Existing Storm Drain	150.00	0.00	0.00	0.00	0.00	0.00%	150.00	0.00
13	West Side Electrical Work/Relocates	12,300.00	9,225.00	1,230.00	0.00	10,455.00	85.00%	1,845.00	522.75
14	Relocate All Signs As Required West :	2,600.00	0.00	0.00	0.00	0.00	0.00%	2,600.00	0.00
15	West Side Traffic Control	51,000.00	0.00	10,200.00	0.00	10,200.00	20.00%	40,800.00	510.00
16	West Side Landscape	600.00	0.00	0.00	0.00	0.00	0.00%	600.00	0.00
17	Moblization	11,000.00	0.00	5,500.00	0.00	5,500.00	50.00%	5,500.00	275.00
18	Relocate Fire Hydrant And Pipe	2,900.00	0.00	0.00	0.00	0.00	0.00%	2,900.00	0.00
19	Place Solid Lids Over Inlets (Existing)	3,600.00	0.00	0.00	0.00	0.00	0.00%	3,600.00	0.00
20	Inlet Protection From Sediment	150.00	0.00	0.00	0.00	0.00	0.00%	150.00	0.00
21	Asphalt Removal And Replace	1,760.00	0.00	0.00	0.00	0.00	0.00%	1,760.00	0.00
22	Curb And Sidewalk Removal	2,000.00	0.00	2,000.00	0.00	2,000.00	100.00%	0.00	100.00
23	Sub Excavation-Concrete Prep	4,300.00	0.00	3,225.00	0.00	3,225.00	75.00%	1,075.00	161.25
24	Saw Cutting	3,570.00	0.00	3,570.00	0.00	3,570.00	100.00%	0.00	178.50
25	Install Curb And Gutter	8,890.80	0.00	0.00	0.00	0.00	0.00%	8,890.80	0.00
26	Sidewalk	7,791.00	0.00	0.00	0.00	0.00	0.00%	7,791.00	0.00
27	Concrete Road	47,385.00	0.00	0.00	0.00	0.00	0.00%	47,385.00	0.00
28	Place Solid Lids Over Existing Inlets.	1,300.00	0.00	0.00	0.00	0.00	0.00%	1,300.00	0.00
29	Install New Drop Inlet Box And Requir	4,400.00	0.00	0.00	0.00	0.00	0.00%	4,400.00	0.00
30	Provide Protection Around Existing Str	600.00	0.00	0.00	0.00	0.00	0.00%	600.00	0.00
31	East Side Electrical Work/Relocates	5,500.00	4,125.00	1,375.00	0.00	5,500.00	100.00%	0.00	275.00
32	Relocate All Signs As Required East E	3,800.00	2,850.00	0.00	0.00	2,850.00	75.00%	950.00	142.50

CONTINUATION SHEET

Application and Certification for Payment, containing Contractor's signed certification is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 4
 Application Date : 5/17/2007
 To: 5/20/2007
 Architect's Project No.:

