

**POCATELLO DEVELOPMENT AUTHORITY**  
**Board of Commissioners Meeting**  
**17 December 2008 – 11:00am**

City Hall  
911 North 7<sup>th</sup> Avenue

**11:00am Council Chambers**

Call to order - Chairman Brown

Acknowledge guests of the Board

Disclosure of conflicts of interest

Agenda -- add or delete action or discussion items

**Action and Discussion Items**

Minutes of October 15, 2008 -- Motion to approve and/or amend

Financial Report:      October / November Income and Expenses

                                 Arbitrage Compliance Specialist Report

                                 Bannock County Cancellation of Tax Dollars

Central Corridor:      Triangle payment request #10

                                 Ratify e-mail / phone approval of payment

                                 Triangle payment request #11

                                 Positron -- Request by Steve Yano, CEO

Executive Session:      General Growth Project Update

                                 Gateway Industrial Project Update

                                 East Center Project Update

PDA Chair Power Point Presentation

Items from staff

Items from commission members

Adjourn

**Executive Session**

Matters exist for discussion in an executive session as per I.C. 67-2345 (b) and (e)

Motion: "I move that we enter into an executive session as per Idaho Code 67-2345 (b) and (e) to consider staffing services for the PDA and to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

**POCATELLO DEVELOPMENT AUTHORITY**  
**STATEMENT OF CASH AS OF OCTOBER 30, 2008**

Cash in Checking	\$144,224.57
Cash in Savings (Wells Fargo Money Market Account)	132,159.05
Cash in held by third parties (Wells Fargo Trust Department)	3,972,799.53
Total cash	4,249,183.15
Cash restricted by bond covenants	-2,848,805.09
Total cash available	\$1,400,378.06

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**STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS**  
**FOR THE MONTH ENDED OCTOBER 30, 2008**

Receipts for the month		
CC	Property taxes received - Central Corridor	\$400.88
GF	Interest earnings on savings - Wells Fargo Managed Cash	64.54
	Interest earning on Trust Accounts - Wells Fargo Trusts	4,662.34
	Total receipts	5,127.76
Total expenditures for the month		
# 3021	GF Jimmy John's Luncheon October 15, 2008	127.60
# 3022	CC CDFI Payment #9 on triangle project	242,797.45
# 3025	CC Idaho Housing Payment #2 on Whitman project - final	256,500.00
	Total expenditures	499,425.05
	Net change in cash	-\$494,297.29
Cash balances as of October 31, 2008		\$4,249,183.15
Cash balances as of September 30, 2008		\$4,743,480.44
	Net change in cash	-\$494,297.29

CC = Central Corridor, NY = North Yellowstone, GF = General Fund

**POCATELLO DEVELOPMENT AUTHORITY**  
**CASH ANALYSIS FOR THE MONTH ENDING OCTOBER 31, 2008**

	Balance 9/31/2008	Balance 31-Oct-08	Change In Balance
<b>Total Cash:</b>			
<b>General Fund</b>			
Cash in checking	\$232,572.08	\$232,444.48	-\$127.60
Money Market Account	132,094.51	132,159.05	\$64.54
<b>Total General Fund Cash</b>	<u>364,666.59</u>	<u>364,603.53</u>	<u>-\$63.06</u>
<b>Central Corridor District</b>			
Cash in checking	-67,970.40	-67,569.52	\$400.88
Bond Trust Fund (Wells Fargo)	21.04	23.92	\$2.88
Revenue Allocation Trust Fund (Wells)	2,447,510.51	1,950,962.30	-\$496,548.21
<b>Total Central Corridor District Cash</b>	<u>2,379,561.15</u>	<u>1,883,416.70</u>	<u>-\$496,144.45</u>
<b>North Yellowstone District</b>			
Cash in checking	-25,911.69	-25,911.69	\$0.00
Bond Trust Fund (Wells Fargo)	39.38	39.42	\$0.04
Revenue Allocation Trust Fund (Wells)	687,075.80	687,648.80	\$573.00
<b>Total Yellowstone District Cash</b>	<u>661,203.49</u>	<u>661,776.53</u>	<u>\$573.04</u>
Central Corridor District Debt Service	650,000.00	650,720.55	\$720.55
North Yellowstone District Debt Service	682,787.91	683,404.54	\$616.63
Naval Ordinance Plant - Cash in checking	5,261.30	5,261.30	0.00
<b>Total cash</b>	<u>\$4,743,480.44</u>	<u>\$4,249,183.15</u>	<u>-\$494,297.29</u>

**Cash Restricted By Bond Covenants:**

<b>Central Corridor Cash</b>			
Next bond payment	932,135.00	932,135.00	0.00
<b>North Yellowstone Cash</b>			
Next bond payment	582,545.00	582,545.00	0.00
Central Corridor District Debt Service	650,000.00	650,720.55	720.55
North Yellowstone District Debt Service	682,787.91	683,404.54	616.63
<b>Total restricted cash</b>	<u>2,847,467.91</u>	<u>2,848,805.09</u>	<u>1,337.18</u>
<b>Total unrestricted cash</b>	<u>1,896,012.53</u>	<u>1,400,378.06</u>	<u>-495,634.47</u>

**Cash Available**

General Fund	364,666.59	364,603.53	-\$63.06
Central Corridor District	1,447,426.15	951,281.70	-496,144.45
North Yellowstone District	78,658.49	79,231.53	573.04
Central Corridor District Debt Service	0.00	0.00	0.00
North Yellowstone District Debt Service	0.00	0.00	0.00
Naval Ordinance Plant District	5,261.30	5,261.30	0.00
<b>Total available cash</b>	<u>1,896,012.53</u>	<u>1,400,378.06</u>	<u>-495,634.47</u>

**Cash movement analysis:**

For the month of October, Pocatello Development Authority received cash of \$5,127.76 and paid out cash payments of \$499,425.05 so that there was a decrease in cash of \$494,297.29.

General Fund revenue was \$64.54 in interest earnings on the Money Market Account and it borrowed \$242,797.45 from the Central Corridor Trust to pay Payment #9 on the Triangle project. Expenses were \$127.60 for lunches and \$242,797.45 for Triangle payment #9. The General Fund cash decreased \$63.06 in October.

The Central Corridor District received interest revenues on trust funds of \$3,472.67 and property taxes of \$400.88. The Corridor had \$499,297.45 in expenses for the month of which \$242,797.45 was a loan to the General Fund, and \$256,500.00 for payment #2 on the Whitman project. The Corridor's cash decreased by \$495,423.90 in October.

The North Yellowstone District received interest revenues on trust funds of \$1,189.67. It had no expenses. The North Yellowstone District's cash increased by \$1,189.67.

The Naval Ordnance Plant District had no activity during the month.

**Internal Debt:**

The North Yellowstone District has borrowed \$615,514.38 from the General Fund in order to pay its commitments with the Rail Crossing. This loan should be paid off over the next three years.

The Naval Ordnance District has borrowed \$75,000.00 from the General Fund in order to pay its commitments with a manufacturer, Wisper Creek.

The General Fund has borrowed \$292,797.45 from the Consolidated Corridor in order to pay its obligations on the Triangle Project.

**POCATELLO DEVELOPMENT AUTHORITY  
GENERAL FUND CASH FLOW PROJECTIONS  
2009 THROUGH 2013**

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013
Previous Year Balance:	\$370,237.35	\$364,666.59	\$364,603.53	\$343,905.34	\$474,250.34	\$776,490.65	\$1,187,193.73
<b>INCOME:</b>							
TetriDym Solutions Repayment: <sup>20</sup>							
Garfield Property							
City of Pocatello - short term loan							
Central Corridor Loan		242,797.45					
North Yellowstone Loans	100,000.00		100,000.00	300,000.00	245,895.31	428,358.08	
Naval Ordinance loan					75,000.00		
Interest Income	6,000.00	64.54	5,935.46	7,000.00	8,000.00	9,000.00	9,000.00
Total Projected Income:	106,000.00	242,861.99	105,935.46	307,000.00	328,895.31	437,358.08	9,000.00
<b>EXPENSE:</b>							
IsoRay: Committed \$75,000 <sup>1</sup> BUDGETED 75,000.00	75,000.00		75,000.00				
Triangle Project: Committed \$300,000 <sup>2</sup> BUDGETED 428,128.82	289,128.70	242,797.45	46,331.25				
Portneuf Valley Investment Partners: Committed \$40,000 <sup>2</sup>			0.00				
City of Pocatello - short term loan							
Loan to Naval Ordinance Plant District				150,000.00			
Legislative Action							
North Yellowstone Loan							
Management salaries				16,625.00	16,625.00	16,625.00	16,625.00
Luncheon costs	1,320.00	127.60	1,192.40	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00		200.00	200.00	200.00	200.00	200.00
Legal advertising	50.00		50.00	50.00	50.00	50.00	50.00
Banking expenses	360.00		360.00	360.00	360.00	360.00	360.00
Audit	3,500.00		3,500.00	3,500.00	3,500.00	3,500.00	3,500.00
Actuary Studies				4,600.00	4,600.00	4,600.00	4,600.00
Professional services	14,000.00	0.00	0.00				
Total Projected Expense:	366,058.70	242,925.05	126,633.65	176,655.00	26,655.00	26,655.00	26,655.00
<b>CALCULATED ANNUAL BALANCE</b>	<b>\$110,238.65</b>	<b>\$364,603.53</b>	<b>\$343,905.34</b>	<b>\$474,250.34</b>	<b>\$776,490.65</b>	<b>\$1,187,193.73</b>	<b>\$1,169,538.73</b>
	\$339,884.82						

**POCATELLO DEVELOPMENT AUTHORITY  
CENTRAL CORRIDOR CASH FLOW PROJECTIONS  
2009 THROUGH 2012\*\***

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	
Previous Year Balance*:	\$3,029,561.15	\$3,029,561.15	\$2,534,137.25	\$2,074,325.26	\$1,821,861.93	\$810,465.51	
<b>INCOME:</b>							
Projected Estimated Tax Revenues: <sup>9,8</sup>							
Taxes Received from Previous Years & yearly interest: <sup>7</sup>	1,445,541.56	400.88	1,445,140.68	1,445,140.68	1,445,541.56		
South Cliffs Repayment: <sup>12</sup>			0.00				
AMI Repayment (Building Owners): <sup>12</sup>			0.00	195,867.85			
Positron Repayment: <sup>12, (400,000.00)</sup>			0.00			1,200,000.00	
Interest earning on trust accounts	70,000.00	3,472.67	66,527.33	80,000.00	90,000.00	20,000.00	
Total Projected Income:	1,515,541.56	3,873.55	1,511,668.01	1,722,008.53	1,535,541.56	1,220,000.00	
<b>EXPENSE:</b>							
Current Year Debt Service:	931,430.00		931,430.00	928,795.00	933,432.50		
Cheyenne Crossing: Committed \$9 million total: <sup>16 &amp; 18</sup>	337,800.00		337,800.00	1,043,426.86	1,611,255.48	1,000,000.00	3,992,482.34
Whitman/Yellowstone Hotel: Committed \$813,000: <sup>10</sup>	356,500.00	256,500.00	100,000.00				
Clark Street Overpass: Committed \$258,880.93							
Admin Transfer to Unrestricted Account: <sup>11</sup>			0.00			157,678.00	
General Fund - loan for Triangle development		242,797.45				692,806.00	
City of Pocatello, triangle land reimbursement							
Trustee fees	2,250.00		2,250.00	2,250.00	2,250.00	206,000.00	
<u>Unapproved projects:</u>							
Unnamed Project	500,000.00		500,000.00				
South 5th Project	100,000.00		100,000.00				
Total Projected Expense:	1,625,730.00	499,297.45	1,971,480.00	1,974,471.86	2,546,937.98	2,056,484.00	
<b>CALCULATED ANNUAL BALANCE</b>		\$2,534,137.25	\$2,074,325.26	\$1,821,861.93	\$810,465.51	-\$26,018.49	
Debt service restriction (reserve \$650,000.00)			\$1,578,795.00	\$1,583,432.50	0.00	0.00	
Available cash			\$495,530.26	\$238,429.43	\$810,465.51	-\$26,018.49	

\*\* TIF District slated to close in 2012

ESTIMATED \$600K LESS DUE TO AMI ADJUSTMENT. AMOUNT IS DEDUCTED FROM THIS BOX. Actual amount is \$433,786.14, but left as \$600k for a safeguard took from Mayor's CC \$

1. City advance payback of \$325600 was not needed because of interest earned in account. Removed from both income and expense lines.
  2. City water portion of OTP was removed from spreadsheet. Not included in out portion
  3. Bank adjustment added to spreadsheet to align Actual 2007 starting balance. Verifying amounts
  4. Old Town Reinvestment Phase 3 is money left from Phase 2 commitment. The board needs to decide what they are going to do with this.
  5. Reserve Debt Service must roll each year to keep the required amount in our account. Will receive as income at closing in 2010 estimated receivable 2011.
  6. Reserve Fund Income will roll to pay off bonds at closing. If bonds are paid off, will become available to PDA. Need to check with Dean regarding the use of those funds.
  7. Will add taxes received from previous years and yearly interest at the end of each year
  8. Change in tax revenues reflects change in Ballard Building: 100% land, 50% building, and no equipment
  9. Includes all Central Corridor Tax Districts--Newtown, Alvin Ricken, Old Town, North Main, Central Corridor
  10. Whitman needs to return to board for approval of funds. Committed an additional \$100,000 on 9/19/07 making total commitment 613,000. \$100k available 4th quarter of 2009 or sooner depending on cash flow due back to PDA in 2024. \$100k was taken from the Mayor's Cheyenne money.
  11. Estimated admin can go up to \$2,347,921.65. Board needs to decide on an amount. Funds go to unrestricted account and can be used for any eligible project in the City boundaries
  12. Amount may change with board approval. If change happens, it will affect admin amount, looks as if the loan may not be repaid,
  13. Total PVIP commitment was \$85,000. \$40,000 from Board Disc. And \$45,000 from Central Corridor
  14. Reserve debt service income and reserve fund will pay final years debt service. Remainder in RAF becomes income in 2011.
  15. Total amount approved for Triangle Project: \$932,801.57. \$300,000 from board disc. And \$632,801.57
  16. \$2 million committed Cheyenne Crossing project on August 15, 2007. \$100k was given to the Whitman project on 9/19/07 making total available to the crossing \$1.9 million. Committed \$750000 to Petersen contract and \$317,907.18 was deducted for AMI withholding
  17. Board committed they may pay up to \$206,610 to the land acquisition fund
  18. At February meeting Mayor Chase indicated he would not need all CC dollars in 2008. Split up between three years
- Arbitrage bills will be absorbed in interest and past year taxes per Gynil. Should be every 5 years

Project Approval Dates

Project	Approval Date
AMI	2002
Cheyenne Crossing \$1million	
Cheyenne Crossing \$2million	8/15/2007
Clark St Overpass	11/17/2004
Engineering Expenses (JUB)	12/20/2006
Federal Express	11/17/2004
Old Town Building	9/25/2006
Old Town Reinvestment	3/19/2003
Portneuf Valley Investment Partners	3/21/2007 Minute breakdown in white binder
Posatron	10/8/2002
South Cliffs	6/11/02 & 10/22/02
Triangle	8/16/2006
Whitman/Yellowstone Hotel	4/11/2006 & 9/19/07
Land Acquisition Fund	11/14/2007

Triangle Progress	Amount
Triangle Progress	-932,801.57
Pay request #1	31,876.48
Pay request #2	44,676.88
Pay request #3	20,669.13
Pay request #4	37,133.69
Pay request #5	33,170.85
Pay request #6	80,369.92
Pay request #7	41,231.69
Pay request #8	132,044.51
Pay request #9	242,797.45
Pay request #10	106,180.34
Pay request #11	52,415.51
Pay request #12	
Pay request #13	

-110,235.06                      822,566.51



**POCATELLO DEVELOPMENT AUTHORITY**  
**NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS**  
**2009 THROUGH 2023**

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013 - 2023
Previous Year Balance:	\$1,276,749.60	\$1,343,991.40	\$1,345,181.07	\$1,454,786.43	\$1,462,456.46	\$1,457,540.11	\$1,457,540.11
<b>INCOME:</b>							
Property taxes (\$388,864.08)	764,120.03		764,120.03	964,120.03	964,123.03	964,123.03	15,425,968.48
Interest on trust accounts	25,000.00	1,189.67	23,810.33	25,000.00	25,000.00	25,000.00	375,000.00
Loan from General Fund							
Total Projected Income:	789,120.03	1,189.67	787,930.36	989,120.03	989,123.03	989,123.03	15,800,968.48
<b>EXPENSE:</b>							
Current Year Debt Service:	578,325.00		578,325.00	681,450.00	678,525.00	680,050.00	10,874,850.00
Rail Crossing			0.00				
Peg Development Land Acquisition			0.00				
Legal Advertising			0.00				
Trustee fees			0.00				
Loan payment to PDA General Fund	100,000.00		100,000.00	300,000.00	215,514.38		515,514.38
Costco employment payment (\$854,105.00) 1			0.00	100,000.00	100,000.00	300,000.00	454,105.00
Costco employment payment (\$854,105.00) 1			0.00				854,105.00
Total Projected Expense:	678,325.00	0.00	678,325.00	981,450.00	994,039.38	980,050.00	11,328,955.00
<b>CALCULATED ANNUAL BALANCE</b>	<b>\$1,387,544.63</b>	<b>\$1,345,181.07</b>	<b>\$1,454,786.43</b>	<b>\$1,462,456.46</b>	<b>\$1,457,540.11</b>	<b>\$1,456,613.14</b>	<b>\$5,929,553.59</b>
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	0.00
Current debt payment allocation fund reserve		582,545.00	582,545.00	676,800.00	677,440.00	677,440.00	0.00
Amount available		80,736.07	190,341.43	103,956.46	98,200.11	107,273.14	5,929,553.59

Note: \$691,458.36 in bonded debt reserves are included in cash balance

1 = Per letter from David Messner, Costco Agent, the \$1 mil employment grant was reduced by a construction advance to PES development of \$145,895.00, Dated 12/31/2007

**POCATELLO DEVELOPMENT AUTHORITY  
NAVAL ORDINANCE PLANT FUND CASH FLOW PROJECTIONS  
2009 THROUGH 2028**

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2012 - 2028
Previous Year Balance:	\$5,261.30	\$5,261.30	\$5,261.30	\$11,261.30	\$16,261.30	\$21,261.30	\$26,261.30
<b>INCOME:</b>							
Property taxes	6,000.00		6,000.00	80,000.00	80,000.00	80,000.00	1,200,000.00
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	6,000.00	0.00	6,000.00	80,000.00	80,000.00	80,000.00	1,200,000.00
<b>EXPENSE:</b>							
Log Homes (\$225,000.)			0.00		75,000.00	75,000.00	75,000.00
Owner Contract			0.00				750,000.00
Repay loan to General Fund			0.00	75,000.00			
			0.00				
			0.00				
			0.00				
Total Projected Expense:	0.00	0.00	0.00	75,000.00	75,000.00	75,000.00	825,000.00
<b>CALCULATED ANNUAL BALANCE</b>	<b>\$11,261.30</b>	<b>\$5,261.30</b>	<b>\$11,261.30</b>	<b>\$16,261.30</b>	<b>\$21,261.30</b>	<b>\$26,261.30</b>	<b>\$401,261.30</b>
Assessed valuation 2009	\$6,639,105.00						
Base valuation	\$3,458,800.00						
Increase 2009	\$3,180,305.00						

**POCATELLO DEVELOPMENT AUTHORITY**  
**STATEMENT OF CASH AS OF NOVEMBER 30, 2008**

Cash in Checking	\$151,930.61
Cash in Savings (Wells Fargo Money Market Account)	132,412.65
Cash in held by third parties (Wells Fargo Trust Department)	3,868,961.58
Total cash	4,153,304.84
Cash restricted by bond covenants	-2,849,382.34
Total cash available	\$1,303,922.50

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**STATEMENT OF CHANGES IN CASH AND CASH EQUIVILENTS**  
**FOR THE MONTH ENDED NOVEMBER 30, 2008**

Receipts for the month		
CC	Property taxes received - Central Corridor	\$7,706.04
GF	Interest earnings on savings - Wells Fargo Managed Cash	253.60
	Interest earning on Trust Accounts - Wells Fargo Trusts	2,342.39
	Total receipts	10,302.03
Total expenditures for the month		
# 3023	CC CDFI	106,180.34
	Payment #10 on triangle project	
	Total expenditures	106,180.34
	Net change in cash	-\$95,878.31
Cash balances as of November 30, 2008		\$4,153,304.84
Cash balances as of October 31, 2008		\$4,249,183.15
	Net change in cash	-\$95,878.31

CC = Central Corridor, NY = North Yellowstone, GF = General Fund

**POCATELLO DEVELOPMENT AUTHORITY**  
**CASH ANALYSIS FOR THE MONTH ENDING NOVEMBER 30, 2008**

	Balance 31-Oct-08	Balance 30-Nov-08	Change in Balance
<b>Total Cash:</b>			
<b>General Fund</b>			
Cash in checking	\$232,444.48	\$232,444.48	\$0.00
Money Market Account	132,159.05	132,412.65	\$253.60
<b>Total General Fund Cash</b>	<u>364,603.53</u>	<u>364,857.13</u>	<u>\$253.60</u>
<b>Central Corridor District</b>			
Cash in checking	-67,569.52	-59,863.48	\$7,706.04
Bond Trust Fund (Wells Fargo)	23.92	23.94	\$0.02
Revenue Allocation Trust Fund (Wells)	1,950,962.30	1,846,435.03	-\$104,527.27
<b>Total Central Corridor District Cash</b>	<u>1,883,416.70</u>	<u>1,786,595.49</u>	<u>-\$96,821.21</u>
<b>North Yellowstone District</b>			
Cash in checking	-25,911.69	-25,911.69	\$0.00
Bond Trust Fund (Wells Fargo)	39.42	39.43	\$0.01
Revenue Allocation Trust Fund (Wells)	687,648.80	687,760.84	\$112.04
<b>Total Yellowstone District Cash</b>	<u>661,776.53</u>	<u>661,888.58</u>	<u>\$112.05</u>
<b>Central Corridor District Debt Service</b>	650,720.55	651,186.46	\$465.91
<b>North Yellowstone District Debt Service</b>	683,404.54	683,515.88	\$111.34
<b>Naval Ordinance Plant - Cash in checking</b>	5,261.30	5,261.30	0.00
<b>Total cash</b>	<u>\$4,249,183.15</u>	<u>\$4,153,304.84</u>	<u>-\$95,878.31</u>
 <b>Cash Restricted By Bond Covenants:</b>			
<b>Central Corridor Cash</b>			
Next bond payment	932,135.00	932,135.00	0.00
<b>North Yellowstone Cash</b>			
Next bond payment	582,545.00	582,545.00	0.00
<b>Central Corridor District Debt Service</b>	650,720.55	651,186.46	465.91
<b>North Yellowstone District Debt Service</b>	683,404.54	683,515.88	111.34
<b>Total restricted cash</b>	<u>2,848,805.09</u>	<u>2,849,382.34</u>	<u>577.25</u>
<b>Total unrestricted cash</b>	<u>1,400,378.06</u>	<u>1,303,922.50</u>	<u>-96,455.56</u>
 <b>Cash Available</b>			
General Fund	364,603.53	364,857.13	\$253.60
Central Corridor District	951,281.70	854,460.49	-96,821.21
North Yellowstone District	79,231.53	79,343.58	112.05
Central Corridor District Debt Service	0.00	0.00	0.00
North Yellowstone District Debt Service	0.00	0.00	0.00
Naval Ordinance Plant District	5,261.30	5,261.30	0.00
<b>Total available cash</b>	<u>1,400,378.06</u>	<u>1,303,922.50</u>	<u>-96,455.56</u>

**Cash movement analysis:**

For the month of November, Pocatello Development Authority received cash of \$10,302.03 and paid out cash payments of \$106,180.34 so that there was a decrease in cash of \$95,878.31.