Invoice # : 122964 Contract : 570006. Rail Crossing

A Item No.	B Description of Work	C Scheduled Value	D Work Completed		F Materials Presently Stored (Not in D or E)	G Total Completed and Stored To Date (D+E+F)	H % (G / C)	I Balance To Finish (C-G)	J Retainage
			From Previous Application (D+E)	This Period In Place					
33	East Side Traffic Control	30,000.00	0.00	6,000.00	0.00	6,000.00	20.00%	24,000.00	300.00
34	East Side Landscape	13,800.00	0.00	0.00	0.00	0.00	0.00%	13,800.00	0.00
35	Mobilization	19,000.00	0.00	9,500.00	0.00	9,500.00	50.00%	9,500.00	475.00
36	Rebuild Existing Driveway And Curb	6,000.00	0.00	0.00	0.00	0.00	0.00%	6,000.00	0.00
37	Relocate Existing Street Light East Sic	2,500.00	0.00	2,500.00	0.00	2,500.00	100.00%	0.00	125.00
38	Inlet Protection From Sediment	600.00	0.00	0.00	0.00	0.00	0.00%	600.00	0.00
39	Driveway Approach	2,520.00	0.00	0.00	0.00	0.00	0.00%	2,520.00	0.00
40	Concrete Increase For Fly Ash Chang	3,800.00	0.00	0.00	0.00	0.00	0.00%	3,800.00	0.00
41	Blanket And Cover Labor To Take Off	10,500.00	0.00	0.00	0.00	0.00	0.00%	10,500.00	0.00
42	Ground Heater For 2 Months	28,500.00	0.00	0.00	0.00	0.00	0.00%	28,500.00	0.00
43	Accelerator And Hot Water	6,300.00	0.00	0.00	0.00	0.00	0.00%	6,300.00	0.00
Grand Totals		569,382.20	16,200.00	70,722.00	0.00	86,922.00	15.27%	482,460.20	4,346.10

CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned, Jack B Parson Companies has provided material or services for PEG Development, LLC contract or purchase order agreement for the following project:

Rail Crossing

NOW THEREFORE, BE IT KNOWN, that the above named subcontractor or supplier for and in consideration of the payment of the sum of \$67,185.90, and other, good and valuable considerations, does hereby waive and relinquish any and all liens, claims or right of lien on or at any time before May 20, 2007, on said above described building, structure or any other improvements of the owner, or in behalf of the subcontractors, mechanics, journeymen, laborers, materialmen, or persons performing labor upon or furnishing materials, supplies or equipment for such property or improvements of the owner, on account of labor or materials or both, furnished by, for or on behalf of the undersigned or on account of the aforesaid.

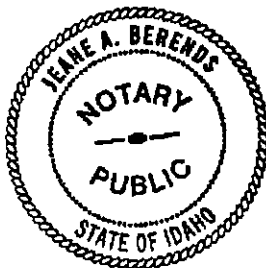
Given under his hand this 17th day of May, 2007.

BY: Larry Robson
Larry Robson

STATE OF Idaho

COUNTY OF Bannock

On this 17th day of May, 2007, personally appeared LARRY ROBSON who being duly sworn, did say that he/she is the Estimator and that the foregoing instrument was signed on behalf of said corporation by authority of its Bylaws or resolution of its Board of Directors, and said officer acknowledged to me that said corporation executed the same.