General Fund revenue was \$253.60 in interest earnings on the Money Market Account and it borrowed \$106,180.34 from the Central Corridor Trust to pay Payment #10 on the Triangle project. Expenses were \$106,180.34 for Triangle payment #10. The General Fund cash increased \$253.60 in November.

The Central Corridor District received interest revenues on trust funds of \$2,119.00 and property taxes of \$7,706.04. The Corridor had \$106,180.34 in expenses which was a loan to the General Fund. The Corridor's cash decreased by \$96,355.30 in November.

The North Yellowstone District received interest revenues on trust funds of \$223.39. It had no expenses. The North Yellowstone District's cash increased by \$223.39.\*

The Naval Ordinance Plant District had no activity during the month.

**Internal Debt:**

The North Yellowstone District has borrowed \$615,514.38 from the General Fund in order to pay its commitments with the Rail Crossing. This loan should be paid off over the next three years.

The Naval Ordinance District has borrowed \$75,000.00 from the General Fund in order to pay its commitments with a manufacturer, Wisper Creek.

The General Fund has borrowed \$348,977.79 from the Consolidated Corridor in order to pay its obligations on the Triangle Project.

**POCATELLO DEVELOPMENT AUTHORITY  
GENERAL FUND CASH FLOW PROJECTIONS  
2009 THROUGH 2013**

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013
Previous Year Balance:	\$370,297.35	\$364,666.59	\$364,357.13	\$450,085.68	\$580,430.68	\$882,670.99	\$1,293,374.07
<b>INCOME:</b>							
TetraDyn Solutions Repayment <sup>70</sup>							
Garfield Property							
City of Pocatello - short term loan							
Central Corridor Loan		348,977.79				428,358.08	
North Yellowstone Loans	100,000.00		100,000.00	300,000.00	245,895.31		
Naval Ordinance loan					75,000.00		
Interest Income	6,000.00	318.14	5,681.86	7,000.00	8,000.00	9,000.00	9,000.00
Total Projected Income:	106,000.00	\$49,295.93	105,681.86	307,000.00	328,895.31	437,358.08	9,000.00
<b>EXPENSE:</b>							
IsoRay: Committed \$75,000 <sup>1</sup> BUDGETED 75,000.00	75,000.00		75,000.00				
Triangle Project: Committed \$300,000 <sup>9</sup> BUDGETED \$260,122.52	269,128.70	348,977.79	-59,849.09				
Portneuf Valley Investment Partners: Committed \$40,000 <sup>8</sup>			0.00				
City of Pocatello - short term loan							
Loan to Naval Ordinance Plant District				150,000.00			
Legislative Action							
North Yellowstone Loan							
Management salaries				16,625.00	16,625.00	16,625.00	16,625.00
Luncheon costs	1,320.00	127.60	1,192.40	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00		200.00	200.00	200.00	200.00	200.00
Legal advertising	50.00		50.00	50.00	50.00	50.00	50.00
Banking expenses	360.00		360.00	360.00	360.00	360.00	360.00
Audit	3,500.00		3,500.00	3,500.00	3,500.00	3,500.00	3,500.00
Actuary Studies				4,600.00	4,600.00	4,600.00	4,600.00
Professional services	14,000.00	0.00	0.00				
Total Projected Expense:	366,058.70	349,105.39	20,453.31	176,655.00	26,655.00	26,655.00	26,655.00
<b>CALCULATED ANNUAL BALANCE</b>	<b>\$110,238.65</b>	<b>\$364,857.13</b>	<b>\$450,085.68</b>	<b>\$580,430.68</b>	<b>\$882,670.99</b>	<b>\$1,293,374.07</b>	<b>\$1,275,719.07</b>
	\$705,943.52						
	\$339,884.82						

POCATELLO DEVELOPMENT AUTHORITY  
CENTRAL CORRIDOR CASH FLOW PROJECTIONS  
2009 THROUGH 2012\*\*

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012
Previous Year Balance*:	\$3,029,561.15	\$3,029,561.15	\$2,437,781.95	\$1,968,144.92	\$1,707,975.55	\$696,579.13
<b>INCOME:</b>						
Projected Estimated Tax Revenues: <sup>8,9</sup>	1,445,541.56	8,106.92	1,437,434.64	1,437,434.64	1,445,541.56	
Taxes Received from Previous Years & yearly interest: <sup>7</sup>			0.00			
South Cliffs Repayment: <sup>12</sup>			0.00	196,867.85		
AMI Repayment (Building Owners): <sup>12</sup>			0.00			1,200,000.00
Positron Repayment: <sup>12</sup> (400,000.00)			0.00			
Interest earning on trust accounts	70,000.00	5,591.67	64,408.33	80,000.00	90,000.00	20,000.00
<b>Total Projected Income:</b>	<b>1,515,541.56</b>	<b>13,698.59</b>	<b>1,501,842.97</b>	<b>1,714,302.49</b>	<b>1,535,541.56</b>	<b>1,220,000.00</b>
<b>EXPENSE:</b>						
Current Year Debt Service:	931,430.00		931,430.00	928,795.00	933,432.50	
Cheyenne Crossing: Committed \$3 million total <sup>10 &amp; 13</sup>	337,800.00		337,800.00	1,043,426.86	1,611,255.48	1,000,000.00
Whitman/Yellowstone Hotel: Committed \$613,000 <sup>10</sup>	356,500.00	256,500.00	100,000.00			3,992,482.34
Clark Street Overpass: Committed \$258,880.93						
Admin Transfer to Unrestricted Account: <sup>11</sup>			0.00			157,678.00
General Fund - loan for Triangle development City of Pocatello, triangle land reimbursement		348,977.79				692,806.00
Trustee fees	2,250.00		2,250.00	2,250.00	2,250.00	206,000.00
<u>Unapproved projects:</u>						
Unnamed Project	500,000.00		500,000.00			
South 5th Project	100,000.00		100,000.00			
<b>Total Projected Expense:</b>	<b>1,625,730.00</b>	<b>605,477.79</b>	<b>1,971,480.00</b>	<b>1,974,471.86</b>	<b>2,546,937.98</b>	<b>2,056,484.00</b>
<b>CALCULATED ANNUAL BALANCE</b>		<b>\$2,437,781.95</b>	<b>\$1,968,144.92</b>	<b>\$1,707,975.55</b>	<b>\$696,579.13</b>	<b>-\$139,904.87</b>
Debt service restriction (reserve \$650,000.00)			\$1,578,795.00	\$1,583,432.50	0.00	0.00
Available cash			\$389,349.92	\$124,543.05	\$696,579.13	-\$139,904.87

-- IIF District stated to close in 2012

ESTIMATED \$600K LESS DUE TO AMI ADJUSTMENT. AMOUNT IS DEDUCTED FROM THIS BOX. Actual amount is \$433,788.14, but left as \$600k for a safeguard took from Mayor's CC \$

1. City advance payback of \$325600 was not needed because of interest earned in account. Removed from both income and expense lines.
2. City water portion of OTP was removed from spreadsheet. Not included in out portion
3. Bank adjustment added to spreadsheet to align Actual 2007 starting balance. Verifying amounts
4. Old Town Reinvestment Phase 3 is money left from Phase 2 commitment. The board needs to decide what they are going to do with this.
5. Reserve Debt Service must roll each year to keep the required amount in our account. Will receive as income at closing in 2010 estimated receivable 2011.
6. Reserve Fund Income will roll to pay off bonds at closing. If bonds are paid off, will become available to PDA. Need to check with Dean regarding the use of those funds.
7. Will add taxes received from previous years and yearly interest at the end of each year
8. Change in tax revenues reflects change in Ballard Building: 100% land, 50% building, and no equipment
9. Includes all Central Corridor Tax Districts--Newtown, A.M.I. Ficken, Old Town, North Main, Central Corridor
10. Whitman needs to return to board for approval of funds. Committed an additional \$100,000 on 9/19/07 making total commitment 613,000. \$100k available 4th quarter of 2009 or sooner depending on cash flow due back to PDA in 2024. \$100k was taken from the Mayor's Cheyenne money.
11. Estimated admin can go up to \$2,347,921.65. Board needs to decide on an amount. Funds go to unrestricted account and can be used for any eligible project in the City boundaries
12. Amount may change with board approval. If change happens, it will affect admin amount, looks as if the loan may not be repaid,
13. Total PVIP commitment was \$85,000. \$40,000 from Board Disc. And \$45,000 from Central Corridor
14. Reserve debt service income and reserve fund will pay final years debt service. Remaineder in RAF becomes income in 2011.
15. Total amount approved for Triangle Project: \$932,801.57. \$300,000 from board disc. And \$632,801.57
16. \$2 million committed Cheyenne Crossing project on August 15, 2007. \$100k was given to the Whitman project on 9/19/07 making total available to the crossing \$1.9 million. Committed \$750000 to Petersen contract and \$317,907.18 was deducted for AMI withholding
17. Board committed they may pay up to \$206,810 to the land acquisition fund
18. At February meeting Mayor Chase indicated he would not need all CC dollars in 2008. Split up between three years. Arbitrage bills will be absorbed in interest and past year taxes per Gyril. Should be every 5 years

-- Project Approval Dates

AMI	2002	Triangle Progress	-932,801.57	
Cheyenne Crossing \$1million		Pay request #1	31,876.48	
Cheyenne Crossing \$2million	8/15/2007	Pay request #2	44,676.88	75,553.36
Clark St Overpass	11/17/2004	Pay request #3	20,669.19	97,222.55
Engineering Expenses (JUB)	12/20/2006	Pay request #4	37,133.69	134,356.24
Federal Express	11/17/2004	Pay request #5	33,170.85	167,527.09
Old Town Building	9/25/2006	Pay request #6	80,369.52	247,897.01
Old Town Reinvestment	3/19/2003	Pay request #7	41,231.69	289,128.70
Portneuf Valley Investment Partners	3/21/2007 Minute breakdown in white binder	Pay request #8	132,044.51	421,173.21
Positron	10/8/2002	Pay request #9	242,797.45	663,970.66
South Cliffs	6/11/02 & 10/22/02	Pay request #10	106,180.34	770,151.00
Triangle	8/16/2006	Pay request #11	52,415.51	
Whitman/Yellowstone Hotel	4/11/2006 & 9/19/07	Pay request #12		
Land Acquisition Fund	11/14/2007	Pay request #13		
			-110,235.06	822,566.51



**POCATELLO DEVELOPMENT AUTHORITY  
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS  
2009 THROUGH 2028**

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2013 - 2028
Previous Year Balance:	\$1,276,749.60	\$1,343,991.40	\$1,345,404.46	\$1,454,786.43	\$1,462,456.46	\$1,457,540.11	\$1,457,540.11
<b>INCOME:</b>							
Property taxes (\$368,864.08)	764,120.03		764,120.03	964,120.03	964,123.03	964,123.03	15,425,958.48
Interest on trust accounts	25,000.00	1,413.06	23,586.94	25,000.00	25,000.00	25,000.00	375,000.00
Loan from General Fund							
Total Projected Income:	789,120.03	1,413.06	787,706.97	989,120.03	989,123.03	989,123.03	15,800,968.48
<b>EXPENSE:</b>							
Current Year Debt Service:	578,325.00		578,325.00	681,450.00	678,525.00	680,050.00	10,874,850.00
Rail Crossing			0.00				
Peg Development Land Acquisition			0.00				
Legal Advertising			0.00				
Trustee fees			0.00				
Loan payment to PDA General Fund	100,000.00		100,000.00	300,000.00	215,514.38		515,514.38
Costco employment payment (\$854,105.00) 1			0.00		100,000.00	300,000.00	454,105.00
854,105.00							
Total Projected Expense:	678,325.00	0.00	678,325.00	981,450.00	994,039.38	980,050.00	11,328,955.00
<b>CALCULATED ANNUAL BALANCE</b>	<b>\$1,387,544.63</b>	<b>\$1,345,404.46</b>	<b>\$1,454,786.43</b>	<b>\$1,462,456.46</b>	<b>\$1,457,540.11</b>	<b>\$1,466,613.14</b>	<b>\$5,929,553.59</b>
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	681,900.00	681,900.00	0.00
Current debt payment allocation fund reserve		582,545.00	582,545.00	676,600.00	677,440.00	677,440.00	0.00
Amount available		<u>80,959.46</u>	<u>190,341.43</u>	<u>103,956.46</u>	<u>98,200.11</u>	<u>107,273.14</u>	<u>5,929,553.59</u>