Jeane A. Berends
NOTARY PUBLIC

My Commission Expires: 1-29-2013

Jack B. Parson Companies
Pay Request

5/16/2007

PO02/003
P. 2/3

JOB # 570006

Estimate # 4

PERIOD FROM: 04/20/07
TO: 05/20/07

CONTRACT # _____

PROJECT Rail Crossing

General Contractor

PHONE: (801)855-1998

NAME PEG DEVELOPMENT
ADDRESS One East Center Suite 300
Provo, Utah 84606

CONTACT: Robert

T.I.N.
VENDOR # _____

May 25 2007 10:18
No. 6078

Fax: 801-855-0729
2082344024 BANNOCK PAVING CO
MAY 25 2007 11:08AM

Item	Description	C T	Un it	Unit Price	Quantity to Date	Earnings to Date	Quantity to Last Est.	Earnings To Last Est.	Quantity This Est.	Earnings This Est.
1	Curb & Sidewalk Rem. West Side		lf	5.00	1005.00	5,025.00		0.00	1005.00	5,025.00
2	Sub Excavation West Side		ls	12,000.00	95.00%	11,400.00		0.00	0.95	11,400.00
3	Remove Fence West Side		ls	6,000.00		0.00		0.00	0.00	0.00
4	Saw Cutting West Side		lf	8.50	1082.00	9,197.00		0.00	1082.00	9,197.00
5	Instal Curb and Gutter West Side		lf	22.00		0.00		0.00	0.00	0.00
6	Sidewalk West Side		sf	5.00		0.00		0.00	0.00	0.00
7	Concrete Road West Side		sf	11.00		0.00		0.00	0.00	0.00
8	SDMH of Exdct 36" 8D West Side		ea	4,300.00		0.00		0.00	0.00	0.00
9	New Catch Basin & Pipe West Side		ea	2,800.00		0.00		0.00	0.00	0.00
10	Adjust Manhole to Grade West Side		ea	750.00		0.00		0.00	0.00	0.00
11	New Drop Inlet West Side		ea	3,400.00		0.00		0.00	0.00	0.00
12	Protection Around Storm Drains		ls	150.00		0.00		0.00	0.00	0.00
13	Electrical Work West Side		ls	12,300.00	85.00%	10,455.00	75.00%	8,225.00	0.10	1,230.00
14	Relocate Signs West Side		ls	2,500.00		0.00		0.00	0.00	0.00
15	Traffic Control West Side		ls	51,000.00	20.00%	10,200.00		0.00	0.20	10,200.00
16	Landscaping West Side		ls	800.00		0.00		0.00	0.00	0.00
17	Mobilization West Side		ls	11,000.00	50.00%	5,500.00		0.00	0.50	5,500.00
18	Relocate Fire Hydrant West Side		ea	2,800.00		0.00		0.00	0.00	0.00
19	Place Lid Over Exdct. Inlets West		ea	1,200.00		0.00		0.00	0.00	0.00
20	Inlet Protection From Sediment West		ls	150.00		0.00		0.00	0.00	0.00
21	Asphalt Removal and Replace West		sf	4.00		0.00		0.00	0.00	0.00
22	Curb & Sidewalk Rem. East Side		lf	5.00	400.00	2,000.00		0.00	400.00	2,000.00
23	Sub Excavation East Side		ls	4,300.00	75.00%	3,225.00		0.00	0.75	3,225.00
24	Saw Cutting East Side		lf	8.50	420.00	3,570.00		0.00	420.00	3,570.00
25	Instal Curb and Gutter East Side		lf	23.90		0.00		0.00	0.00	0.00
26	Sidewalk East Side		sf	4.90		0.00		0.00	0.00	0.00
27	Concrete Road East Side		sf	11.70		0.00		0.00	0.00	0.00
28	Place Lids Over Exdct. Inlets East		ea	1,300.00		0.00		0.00	0.00	0.00
29	New Drop Inlet East Side		ea	4,400.00		0.00		0.00	0.00	0.00
30	Protection Around Storm Drains		ls	600.00		0.00		0.00	0.00	0.00
31	Electrical Work East Side		ls	5,500.00	100.00%	5,500.00	75.00%	4,125.00	0.25	1,375.00
32	Relocate Signs East Side		ls	3,800.00	75.00%	2,850.00	75.00%	2,850.00	0.00	0.00
33	Traffic Control East Side		ls	30,000.00	20.00%	6,000.00		0.00	0.20	6,000.00
34	Landscaping East Side		ls	13,800.00		0.00		0.00	0.00	0.00
35	Mobilization East Side		ls	18,000.00	50.00%	9,000.00		0.00	0.50	9,000.00
36	Rebuild Driveway & Curb East Side		ea	6,000.00		0.00		0.00	0.00	0.00
37	Relocate Street Lights East Side		ea	2,500.00	100.00%	2,500.00		0.00	1.00	2,500.00

5/16/2007

May 25 2007 10:18 P. 3/3
 No. 6078
 Fax: 801-555-0729
 2082344024 BANNOCK PAVING CO
 May 25, 2007 11:08AM

38	Inlet Protection From Sediment East	is	600.00		0.00	0.00	0.00	0.00
39	Driveway Approach East Side	of	12.00		0.00	0.00	0.00	0.00
40	Fly Ash For Concrete	is	3,800.00		0.00	0.00	0.00	0.00
41	Blanket & Cover Concrete	is	10,500.00		0.00	0.00	0.00	0.00
42	Ground Heater	is	28,500.00		0.00	0.00	0.00	0.00
43	Accelerator and Hot Water	is	6,300.00		0.00	0.00	0.00	0.00

GL NO.		TO DATE		THIS ESTIMATE	
JOB NO.	570006	Earnings to Date	86,822.00	Earnings to Date	70,722.00
Phase Code	See Above (25)	Retained Earnings	4,346.10	Retained Earnings (5%)	3,536.10
		Net Earnings to Date	82,575.90	Net Earnings to Date	67,186.00
PREPARED BY:	Larry <i>[Signature]</i>		0.00		0.00
			0.00		0.00
		Retainage Release	0.00	Retainage Release	0.00
VIEWED BY:		Less Previous Payments	15,390.00	Amount Due	\$67,186.00
		Amount Due	67,185.90		
APPROVED BY:		Total Paid to Date	82,575.90		



Revised prices Revised Island -

JACK B. PARSON COMPANIES

The Preferred Source
11200 Debate Road • P.O. Box 9802 • Pocatello, ID 83215
Phone 208-253-5796 • Fax 208-251-0224

Sand & Rock Products • Concrete • Asphalt • Paving • Construction • Earthwork • Hauling

To: PEG Development	Contact: Robert Schmidt
Address: One East Center Street, Suite 300 Provo, UT 84606	Phone: (801) 655-1998 Fax: (801) 655-0729
Project Name: Rail Crossing Raised Island Change Order	Bid Number:
Project Location: Yellowstone And Quinn Roads, Pocatello, ID	Bid Date: 6/8/2007

JOB SPECIFICATION AND PRICE: (If unit prices are quoted, units will be measured on completion and invoiced at these rates). PRICE QUOTE IS GOOD FOR 30 DAYS FROM DATE OF PROPOSAL. IF OWNER ELECTS TO EXECUTE OWN CONTRACT AGREEMENT, THIS PROPOSAL IS TO BECOME PART OF AND ATTACHED TO OWNERS CONTRACT.

Items #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	Install Base Gravel Under New Sidewalk And Prep For New Curb And Sidewalk.	1.00	LS	\$1,200.00	\$1,200.00
2	Straight Curb	140.00	LF	\$28.00	\$3,920.00
3	4" Sidewalk	550.00	SF	\$4.80	\$2,640.00
4	Handicap Ramps Tiles Or Stamped	2.00	EACH	\$920.00	\$1,840.00
5	Mobilization For Kiggins And Harper Leavitt Surveying	1.00	LS	\$900.00	\$900.00
Total Price for above Items:					\$10,500.00
Total Bid Price:					\$10,500.00

- Notes:**
- * If handicap ramps are stamped and not tiled deduct \$ 200.00 off of each ramp.
 - * Additional work and work in excess of that specified and described above will be handled as a Change Order. Additional work MUST BE APPROVED by owner and contractor prior to construction.
 - * DUE TO THE VOLATILITY OF FUEL, LIQUID ASPHALT, CEMENT AND CONSTRUCTION MATERIALS ALL BID PRICES ARE GOOD FOR 30 DAYS FROM DATE OF QUOTATION, PAVING STARTING AFTER THE 30 DAYS MAYBE SUBJECT TO PRICE ADJUSTMENTS.
 - * Bid DOES NOT include engineering, layout or testing.
 - * Price Shown DOES NOT include Performance And Payment Bond.
 - * Bid includes only the items as specified and described above.