Note: \$691,458.36 in bonded debt reserves are included in cash balance

1 = Per letter from David Messner, Costco Agent, the \$1 mil employment grant was reduced by a construction advance to PEG development of \$145,895.00, Dated 12/31/2007

**POCATELLO DEVELOPMENT AUTHORITY**  
**NAVAL ORDINANCE PLANT FUND CASH FLOW PROJECTIONS**  
**2009 THROUGH 2028**

YEARS ENDED	Budget 2009	YTD 2009 As of October	Remaining 2009	Budget 2010	Budget 2011	Budget 2012	Budget 2012 - 2028
Previous Year Balance:	\$5,261.30	\$5,261.30	\$5,261.30	\$11,261.30	\$16,261.30	\$21,261.30	\$26,261.30
<b>INCOME:</b>							
Property taxes	6,000.00		6,000.00	80,000.00	80,000.00	80,000.00	1,200,000.00
Interest on trust accounts			0.00				
Loan from General Fund			0.00				
Total Projected Income:	6,000.00	0.00	6,000.00	80,000.00	80,000.00	80,000.00	1,200,000.00
<b>EXPENSE:</b>							
Log Homes (\$225,000.)			0.00		75,000.00	75,000.00	75,000.00
Owner Contract:			0.00				750,000.00
Repay loan to General Fund			0.00	75,000.00			
			0.00				
			0.00				
			0.00				
Total Projected Expense:	0.00	0.00	0.00	75,000.00	75,000.00	75,000.00	825,000.00
<b>CALCULATED ANNUAL BALANCE</b>	<b>\$11,261.30</b>	<b>\$5,261.30</b>	<b>\$11,261.30</b>	<b>\$16,261.30</b>	<b>\$21,261.30</b>	<b>\$26,261.30</b>	<b>\$401,261.30</b>
Assessed valuation 2009	\$6,639,105.00						
Base valuation	\$3,458,800.00						
Increase 2009	\$3,180,305.00						

Pocatello Development Authority

November 25, 2008

911 North 7<sup>th</sup>

Pocatello, Idaho 83201

Attn: Board of Directors

Dear Sirs or Madam

This letter should explain the business that the Board has with Arbitrage Compliance Specialists, Inc.

Page 1 is a copy of the front page of an "Engagement Letter for Arbitrage Rebate Report For \$6.5M 2000 Series A. The computation period will be from March 1, 2008 to March 1 2010. The report will cost \$1,700.00.

Page 2 is a copy of the front page of an "Engagement Letter for Arbitrage Rebate Report For \$7.75M 2004 Series A. The computation period will be from December 23, 2007 to December 23, 2009. The report will cost \$1,700.00.

These are required by the Internal Revenue Service and the Bond Indentures issued by the Authority.

A motion should be made to allow the President of the Board to sign these engagement letters.

Page 3 is a copy of a bill for Arbitrage Compliance Specialists, Inc for the Arbitrage Report the issued on the \$6.5M, 2000 Series A Bond issue for the period ending March 1, 2008. A motion needs to be made authorizing payment of this bill in the amount of \$2,400.00.

Page 4 is a copy of the issued report showing that the Authority has no arbitrage liability to the Internal Revenue Service on this bond issue.

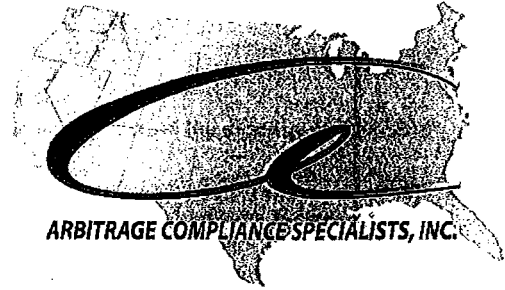
Page 5 is a copy of a bill for Arbitrage Compliance Specialists, Inc for the Arbitrage Report the issued on the \$7.75M, 2004 Series A Bond issue for the period ending December 23, 2007. A motion needs to be made authorizing payment of this bill in the amount of \$2,760.00.

Page 6 is a copy of the issued report showing that the Authority has no arbitrage liability to the Internal Revenue Service on this bond issue.

Sincerely

  
Jerry E. Higgins

November 20, 2008



Mr. Jerry E. Higgins, CPA, City Treasurer  
City of Pocatello  
Finance Department  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
on behalf of:  
Pocatello Development Authority

Dear Mr. Higgins:

**CONTROL #3**  
**ENGAGEMENT LETTER FOR ARBITRAGE REBATE REPORT FOR**  
**\$6.5M 2000 SERIES A**

The purpose of this letter is to propose our engagement to prepare arbitrage compliance computations as required by the United States Treasury, Internal Revenue Service ("IRS") for the following tax-exempt debt. Listed below is the tax-exempt debt requiring computations and Arbitrage Compliance Specialists, Inc. ("ACS") fees to complete this engagement.

**\$6,500,000 Revenue Allocation (Tax Increment) Bonds, 2000 Series A**

*Date of Issue: 8/29/00*

*Bond Year: 3/1*

*10<sup>th</sup> Year IRS Filing Computation Period: 3/1/08 – 3/1/10 added as part of 8/29/00 – 3/1/10*

Report Fee (for 1 year period)	\$1,250
Additional Period (\$875 per year for reports in excess of 1 year; 1 additional year)	875
ACS Discount	<u>(425)</u>
<b>TOTAL</b>	<b><u>\$1,700</u></b> * Bill 4/10

**PLEASE NOTE THAT THIS ISSUE WILL REACH THE 10<sup>TH</sup> YEAR COMPUTATION DATE AS OF MARCH 1, 2010. ACCORDINGLY, THE REBATE REPORT IS REQUIRED TO BE COMPLETED FOR THE IRS WITHIN 60 DAYS OF THIS DATE, OR BY APRIL 30, 2010 (as per Regulation 148(f)(3)).**

**Data Requirements:** Investment data for all funds and accounts including Debt Service for the computation period listed above (see Notes on next page, 2<sup>nd</sup> bullet point).

Footnotes for pricing:

• ACS' fee for completing the filing Form 8038-T if rebate is owed and applicable: on-time filing \$395, late filing \$595.

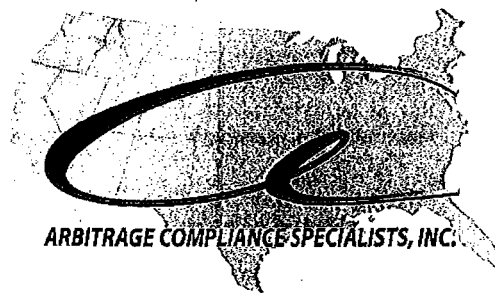
\* Optional Charges for all issues, if applicable: \$150 per hour - Uncommingling of any funds, accounts or investments, as required; recalculation and allocation of interest and maturities on investments, if applicable.

**HEADQUARTERS:** 7400 East Orchard Road, Suite 270 • Greenwood Village • Colorado • 80111  
Phone: (303) 756-6100 | (800) 672-9993 • Fax: (303) 756-0901 | (800) 756-6505 • E-Mail: [Arbltrage@RebateByACS.com](mailto:Arbltrage@RebateByACS.com)  
**LOCATIONS NATIONWIDE:** La Jolla, CA | Greenwood Village, CO | Orlando, FL | Boise, ID | Las Vegas, NV  
Durham, NC | Portland, OR | Nashville, TN | Houston, TX | Salt Lake City, UT | Seattle, WA

Pg 1

November 20, 2008

Mr. Jerry E. Higgins, CPA, City Treasurer  
City of Pocatello  
Finance Department  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
on behalf of:  
Pocatello Development Authority



Dear Mr. Higgins:

**CONTROL #5.5**  
**ENGAGEMENT LETTER FOR ARBITRAGE REBATE REPORT FOR**  
**\$7.755M 2004 SERIES A**

The purpose of this letter is to propose our engagement to prepare arbitrage compliance computations as required by the United States Treasury, Internal Revenue Service ("IRS") for the following tax-exempt debt. Listed below is the tax-exempt debt requiring computations and Arbitrage Compliance Specialists, Inc. ("ACS") fees to complete this engagement.

**\$7,755,000 Revenue Allocation (Tax Increment) Bonds, 2004 Series A**  
*Date of Issue: 12/23/04*  
*5<sup>th</sup> Year IRS Filing Computation Period: 12/23/07 – 12/23/09 added as part of 12/23/04 – 12/23/09*

Report Fee (for 1 year period)	\$1,250
Additional Period (\$875 per year for reports in excess of 1 year; 1 additional year)	875
ACS Discount	(425)
<b>TOTAL</b>	<b><u>\$1,700</u></b> * Bill 1/10

**PLEASE NOTE THAT THIS ISSUE WILL REACH THE 5<sup>TH</sup> YEAR COMPUTATION DATE AS OF DECEMBER 23, 2009. ACCORDINGLY, THE REBATE REPORT IS REQUIRED TO BE COMPLETED FOR THE IRS WITHIN 60 DAYS OF THIS DATE, OR BY FEBRUARY 22, 2010 (as per Regulation 148(f)(3)).**

**Data Requirements:** Investment data for all funds and accounts including Debt Service for the computation period listed above (see Notes on next page, 2<sup>nd</sup> bullet point).

Footnotes for pricing:

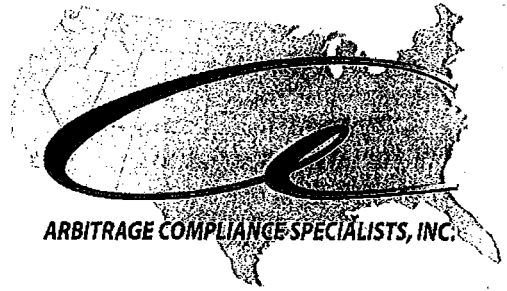
● ACS' fee for completing the filing Form 8038-T if rebate is owed and applicable: on-time filing \$395, late filing \$595.

\* Optional Charges for all issues, if applicable: \$150 per hour - Uncommingling of any funds, accounts or investments, as required; recalculation and allocation of interest and maturities on investments, if applicable.

**HEADQUARTERS:** 7400 East Orchard Road, Suite 270 • Greenwood Village • Colorado • 80111  
**Phone:** (303) 756-5100 | (800) 672-9993 • **Fax:** (303) 756-0901 | (800) 756-6505 • **E-Mail:** Arbitrage@RebateByACS.com  
**LOCATIONS NATIONWIDE:** La Jolla, CA | Greenwood Village, CO | Orlando, FL | Boise, ID | Las Vegas, NV  
Durham, NC | Portland, OR | Nashville, TN | Houston, TX | Salt Lake City, UT | Seattle, WA

Pg 2

November 20, 2008



ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Mr. Jerry E. Higgins, CPA, City Treasurer  
City of Pocatello  
Finance Department  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
on behalf of:  
Pocatello Development Authority

**INVOICE #81074 as per the attached Engagement Letter**

**BILLING INVOICE FOR**

**CONTROL #3  
\$6,500,000  
POCATELLO DEVELOPMENT AUTHORITY  
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2000 SERIES A  
DATE OF ISSUE: AUGUST 29, 2000  
ARBITRAGE REBATE CALCULATIONS  
FOR THE COMPUTATION PERIOD  
AUGUST 29, 2000 TO MARCH 1, 2008  
AS OF THE DATE OF THIS REPORT  
NOVEMBER 20, 2008**

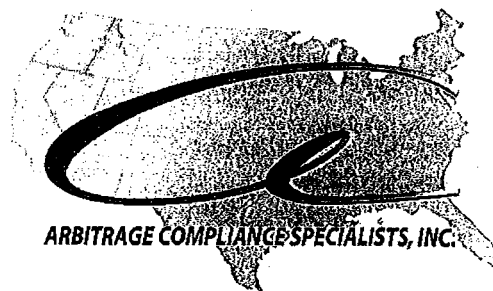
Report Fee (for 1 year period)	\$1,250
Additional Period (\$875 per year for reports in excess of 1 year; 2 additional years)	1,750
ACS Discount	(600)
<b>GRAND TOTAL DUE UPON RECEIPT</b>	<b><u>\$2,400</u></b>

Remit a copy of invoice with payment.

**HEADQUARTERS:** 7400 East Orchard Road, Suite 270 • Greenwood Village • Colorado • 80111  
**Phone:** (303) 756-5100 | (800) 672-9993 • **Fax:** (303) 756-0901 | (800) 756-6505 • **E-Mail:** Arbitrage@RebateByACS.com  
**LOCATIONS NATIONWIDE:** La Jolla, CA | Greenwood Village, CO | Orlando, FL | Boise, ID | Las Vegas, NV  
Durham, NC | Portland, OR | Nashville, TN | Houston, TX | Salt Lake City, UT | Seattle, WA

Pg 3

November 20, 2008



City of Pocatello ("City")  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
on behalf of:  
Pocatello Development Authority ("Authority")

**CONTROL #3  
\$6,500,000  
POCATELLO DEVELOPMENT AUTHORITY  
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2000 SERIES A  
DATE OF ISSUE: AUGUST 29, 2000  
ARBITRAGE REBATE CALCULATIONS  
FOR THE COMPUTATION PERIOD  
AUGUST 29, 2000 TO MARCH 1, 2008  
AS OF THE DATE OF THIS REPORT  
NOVEMBER 20, 2008**

At your request, Arbitrage Compliance Specialists, Inc. ("ACS") has prepared computations pertaining to the amount of the contingent rebatable arbitrage ("Contingent Rebatable Arbitrage") for the City acting on behalf of the Authority with respect to the above-referenced issue of bonds ("Bonds") for the above-referenced computation period ("Computation Period"). The computations following as Exhibits (together with this letter, the "Report") have been performed by ACS and are based upon the limited scope of ACS' engagement with information, instructions, assumptions and representations as provided to ACS by the City. The computations reflected in the Exhibits of this Report are summarized as follows:

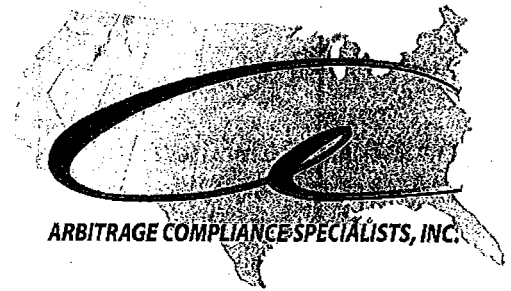
1. The yield on the Bonds is 5.25144%.	
2. The yield on the investments is 4.11225598%.	
3. Total Contingent Rebatable Arbitrage	-\$198,813.13

Using procedures that ACS has developed for calculating arbitrage rebate, ACS has computed the amount of the Contingent Rebatable Arbitrage with respect to the Bonds for the Computation Period in accordance with the applicable provisions of the Internal Revenue Code of 1986, as amended and the 1993 Treasury Regulations applicable to the Bonds.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

BY: Ira B. Sacks CPA  
Ira B. Sacks, Director  
Certified Public Accountant

November 20, 2008



Mr. Jerry E. Higgins, CPA, City Treasurer  
City of Pocatello  
Finance Department  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
on behalf of:  
Pocatello Development Authority

**INVOICE #81075 as per the attached Engagement Letter**

**BILLING INVOICE FOR**

**CONTROL #5.5  
\$7,755,000  
POCATELLO DEVELOPMENT AUTHORITY  
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A  
DATE OF ISSUE: DECEMBER 23, 2004  
ARBITRAGE REBATE CALCULATIONS  
FOR THE COMPUTATION PERIOD  
DECEMBER 23, 2004 TO DECEMBER 23, 2007  
AS OF THE DATE OF THIS REPORT  
NOVEMBER 20, 2008**

One-Time Initial Set-up/Legal Fee	\$ 450
Report Fee (for 1 year period)	1,250
Additional Period (\$875 per year for reports in excess of 1 year; 2 additional years)	1,750
ACS Discount	( 690)
<b>GRAND TOTAL DUE UPON RECEIPT</b>	<b><u>\$2,760</u></b>

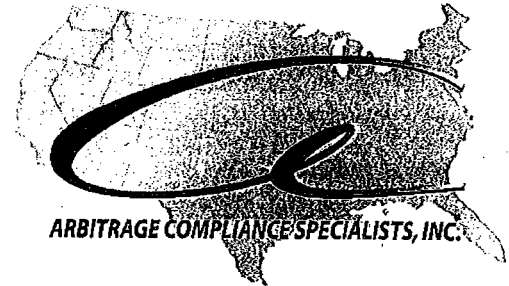
Remit a copy of invoice with payment.

**HEADQUARTERS:** 7400 East Orchard Road, Suite 270 • Greenwood Village • Colorado • 80111  
**Phone:** (303) 756-5100 | (800) 672-9993 • **Fax:** (303) 756-0901 | (800) 756-6505 • **E-Mail:** Arbitrage@RebateByACS.com  
**LOCATIONS NATIONWIDE:** La Jolla, CA | Greenwood Village, CO | Orlando, FL | Boise, ID | Las Vegas, NV  
Durham, NC | Portland, OR | Nashville, TN | Houston, TX | Salt Lake City, UT | Seattle, WA

Pg 5



November 20, 2008



City of Pocatello ("City")  
911 North 7<sup>th</sup> Avenue  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
on behalf of:  
Pocatello Development Authority ("Authority")

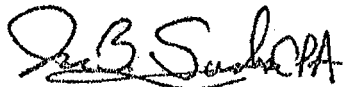
**CONTROL #5.5**  
**\$7,755,000**  
**POCATELLO DEVELOPMENT AUTHORITY**  
**REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A**  
**DATE OF ISSUE: DECEMBER 23, 2004**  
**ARBITRAGE REBATE CALCULATIONS**  
**FOR THE COMPUTATION PERIOD**  
**DECEMBER 23, 2004 TO DECEMBER 23, 2007**  
**AS OF THE DATE OF THIS REPORT**  
**NOVEMBER 20, 2008**

At your request, Arbitrage Compliance Specialists, Inc. ("ACS") has prepared computations pertaining to the amount of the contingent rebatable arbitrage ("Contingent Rebatable Arbitrage") for the City acting on behalf of the Authority with respect to the above-referenced issue of bonds ("Bonds") for the above-referenced computation period ("Computation Period"). The computations following as Exhibits (together with this letter, the "Report") have been performed by ACS and are based upon the limited scope of ACS' engagement with information, instructions, assumptions and representations as provided to ACS by the City. The computations reflected in the Exhibits of this Report are summarized as follows:

1. The yield on the Bonds is 5.8936%.	
2. The yield on the investments is 3.296048791%.	
3. Total Contingent Rebatable Arbitrage	-\$254,586.23

Using procedures that ACS has developed for calculating arbitrage rebate, ACS has computed the amount of the Contingent Rebatable Arbitrage with respect to the Bonds for the Computation Period in accordance with the applicable provisions of the Internal Revenue Code of 1986, as amended and the 1993 Treasury Regulations applicable to the Bonds.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

BY:   
Ira B. Sacks, Director  
Certified Public Accountant

Page



P.O. Box 4969  
Pocatello, Idaho 83205-4969  
Phone 236-7260  
Fax 236-7074

*Jo Lynn Anderson*  
Assessor

Room 204  
624 E. Center St.  
Pocatello, Idaho

DEC. 10, 2008

BANNOCK COUNTY COMMISSIONERS  
LARRY GHAN, CHAIRMAN  
BANNOCK COUNTY COURTHOUSE  
POCATELLO, ID 83205

HONORABLE COMMISSIONERS:

PLEASE ALLOW THE FOLLOWING CANCELLATION OF TAX DOLLARS FOR  
**2008:**

**RPCPP023305-1ST. POCATELLO ASSOCIATES LP-(EARL SWIFT-OLD GUN  
PLANT)-CANCEL \$45,039.40 TAX DOLLARS- SETTLEMENT PRIOR TO BOARD  
OF TAX APPEALS. ALL VALUATION CHANGE ON THIS PARCEL ONLY.  
AUDITOR AND TREASURER NOTIFIED, MAYOR'S OFFICE AND POCATELLO  
DEV. AUTHORITY WILL BE ADVISED, THIS CANCELLATION INVOLVES  
LOSS OF URBAN PROJECT MONIES.**

THANK YOU.

SINCERELY,

JO LYNN ANDERSON  
BANNOCK COUNTY ASSESSOR

CC: COUNTY TRSR. CITY OF POCATELLO,  
PDA, AUDITORS OFFICE

11/19/08

E-mail / telephone poll for Payment No. 10 for the triangle project in the amount \$106,180.34.

Member	Approve	Deny
Brower, Terry	X	
Brown, Steve	X	
Chase, Roger	X	
Ghan, Larry		
Hill, Cynthia	X	
Johnson, Darsi	X	
Monroe, Ken	X	
Moore, Gary		
Ward, Ryan	X	

Note: Terry Brower, Mayor Roger Chase, Darsi Johnson, and Ken Monroe voted by phone. Steve Brown, Cynthia Hill, and Ryan Ward voted by e-mail.

## **Pizer, Jennifer**

---

**From:** Schuerman, Jesse  
**Sent:** Tuesday, November 18, 2008 10:43 AM  
**To:** Pizer, Jennifer  
**Cc:** Chambers, Robert  
**Subject:** RE: PDA - Application for Payment No. 10

Thanks Jennifer. I just wanted to reiterate that I have reviewed the payment application and everything on the current pay application is acceptable for payment.

---

**From:** Pizer, Jennifer  
**Sent:** Tuesday, November 18, 2008 10:26 AM  
**To:** Schuerman, Jesse; Chambers, Robert  
**Subject:** FW: PDA - Application for Payment No. 10

---

**From:** Higgins, Jerry  
**Sent:** Tuesday, November 18, 2008 10:12 AM  
**To:** Pizer, Jennifer  
**Cc:** Swindell, Dave  
**Subject:** RE: PDA - Application for Payment No. 10

After payment Number 10, dated November 13, 2008, in the amount of \$106,180.34, PDA's remaining obligation under the contract will be \$177,430.16.

---

**From:** Pizer, Jennifer  
**Sent:** Monday, November 17, 2008 9:23 AM  
**To:** Higgins, Jerry  
**Subject:** PDA - Application for Payment No. 10

Hi Jerry,

By chance, do you have the fund balance for the triangle work? If so, can you let me know and I'll get with Jesse Shuermann to see if the work scope was satisfactory and then poll the PDA Board.

Thanks!

Jen

*Jennifer Pizer*  
Planning & Development Services

City of Pocatello  
(208)234-6184  
[jpizer@pocatello.us](mailto:jpizer@pocatello.us)

**Pizer, Jennifer**

---

**From:** Ryan Ward [RWard@ccb-idaho.com]  
**Sent:** Tuesday, November 18, 2008 2:44 PM  
**To:** Pizer, Jennifer  
**Subject:** Re: PDA - Poll for payment request no. 10

I vote to approve.