Payment Terms: PAYMENT: Purchaser, except as otherwise provided herein, for the full and complete performance of this Agreement, agrees to pay Parson the sums identified on the reverse side of this Agreement as may be modified in accordance with this Agreement. Purchaser shall make progress payments based upon percentage of completion of the project not less than monthly. Payment shall be within three (3) working days of receipt of a request for payment. If Purchaser fails to pay within ten (10) days from the time payment should be made, Parson may, without prejudice, stop any work until payment is received. For payment not received by the 15th day of the month following the presentation of a progress payment request, a FINANCE CHARGE at the rate of 1 1/2% per month will be charged. This is an ANNUAL PERCENTAGE RATE OF 18%. THIS QUOTATION IS SUBJECT TO ALL THE TERMS AND CONDITIONS LISTED ON THE REVERSE SIDE HEREOF, WHICH TERMS AND CONDITIONS ARE INCORPORATED HEREIN BY REFERENCE.

<p>ACCEPTED: The above prices, specifications and conditions are satisfactory and hereby accepted.</p> <p>Buyer: Signature: <u><i>Robert H. Schmidt</i></u> Date of Acceptance: <u>6/8/07</u></p>	<p>CONFIRMED: JACK B. PARSON COMPANIES</p> <p>Authorized Signature: <u><i>Larry Robson</i></u> Estimator: Larry Robson</p>
--	---

ADDITIONAL TERMS AND CONDITIONS OF PROPOSAL

This Proposal/Contract made and entered into between Jack E. Parson Companies, hereafter "Parson" and the Party above named hereafter "Purchaser". The term "Contract or Agreement" shall mean this agreement, drawings, special or supplementary conditions and all other documents or attachments incorporated in any other contract related to this project. However to the extent of any conflicting obligations, the provisions contained herein control. The commencement of any work on or the supplying of material to any portion of the project shall be deemed acceptance of the terms and conditions, including the representations and warranties, of this agreement and shall be retroactive to the date commencement of work or the supplying of material began.

1 **APPROVAL OF CREDIT:** Notwithstanding Purchaser's acceptance of this proposal, Parson's obligation to perform is conditional upon Parson approval of the financial responsibility of the Purchaser. The Purchaser agrees to promptly furnish to Parson, at Parson's request, such information as Parson may deem necessary in order for Parson to determine Purchaser's financial responsibility and credit. Parson may request appropriate information from third parties for the purpose of considering Purchaser's request for credit. Purchaser agrees that there is no binding contract until approved by Parson. If disapproved, Purchaser will be notified, and this agreement will be deemed terminated, without liability to either Party.

2 **OFFER EXPIRES:** This proposal automatically expires fourteen (14) days from the date of proposal if not accepted and returned to Parson.

3 **PRICE ADJUSTMENT:** National and regional supply shortages of liquid asphalt or other material as specifically noted in this Agreement may adversely impact price and quantity terms identified in this Agreement. It is specifically agreed that Parson may adjust the pricing provided in this Agreement to reflect an increase or decrease, whether lump sum or unit, for any such price change provided said increase or decrease from Parson's supplier exceeds ____% of the price stated herein. No such price adjustment shall occur except upon not less than five (5) days advance notice to Purchaser. The price adjustment shall be effective for all product furnished pursuant to this Agreement from the date of notice to Purchaser unless Purchaser shall within forty-eight (48) hours of receipt of notice Parson objecting to said price adjustment, in which case this Agreement shall be terminated without further obligation by either Party, except that obligation by Parson to pay for goods and services provided to the date of termination at the prices quoted herein.

4 **ACCEPTANCE OF PROPOSAL:** By signing this Agreement, Purchaser represents that Purchaser's business is a valid business entity; that goods and services provided herein will be for purposes other than personal family, household or agricultural purposes; that the person signing for Purchaser is either the owner of the premises where the project is to be performed or is an authorized representative of the premises with the authority to enter into contractual agreements and is great authority to perform the work identified herein. Should Parson be required to provide survey stakes and/or to perform engineering services of any nature, Purchaser hereby consents and agrees to move and hold in place Parson from and against any and all damages, claims, costs, or expenses whatsoever arising from or resulting out of performance of this contract, including but not limited to, drainage of water or its diversion or removal during performance of the contract as well as thereafter.