Ryan Ward

This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and delete the original message.

**Pizer, Jennifer**

---

**From:** Whitworth, Ruth  
**Sent:** Tuesday, November 18, 2008 2:48 PM  
**To:** Pizer, Jennifer  
**Subject:** RE: PDA - Poll for payment request no. 10

Jen,  
The mayor called in and he said if Jesse has approved it then he approves it.

Anne from Ruth's computer ☺

Ruth Whitworth, CMC  
Admin Asst/Deputy Clerk  
Mayor's Office  
City of Pocatello  
208-234-6163

---

**From:** Pizer, Jennifer  
**Sent:** Tuesday, November 18, 2008 1:11 PM  
**To:** Angie Lee; Chambers, Robert; Cynthia Hill; Darsi Johnson; Gynli Gilliam; Higgins, Jerry; Ken Monroe; Lanning, Greg; Larry Ghan; Whitworth, Ruth; Moore, Gary; Pizer, Jennifer; Ryan Ward; Schuerman, Jesse; Steve Brown; Swindell, Dave; Taylor, Darcy; Terry Brower; Tranmer, Dean  
**Subject:** PDA - Poll for payment request no. 10  
**Importance:** High

Dear PDA Members:

We have received a request for Payment No. 10 for the Triangle project in the amount of \$106,180.34. Since the PDA meeting scheduled for November 19, 2008 was cancelled we are requesting a poll to approve or deny the payment. This will be ratified at our next PDA meeting. Jesse Shuerman, the City's Engineer for this project, has approved payment. In addition, that after this payment the PDA's remaining obligation for this project will be for \$177,430.16

Please e-mail or call me back with your approval or denial of this request.

Thank you,

Jennifer

*Jennifer Pizer*  
Planning & Development Services

City of Pocatello  
(208)234-6184  
[jpizer@pocatello.us](mailto:jpizer@pocatello.us)

- Architecture
- Interior Design
- Landscape Architecture

## **TRANSMITTAL LETTER**

---

Date: November 13, 2008

To: Robert Chambers, City of Pocatello

Project: The Triangle -- Application for Payment No. 10

Remarks:

Enclosed is Application for Payment No. 10 for The Triangle project. Please contact Jim Jenkins if you have any questions.

---

Thank You: Jami N. Myers, Executive Assistant  
Myers Anderson Architects, PLLC

jnm  
Enclosures

Myers ■ Anderson

- Architecture
- Interior Design
- Landscape Architecture

November 6, 2008

Robert Chambers  
City of Pocatello  
Pocatello Development Authority  
911 North 7<sup>th</sup> Avenue  
Pocatello, Idaho 83201

Re: The Triangle / PDA  
Application for Payment No. 10  
Triangle, Inc.

Dear Mr. Chambers:

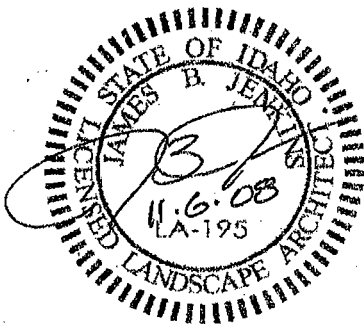
Myers Anderson Architects certifies to the Pocatello Development Authority that to the best of the Architect's knowledge, information, and belief the work covered by this Application for Payment has progressed as indicated and is in accordance with the contract documents and that the current payment shown herein is now due.

Amount Certified . . . . . \$106,180.34

Previous Amount Funded by PDA . . \$648,525.75

Project Architect:

By: Jim Jenkins Date: November 6, 2008



101 N. Main  
Pocatello, Idaho 83204  
P 208-232-3741  
F 208-232-3782  
maa@myers-anderson.com



**Triangle, Inc.**  
PO Box 1082  
Pocatello, Idaho 83204

**PDA INVOICE #10**

**November 6, 2008**

Work Completed as of: October 31, 2008

PDA Site: Triangle Redevelopment Project PHASE 1 (perimeter) and PHASE 2 (interior)

<b>Date</b>	<b>Payee</b>	<b>Description</b>	<b>Amount</b>
10/24/08	Keller Associates, Inc.: Invoice # 7	Professional Services – Site Platting / Const Eng	\$ 2,180.00
11/6/08	Harris, Inc.: Invoice # 7	Progress Payment – Site Construction PHASE 1	\$ 78,296.27
11/6/08	Harris, Inc.: Invoice # 7	Progress Payment – Site Construction PHASE 2	\$ 25,704.07
<b>Total Reimbursement Request</b>			<b><u>\$106,180.34</u></b>

**Notes:**

1. Reimbursements arranged according to Date Received.
2. Attached to Invoice - Invoices for the above services

**Construction Summary:**

1. Total Site Construction Contract = \$757,757.16; Includes both Phase 1 & 2 Efforts
2. Total Site Construction Completed = \$619,070.53; Includes both Phase 1 & 2 Efforts
3. Balance to Finish Project = \$138,686.63

Respectfully Submitted:

**TRIANGLE, INC.**

By: Michael R. Jaglowski

Developer: Triangle Inc.  
 PO Box 1082  
 Pocatello, Idaho 83204

Draw Requisition #: 10  
 Period Ending: 31-Oct-08  
 Requisition Date: 6-Nov-08

Project: PDA - Triangle Redevelopment Project

Special Instructions: NONE

Payment Request Summary

Budget Category	Consultant / Contractor	Original Project Budget	Budget Adjustment	Revised Project Budget	Services Completed To Date	Previous Amount Funded by PDA	Previous Amount Paid by Developer	Current Request to be Paid by Developer	Current Request to be Paid by PDA	Balance to Complete Project
Architectural & Engineering	Myers / Anderson	75,000.00	5,953.36	80,953.36	81,501.97	72,255.86	9,246.11	0.00	0.00	-548.61
	Keller Associates - Platting	6,800.00	0.00	6,800.00	6,800.00	3,400.00	3,400.00	0.00	0.00	0.00
	Triangle Inc	18,711.17	0.00	18,711.17	18,711.17	18,711.17	0.00	0.00	0.00	0.00
	Xcell Engineering, LC	8,100.00	0.00	8,100.00	8,100.00	0.00	8,100.00	0.00	0.00	0.00
	DDC, LLC	17,346.11	0.00	17,346.11	17,346.11	17,346.11	0.00	0.00	0.00	0.00
	Blackrock Environmental	5,000.00	0.00	5,000.00	2,627.73	2,627.73	0.00	0.00	0.00	2,372.27
Construction Engineering	Keller Associates-Con Eng	24,000.00	0.00	24,000.00	21,960.00	19,780.00	0.00	0.00	2,180.00	4,220.00
Site Construction	Harris, Inc - Phase 1	485,416.00	27,610.16	513,026.16	417,503.24	339,206.97	0.00	0.00	78,296.27	95,522.92
	Harris, Inc - Phase 2	244,731.00		244,731.00	201,567.29	175,863.22	28,686.30	0.00	25,704.07	43,163.71
	City of Pocatello Water Dept.	13,248.67		13,248.67	13,248.67	0.00	13,248.67	0.00	0.00	0.00
	<b>PROJECT TOTALS</b>	<b>898,352.95</b>	<b>33,563.52</b>	<b>931,916.47</b>	<b>789,366.18</b>	<b>649,191.06</b>	<b>91,600.88</b>	<b>0.00</b>	<b>106,180.34</b>	<b>144,730.29</b>

Percent Complete: 84.7%  
 Percent Remaining: 15.3%

Service Completed To Date: 789,366.18  
 Previous Funded - PDA: 649,191.06  
 Previous Funded - Developer: 91,600.88  
 Total Service Completed April 2008: 106,180.34  
 Requested from Developer: 0.00  
 Current PDA Request: 106,180.34

Arch and Eng Consultant Summary

Myers / Anderson: General Consultant for the PDA Triangle Project, Coordinates Sub-Consultant Efforts, Coordinates Construction Efforts  
 Myers Anderson's "Services Completed To Date" includes reimbursable expenses.  
 Keller Associates - Platting: Coordination of Platting efforts for the PDA Triangle Site.  
 Keller Associates - Con Eng: Provides Construction Engineering for the PDA Triangle Site, Coordinates and Reports to Myers Anderson  
 Xcell Engineering: Provided Geotechnical and Environmental Reports for the PDA Triangle Site  
 Blackrock Environmental: Provide professional assistance to compose the IDEQ required TFM Plan.  
 Triangle, Inc: Development Company for the PDA Triangle Project, Pre-Pays Arch and Eng Efforts, Pre-Pays Site Construction Efforts  
 DDC, LLC: Previous Development Company, no longer in operational control of the PDA Triangle Site.

This item previously paid by Developer and is now available for reimbursement to the Developer.

Construction Summary

Harris, Inc. - Phase 1: Perimeter Site Effort  
 Harris, Inc. - Phase 2: Interior Site Effort



**KELLER**  
associates

412 West Center, Suite 330 • Pocatello, ID 83204  
208.238.2146 phone • 208.238.2162 fax • www.kellerassociates.com

Triangle, Inc.  
P.O. Box 1082  
Pocatello ID 83204

October 24, 2008  
Project No: 208041-000  
Invoice No: 0000007  
Project Manager: Jaglowski

Project: 208041-000 Triangle - Const. Admin. & Platting

Project Manager: Michael Jaglowski

Professional services from September 1, 2008 to September 30, 2008

Task: 001 Preliminary and Final Plat

**Fee**

Total Fee	6,800.00	Total Earned	6,800.00
Percent Complete	100.00	Previous Fee Billing	6,800.00
		Current Fee Billing	0.00
		<b>Total Fee</b>	<b>0.00</b>
			<b>Total this task \$0.00</b>

Task: 002 Construction Administration

**Professional Personnel**

	Hours	Rate	Amount
Hansen, Eddy	16.00	60.00	960.00
Jaglowski, Michael	5.00	105.00	525.00
Kreusel, Kye	0.50	75.00	37.50
Lheritier, Alex	1.50	75.00	112.50
Mullen, James	1.50	140.00	210.00
Smith, Brady	9.00	65.00	585.00
Totals	33.50		2,430.00
<b>Total Labor</b>			<b>2,430.00</b>

Billing Limits	Current	Prior	To-date
Total Billings	2,430.00	18,820.00	21,250.00
Limit			21,000.00
<b>Adjustment</b>			<b>-250.00</b>
			<b>Total this task \$2,180.00</b>

Task: 003 Additional Services

Billing Limits	Current	Prior	To-date	
Total Billings	0.00	960.00	960.00	
Limit			2,500.00	
Remaining			1,540.00	
			<b>Total this task</b>	<b>\$0.00</b>
			<b>Total this invoice</b>	<b>\$2,180.00</b>

## Outstanding Invoices

Number	Date	Balance
0000006	9/23/08	4,803.75
<b>Total</b>		<b>4,803.75</b>

## Billings to date

	Current	Prior	Total
Fee	0.00	6,800.00	6,800.00
Labor	2,180.00	19,780.00	21,960.00
<b>Totals</b>	<b>2,180.00</b>	<b>26,580.00</b>	<b>28,760.00</b>

# APPLICATION AND CERTIFICATE FOR PAYMENT AIA DOCUMENT G702 (Instructions on reverse side) PAGE ONE OF PAGES

TO OWNER: Triangle Inc  
Po Box 7  
Pocatello Idaho 83204

PROJECT: Triangle Phase One  
2043 E. Center St.  
Pocatello Idaho 83204

APPLICATION NO: Seven  
 PERIOD TO: 10.1 to 10.31.08  
 PROJECT NOS.: 06104

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM CONTRACTOR: Harris Inc  
4555 Burley Dr.  
Pocatello Idaho 83202

VIA ARCHITECT: Myers Anderson Architects  
101 N. Main Street  
Pocatello Idaho 83204

CONTRACT DATE: 1.15.08

CONTRACT FOR

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached

1. ORIGINAL CONTRACT SUM \$ 485,416.00
2. Net change by Change Orders \$ 27,610.16
3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 513,026.16
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 439,477.11
5. RETAINAGE:
- a. 5 % of Completed Work \$ 21,973.87  
 (Columns D + E on G703)
- b. 0 % of Stored Material \$ 0  
 (Column F on G703)
- Total Retainage (Line 5a + 5b or Total in Column I of G703) \$ 21,973.87
6. TOTAL EARNED LESS RETAINAGE \$ 417,503.24  
 (Line 4 less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 339,206.97
8. CURRENT PAYMENT DUE \$ 78,296.27
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 95,522.92

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

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:

By: [Signature]

State of: Idaho

County of: Bannock

Subscribed and sworn to before

me this 6th day of November 2008

11.6.08  
 DEBORAH HITCHCOCK  
 NOTARY PUBLIC  
 STATE OF IDAHO

Notary Public: Deborah Hitchcock

My Commission expires: 2013

Deborah Hitchcock 11.6.08

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this 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 \$ 78,296.27

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

ARCHITECT:

By: [Signature]

Date: 11.11.08

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.





Harris Inc.  
 4555 Burley Drive  
 Pocatello ID 83202  
 208 237 0575

## Progress Billing

Application: 7  
 Period: 10/25/2008

License: 10657-AAA-1-3

Owner: Triangle Inc.  
 PO Box 1082  
 Pocatello ID 83204

Job Location: The Triangle - Phase 1 & 2  
 PO Box 1082  
 Pocatello ID 83204

### Application For Payment On Contract

Original Contract.....	485,416.00
Net Change by Change Orders.....	27,610.16
Contract Sum to Date.....	513,026.16
Total Complete to Date.....	<u>439,477.11</u>
Total Retained.....	21,973.87
Total Earned Less Retained.....	<u>417,503.24</u>
Less Previous Billings.....	339,206.97
Current Payment Due.....	78,296.27
Balance on Contract.....	<u>95,522.92</u>

### Contractor's Certification of Work

The undersigned contractor certifies that, to the best of the contractor's knowledge, the work on the the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion.

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

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

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

Terms: Invoices are due and payable from the date of invoice. All overdue amounts will be charged a service charge of 0.00 % per month. Please make checks payable to: Harris Inc.

Thank you for your prompt payment.

**PROGRESS BILLING**

Application: 7

Period: 10/25/2008

Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
1 - Mobilization/Bond	7,834.00		7,834.00	7,834.00			7,834.00	100.00		391.70
2 - Saw Cut Asphalt	3,380.00		3,380.00	3,380.00			3,380.00	100.00		169.00
3 - Asphalt Removal	18,888.00		18,888.00	18,888.00			18,888.00	100.00		944.40
4 - Remove Water Service M	5,917.00		5,917.00	5,917.00			5,917.00	100.00		295.85
5 - Remove Catch Basin	1,644.00		1,644.00	1,644.00			1,644.00	100.00		82.20
6 - Remove Manholes	2,411.00		2,411.00	2,411.00			2,411.00	100.00		120.55
7 - Remove Storm Drain Line	6,519.00		6,519.00	6,519.00			6,519.00	100.00		325.95
8 - Remove Sanitary Sewer	10,650.00		10,650.00	10,650.00			10,650.00	100.00		532.50
9 - Remove Subsoils	10,638.00		10,638.00	10,638.00			10,638.00	100.00		531.90
10 - Install HDPE Pipe	35,892.00		35,892.00	35,892.00			35,892.00	100.00		1,794.60
11 - Install PVC Sewer Pipe	19,235.00		19,235.00	19,235.00			19,235.00	100.00		961.75
12 - Fire Hydrant Assembly	7,286.00		7,286.00		7,286.00		7,286.00	100.00		364.30
13 - 30" Catch Basin	5,369.00		5,369.00	5,369.00			5,369.00	100.00		268.45
14 - 48" Storm Drain Manhole	4,295.00		4,295.00	4,295.00			4,295.00	100.00		214.75
15 - Subgrade Compacted	1,064.00		1,064.00		1,064.00		1,064.00	100.00		53.20
16 - Install Geotextile	1,702.00		1,702.00	1,702.00			1,702.00	100.00		85.10
17 - Install 8" Thick 2" Cr	13,829.00		13,829.00		13,829.00		13,829.00	100.00		691.45
18 - Install 4" Thick Asphalt	7,447.00		7,447.00	7,447.00			7,447.00	100.00		372.35
19 - Install 2 1/2" Thick	28,721.00		28,721.00	28,721.00			28,721.00	100.00		1,436.05
21 - Traffic control	9,735.00		9,735.00	3,894.00	2,920.50		6,814.50	70.00	2,920.50	340.73
22 - Standard Curb and Gutte	17,979.00		17,979.00	12,585.30	2,696.85		15,282.15	85.00	2,696.85	764.11
23 - HCP Ramps	7,834.00		7,834.00	2,115.18	5,718.82		7,834.00	100.00		391.70
24 - Hand Stk Curb and Gutt	5,884.00		5,884.00	5,884.00			5,884.00	100.00		294.20
25 - Sidewalk	55,582.00		55,582.00	16,674.60	22,232.80		38,907.40	70.00	16,674.60	1,945.37
26 - Ferguson Geotextile	5,547.00		5,547.00		5,547.00		5,547.00	100.00		277.35
27 - Pocatello Precast	13,444.00		13,444.00	13,444.00			13,444.00	100.00		672.20
32 - Surveying	3,935.00		3,935.00	3,935.00			3,935.00	100.00		196.75
30 - Sidewalk Removal	1,141.00		1,141.00	1,141.00			1,141.00	100.00		57.05
35 - Tree Rings	12,490.00		12,490.00						12,490.00	
38 - Greenway Landscape	47,044.00		47,044.00		13,000.00		13,000.00	27.63	34,044.00	650.00

# PROGRESS BILLING

Application: 7

Period: 10/25/2008

## Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
39 - E-Permits and Mobilize	2,129.00		2,129.00	2,129.00			2,129.00	100.00		106.45
40 - E-Underground Conduits	7,780.00		7,780.00	7,780.00			7,780.00	100.00		389.00
41 - E-Pole Bases	7,056.00		7,056.00	7,056.00			7,056.00	100.00		352.80
42 - E-Poles, Fixtures, Panel	84,037.00		84,037.00	79,835.15			79,835.15	95.00	4,201.85	3,991.76
43 - E-Install Conductors	10,425.00		10,425.00	9,903.75			9,903.75	95.00	521.25	495.19
44 - Construction Sign	653.00		653.00	653.00			653.00	100.00		32.65
Change Order # 1		19,488.00	19,488.00	19,488.00			19,488.00	100.00		974.40
Change Order # 3		8,122.16	8,122.16		8,122.16		8,122.16	100.00		406.11
<b>Totals:</b>	<b>485,416.00</b>	<b>27,610.16</b>	<b>513,026.16</b>	<b>357,059.98</b>	<b>82,417.13</b>		<b>439,477.11</b>	<b>85.66</b>	<b>73,549.05</b>	<b>21,973.87</b>



# APPLICATION AND CERTIFICATE FOR PAYMENT AIA DOCUMENT G702 (instructions on reverse side) PAGE ONE OF \_\_\_\_\_ PAGES

TO OWNER: Triangle Inc  
Po Box 7  
Pocatello Idaho 83204

PROJECT: Triangle Phase Two  
2043 E. Center St.  
Pocatello Idaho 83204

APPLICATION NO: Seven  
 PERIOD TO: 10.1 to 10.31.08  
 PROJECT NO: 06104

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM CONTRACTOR: Harris Inc  
4555 Burley Dr.  
Pocatello Idaho 83202

VIA ARCHITECT: Myers Anderson Architects  
101 N. Main Street  
Pocatello Idaho 83204

CONTRACT DATE: 1.15.08

CONTRACT FOR: \_\_\_\_\_

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached

- 1 ORIGINAL CONTRACT SUM \$ 244,731.00
- 2 Net change by Change Orders \$ 00
- 3 CONTRACT SUM TO DATE (Line 1 + 2) \$ 244,731.00
- 4 TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 212,176.10
- 5 RETAINAGE:
  - a 5 % of Completed Work \$ 10,608.81  
 (Columns D + E on G703)
  - b \_\_\_\_\_ % of Stored Material \$ 0  
 (Column F on G703)
 Total Retainage (Line 5a + 5b or Total in Column I of G703) \$ 10,608.81
- 6 TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total) \$ 201,567.29
- 7 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 175,863.22
- 8 CURRENT PAYMENT DUE \$ 25,704.07
- 9 BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 43,163.71

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

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  
 By: [Signature] Date: 11.6.08

State of: Idaho  
 County of: Bannock  
 Subscribed and sworn to before me this 6th day of November 2008



Notary Public Deborah Hitchcock  
 My Commission expires: 2013 Deborah Hitchcock 11.6.08

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this 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 \$ 25,704.07

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

ARCHITECT  
 By: [Signature] Date: 11.11.08

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



4555 Burley Drive, Pocatello, ID 83202  
 Phone: 208-237-0575 Fax 208-237-0526

Harris Inc.  
 4555 Burley Drive  
 Pocatello ID 83202  
 208 237 0575

## Progress Billing

Application: 7

Period: 10/25/2008

License: 10657-AAA-1-3

**Owner:** Triangle Inc.  
 PO Box 1082  
 Pocatello ID 83204

**Job Location:** The Triangle - Phase 1 & 2  
 PO Box 1082  
 Pocatello ID 83204

### Application For Payment On Contract

Original Contract.....	244,731.00
Net Change by Change Orders.....	0.00
Contract Sum to Date.....	244,731.00
Total Complete to Date.....	212,176.10
Total Retained.....	10,608.81
Total Earned Less Retained.....	201,567.29
Less Previous Billings.....	175,863.22
Current Payment Due.....	25,704.07
Balance on Contract.....	43,163.71

### Contractor's Certification of Work

The undersigned contractor certifies that, to the best of the contractor's knowledge, the work on the the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion.

Contractor: \_\_\_\_\_ Date: 11.6.08

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

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

Terms: Invoices are due and payable from the date of invoice. All overdue amounts will be charged a service charge of 0.00 % per month. Please make checks payable to: Harris Inc.

Thank you for your prompt payment.