5 **PERFORMANCE:** Parson shall not be liable for failure of performance or failure or delay in delivery by reason of any contingency beyond Parson control, including, but not limited to strikes, labor disputes, fire, flood, weather, embargo, war, governmental action, or regulations, including ordinances, preferences or priorities established by or for the government or shortages or failure of raw material, fuel or transportation or as a result of actions by the Purchaser, owner or other Parson or as a result of an extension of time granted by Purchaser. Upon the occurrence of such delay Parson shall receive an equitable extension of time for the performance of this Agreement. Parson shall not be entitled to any damages or additional compensation as a result of the delay except to the extent such delay was caused by the Purchaser, owner or other contractors.

6 **CURS EXCHANGE:** Parson shall not be responsible for handling of curb, gutter, and/or sidewalk when existing conditions require curbing.

7 **PAYMENT:** Purchaser, except as otherwise provided herein, for the full and complete performance of this Agreement, agrees to pay Parson the sums identified on the reverse side of this Agreement as may be modified in accordance with this Agreement. Purchaser shall make progress payments based upon percentage of completion of the project not less than monthly. Payment shall be within three (3) working days of receipt of a request for payment. If Purchaser fails to pay within ten (10) days from the time payment should be made, Parson may, without prejudice, stop any work until payment is received. For payment not received by the 15th day of the month following the presentation of a progress payment request, a FINANCE CHARGE at the rate of 11% per month will be charged. This is an ANNUAL PERCENTAGE RATE OF 13%.

8 **TAXES:** Unless otherwise noted, all federal, state and other taxes, of any nature assessable on the performance of this contract, shall be borne by the Purchaser.

9 **BINDING ARBITRATION AGREEMENT:** All disputes, claims, and controversies arising from or relating to the agreement, or the relationship resulting from this agreement, or the validity of this arbitration clause or the entire agreement, shall be subject to and resolved by binding arbitration in accord with the Mutual Association of Civil Management Program, except as specified by Parson.

10 **INDEMNIFICATION:** Parson agrees to defend, indemnify and hold harmless, Purchaser, owner and other Parson from and against any loss, claim, suit, damage or liability arising by reason of the death, personal injury, property damage or economic loss caused by any act or omission by Parson, its officer, agents or employees to the extent required by U.C.A. 13-3-1.

11 **ENVIRONMENTAL INDEMNITIES:**
A. Hazardous Substances as used in this Agreement shall mean any substance or material defined as a "hazardous substance", "hazardous waste" or "regulated substance" pursuant to applicable law.
B. Purchaser represents and warrants that it has no knowledge or reason to believe that any Hazardous Substances are present at the work site, either above or below the surface of the ground, or in the surface water or groundwater.
C. In the event it is determined that Hazardous Substances are present at the work site (other than Hazardous Substances introduced at the work site by Parson), Parson agrees to indemnify Parson and its officers, directors, employees, agents, representatives and subcontractors from and against any and all losses, claims, damages, fees, penalties, liabilities, costs and expenses (including all out-of-pocket litigation costs and expenses and the reasonable fees and expenses of counsel in any civil, criminal or administrative proceeding) arising from such Hazardous Substances, including, but not limited to, the presence or use, generation, storage, treatment, transportation, release, threatened release, or disposal of, or exposure or threatened exposure of persons or property to, such Hazardous Substances. This indemnification shall apply to liability for all personal injury, property or natural resource damage, consequential damages, foreseeable and unforeseeable, including, without limitation, the costs of any required or necessary spill, site characterization, clean up or detoxification and the preparation of any closure or other required plan.
D. In the event that Parson negligently, willfully, intentionally or incidentally causes the work to become contaminated with Hazardous Substances, then it agrees to indemnify Purchaser to the same extent as Purchaser has agreed to indemnify Parson, in subparagraph C. above.

12 **PERMITS:** The Purchaser guarantees that it has secured all necessary permits and licenses, (including but not limited to storm water permits) required by the scope of work covered in this proposal. Purchaser agrees that Parson will not be held liable for any damages (material or otherwise) which may result from the Purchaser's failure to secure and keep current any and all permits required by the scope of work covered in this proposal or under similar state or local statutes, laws or ordinances, rules or regulations.

13 **INSURANCE:** Parson shall maintain such insurance as will protect it from claims under Worker's Compensation Acts and any other statute from property damage and claims for bodily injury, including death, which may arise from Parson's operations under this Agreement. As requested by Purchaser, Parson shall submit to Purchaser certificates of insurance certifying that the insurance policies carried by it are in force at the request of Purchaser.

14 **WARRANTIES:** Parson warrants that all material covered by this Agreement shall conform to the specifications set forth herein and will conform to industry standards for each grade of material. No implied warranties are given and are expressly disclaimed by Parson. Warranties shall commence on the date of delivery and placement and will continue for a period of one (1) year from such date.

15 **GOVERNING LAW:** This Agreement shall be construed and enforced in accordance with laws of the state of Idaho.



Pocatello Development Authority
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Pocatello, Idaho 83201
Phone: 1 (208) 233-3500

www.bannockdevelopment.org

For Immediate Release: May 15, 2007

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\$316,208.64 Redistributed to Roosevelt Urban Renewal Area and Tax Increment Financing District.

Pocatello, Idaho - The Pocatello Development Authority is pleased to announce that all projects in the Roosevelt Urban Renewal Area have been successfully completed. As a result, this district has been closed early with excess funds to be returned to the appropriate taxing entities. The Pocatello Development Authority returned \$120,000 to the taxing entities in December of 2005 and returned \$196,208.64 in April of 2007. The work done in the Roosevelt URA included reimbursing Fred Meyer \$474,979.05 for a traffic signal, street improvements, engineering, and off site work. It also included investment of \$1,171,908.08 into neighborhood work which included curb and gutter, sidewalk, landscaping, and other right of way work.

Steve Brown, Chairman of the Pocatello Development Authority said, "This PDA project is a great example of the successful use of public and private partnerships. Using a Tax Increment Financing District, we were able to encourage the expansion of Fred Meyer resulting in the retention of jobs, beautification of our city, and an increase in the property value of the neighborhood. Best of all, with efficient management of the project, we came in under budget and have been able to return hundreds of thousands of dollars to the county, city and school district. When TIF districts are properly used, everyone wins."

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About Pocatello Development Authority (PDA). The PDA was established as the Urban Renewal Agency and charged with undertaking "urban renewal projects in areas designated by the City of Pocatello to be deteriorating and to undertake the rehabilitation, conservation, redevelopment or a combination thereof in such area or areas, in the interest of the public safety, morals, or welfare of the residents of the city of Pocatello." The PDA was established under Idaho Code, Title 50 Chapter 29. Since it's inception, significant projects include: the Central Corridor District which grew in valuation from \$86,144,663.00 to \$105,506,596.00, resulting in the development of downtown infrastructure, redevelopment, and public facility enhancements; the Pocatello Square District which is expected to significantly increase property values in the area with the addition of retail stores such as Lowe's, Bed Bath and Beyond, Staples, and various other restaurants and commercial development.

About the City of Pocatello. Founded in 1889, Pocatello is known as the “Gateway to the Northwest,” providing excellent air, rail and ground transportation at the intersection of I-15 and I-86, as well as cutting edge telecommunications services. It is home to AMI Semiconductor, Heinz Frozen Foods, and J.R. Simplot. The city is recognized by *Forbes.com* as a “**Best Small Place for Business**” four years in a row, and also ranked as one of the top ten small places to move and raise a family. Additionally, the region is only minutes away from the best recreational opportunities the west has to offer. For over 100 years, Pocatello has been welcoming visitors, new residents, and businesses to the community. For additional information, please visit: www.pocatello.us.