**PROGRESS BILLING**

Application: 7

Period: 10/25/2008

Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
1 - Mobilization/Bond	6,410.00		6,410.00	6,410.00			6,410.00	100.00		320.50
Clearing and Grubbing	2,928.00		2,928.00	2,928.00			2,928.00	100.00		146.40
Asphalt Removal	2,841.00		2,841.00	2,841.00			2,841.00	100.00		142.05
48" Sewer Manholes	3,222.00		3,222.00	3,222.00			3,222.00	100.00		161.10
Subgrade Compacted	2,265.00		2,265.00	2,265.00			2,265.00	100.00		113.25
Install Geotextile	3,624.00		3,624.00	3,624.00			3,624.00	100.00		181.20
Install 8" Thick 2" Crushed	29,440.00		29,440.00	29,440.00			29,440.00	100.00		1,472.00
Install 4" Thick 3/4" Crushe	15,852.00		15,852.00	11,096.40	4,755.60		15,852.00	100.00		792.60
Install 2 1/2" Thick Asphalt	61,143.00		61,143.00	51,971.55	9,171.45		61,143.00	100.00		3,057.15
Surveying	3,934.00		3,934.00	3,934.00			3,934.00	100.00		196.70
Standard Curb and Gutter	7,845.00		7,845.00	7,060.50	784.50		7,845.00	100.00		392.25
Valley Gutters	9,394.00		9,394.00	7,045.50	2,348.50		9,394.00	100.00		469.70
Extruded Curb	8,842.00		8,842.00						8,842.00	
Dumpster Pad	12,052.00		12,052.00						12,052.00	
Ferguson	38,966.00		38,966.00	38,966.00			38,966.00	100.00		1,948.30
Greenway Landscape	23,522.00		23,522.00	3,528.30	9,996.85		13,525.15	57.50	9,996.85	676.26
E-Permits and Mobilization	236.00		236.00	236.00			236.00	100.00		11.80
E-Underground Conduit/Fittin	864.00		864.00	864.00			864.00	100.00		43.20
E-Pole Bases	784.00		784.00	744.80			744.80	95.00	39.20	37.24
E-Poles, Fixtures, Panels	9,337.00		9,337.00	8,870.15			8,870.15	95.00	466.85	443.51
E-Install Conductors	1,158.00		1,158.00						1,158.00	
Construction Sign	72.00		72.00	72.00			72.00	100.00		3.60
<b>Totals:</b>	<b>244,731.00</b>		<b>244,731.00</b>	<b>185,119.20</b>	<b>27,056.90</b>		<b>212,176.10</b>	<b>86.70</b>	<b>32,554.90</b>	<b>10,608.81</b>



ENGINEERING DEPARTMENT  
911 N. 7th  
P.O. Box 4169  
Pocatello, Idaho 83205-4169  
(208) 234-6225 FAX (208) 234-6151



December 12, 2008

Pocatello Development Authority  
City of Pocatello  
911 North 7<sup>th</sup> Avenue  
Pocatello, ID 83201

RE: The Triangle Application for Payment No. 11

PDA Members:

Triangle pay application number 11 is complete. Myers and Anderson have certified payment of \$52415.51. This amount includes electrical work, landscaping, sidewalk construction, and professional services. To my knowledge, the construction work described in this Application has been completed to City Standards and I recommend payment.

Sincerely,

A handwritten signature in black ink, appearing to read "Jesse Schuerman". The signature is stylized and includes a long horizontal line extending to the right.

Jesse Schuerman  
Project Engineer  
City of Pocatello

Myers ■ Anderson

- Architecture
- Interior Design
- Landscape Architecture

December 4, 2008

Robert Chambers  
City of Pocatello  
Pocatello Development Authority  
911 North 7<sup>th</sup> Avenue  
Pocatello, Idaho 83201

Re: The Triangle / PDA  
Application for Payment No. 11  
Triangle, Inc.

Dear Mr. Chambers:

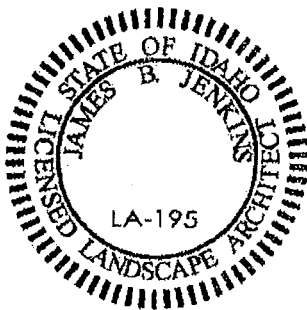
Myers Anderson Architects certifies to the Pocatello Development Authority that to the best of the Architect's knowledge, information, and belief the work covered by this Application for Payment has progressed as indicated and is in accordance with the contract documents and that the current payment shown herein is now due.

Amount Certified . . . . . \$52,415.51

Previous Amount Funded by PDA . . \$754,706.09

Project Architect:

By: Jim Jenkins Date: December 4, 2008



101 N. Main  
Pocatello, Idaho 83204  
P 208-232-3741  
F 208-232-3782  
maa@myers-anderson.com

**Triangle, Inc.**  
PO Box 1082  
Pocatello, Idaho 83204

**PDA INVOICE #11**

**December 4, 2008**

Work Completed as of: November 30, 2008

PDA Site: Triangle Redevelopment Project PHASE 1 (perimeter) and PHASE 2 (interior)

<b>Date</b>	<b>Payee</b>	<b>Description</b>	<b>Amount</b>
11/6/08	3 <sup>rd</sup> Avenue Development	Reimbursement Live/Work Site Electrical IPCO Work Order #27295391	\$ 5,244.00
11/6/08	3 <sup>rd</sup> Avenue Development	Reimbursement Live/Work Site Electrical IPCO Work Order #27295396	\$ 1,910.00
11/21/08	Keller Associates, Inc.; Invoice # 8	Professional Services - Site Platting / Const Eng.	\$ 975.00
11/26/08	Harris, Inc.; Invoice # 8	Progress Payment - Site Construction PHASE 1	\$ 34,786.50
11/26/08	Harris, Inc.; Invoice # 8	Progress Payment - Site Construction PHASE 2	\$ 9,500.01
<b>Total Reimbursement Request</b>			<b><u>\$ 52,415.51</u></b>

**Notes:**

1. Reimbursements arranged according to Date Received.
2. Attached to Invoice - Invoices for the above services.
3. Reimbursements to 3<sup>rd</sup> Avenue Development to bring electrical service to Lots 3 through 13 known as the "Live/Work Units".
4. Attached to Invoice - Payment Receipts from IPCO dated November 6, 2008.

**Construction Summary:**

1. Total Site Construction Contract = \$757,757.16; Includes both Phase 1 & 2 Efforts
2. Total Site Construction Completed = \$663,357.04; Includes both Phase 1 & 2 Efforts
3. Balance to Finish Project = \$94,400.12

Respectfully Submitted:

**TRIANGLE, INC.**

By: Michael R. Jaglowski

Developer: Triangle Inc.  
 PO Box 1082  
 Pocatello, Idaho 83204

Draw Requisition #: 11  
 Period Ending: 30-Nov-08  
 Requisition Date: 4-Dec-08

Project: PDA - Triangle Redevelopment Project

Special Instructions: NONE

Payment Request Summary

Budget Category	Consultant / Contractor	Original Project Budget	Budget Adjustment	Revised Project Budget	Services Completed To Date	Previous Amount Funded by PDA	Previous Amount Paid by Developer	Current Request to be Paid by Developer	Current Request to be Paid by PDA	Balance to Complete Project
Architectural & Engineering	Myers / Anderson	75,000.00	5,953.36	80,953.36	61,501.97	72,255.86	9,246.11	0.00	0.00	-548.61
	Keller Associates - Platting	6,800.00	0.00	6,800.00	6,800.00	3,400.00	3,400.00	0.00	0.00	0.00
	Triangle Inc	18,711.17	0.00	18,711.17	18,711.17	18,711.17	0.00	0.00	0.00	0.00
	Xcell Engineering, LLC	8,100.00	0.00	8,100.00	8,100.00	0.00	8,100.00	0.00	0.00	0.00
	DDC, LLC	17,346.11	0.00	17,346.11	17,346.11	17,346.11	0.00	0.00	0.00	0.00
	Blackrock Environmental	5,000.00	0.00	5,000.00	2,627.73	2,627.73	0.00	0.00	0.00	2,372.27
Construction Engineering	Keller Associates-Con Eng	24,000.00	0.00	24,000.00	22,925.00	21,960.00	0.00	0.00	975.00	2,040.00
	Site Construction									
Site Construction	Harris, Inc - Phase 1	485,416.00	27,610.16	513,026.16	452,289.74	417,503.24	0.00	0.00	34,786.50	60,736.42
	Harris, Inc - Phase 2	244,731.00		244,731.00	211,067.30	201,567.29	57,606.10	0.00	9,508.01	33,663.70
	City of Pocatello Water Dept.	13,248.67		13,248.67	13,248.67	13,248.67	0.00	0.00	0.00	0.00
	Idaho Power Company	7,154.00		7,154.00	7,154.00	0.00	0.00	0.00	7,154.00	0.00
<b>PROJECT TOTALS</b>		<b>905,506.95</b>	<b>33,563.52</b>	<b>939,070.47</b>	<b>841,781.69</b>	<b>768,620.07</b>	<b>91,600.88</b>	<b>0.00</b>	<b>52,415.51</b>	<b>98,263.78</b>

Percent Complete: 89.8%  
 Percent Remaining: 10.2%

Services Completed To Date: 841,781.69  
 Previous Funded - PDA: 768,620.07  
 Previous Funded - Developer: 91,600.88  
 Total Services Completed April 2008: 52,415.51  
 Requested from Developer: 0.00  
 Current PDA Request: 52,415.51

Arch and Eng Consultant Summary

Myers / Anderson: General Consultant for the PDA Triangle Project, Coordinates Sub-Consultant Efforts, Coordinates Construction Efforts  
 Myers Anderson's "Services Completed To Date" includes reimbursable expenses  
 Keller Associates - Platting: Coordination of Platting efforts for the PDA Triangle Site  
 Keller Associates - Con Eng: Provides Construction Engineering for the PDA Triangle Site, Coordinates and Reports to Myers Anderson  
 Xcell Engineering: Provided Geotechnical and Environmental Reports for the PDA Triangle Site  
 Blackrock Environmental: Provide professional assistance to compose the IDEQ required TPM Plan  
 Triangle, Inc: Development Company for the PDA Triangle Project, Pre-Pays Arch and Eng Efforts, Pre-Pays Site Construction Efforts  
 DDC, LLC: Previous Development Company, no longer in operational control of the PDA Triangle Site  
 3rd Avenue Development: Development company developing Lots 3 through 13 known as the "Live/Work Units"

Construction Summary

Harris, Inc. - Phase 1: Perimeter Site Effort  
 Harris, Inc. - Phase 2: Interior Site Effort



Account Number: 9729094895

Questions? Call (208) 388-2323 (Treasure Valley) or 1-800-488-6151. Se habla español.

Page 1 of 2

NOVEMBER 6, 2008

3RD AVE DEVELOPMENT  
5800 COUNTRY CLUB DR  
POCATELLO, ID 83204

PAYMENT RECEIPT

Dear 3RD AVE DEVELOPMENT,

Thank you for your payment in the amount of \$5,244.00. We received your check #4610 on 11/06/2008 for the following construction project(s).

Description/Work Order #	Payment Amount	Balance Owing
305 N 3RD AVE Work Order: 27295391	\$4,894.00	\$0.00
305 N 3RD AVE Work Order: 27295391	\$350.00	\$0.00
	<u>\$5,244.00</u>	

We appreciate the opportunity to serve you. If you have any questions regarding this receipt, please contact Idaho Power at (208) 388-2323 (Treasure Valley) or 1-800-488-6151.

Thank you.

Please detach and return this portion below with your payment. Please bring entire statement when paying at a pay station.



PO BOX 70  
BOISE, ID 83707

(208) 388-2323 (Treasure Valley)

301 1 AV 0.324  
3RD AVE DEVELOPMENT  
%MIKE BRIGHT  
5800 COUNTRY CLUB DR  
POCATELLO, ID 83204-4834

7201 00000301 1 301





Account Number: 4175341007

Questions? Call (208) 388-2323 (Treasure Valley) or 1-800-488-6151. See habla español

NOVEMBER 6, 2008

3RD AVE DEVELOPMENT  
5800 COUNTRY CLUB DR  
POCATELLO, ID 83204

PAYMENT RECEIPT

Dear 3RD AVE DEVELOPMENT,

Thank you for your payment in the amount of \$1,910.00. We received your check #4610 on 11/06/2008 for the following construction project(s).

Description/Work Order #	Payment Amount	Balance Owning
305 N 3RD AVE Work Order: 27295396	\$200.00	\$0.00
305 N 3RD AVE Work Order: 27295396	\$1,710.00	\$0.00

\$1,910.00

We appreciate the opportunity to serve you. If you have any questions regarding this receipt, please contact Idaho Power at (208) 388-2323 (Treasure Valley) or 1-800-488-6151.

Thank you.

Please detach and return the portion below with your payment. Please bring entire statement when paying at a pay station.



PO BOX 70  
BOISE, ID 83707

(208) 388-2323 (Treasure Valley)

301 1 AV 0,324  
3RD AVE DEVELOPMENT  
%MIKE BRIGHT  
5800 COUNTRY CLUB DR  
POCATELLO, ID 83204-4634

1201 00000001 1 301





**KELLER**  
associates

412 West Center, Suite 330 • Pocatello, ID 83204  
208.238.2146 phone • 208.238.2162 fax • www.kellerassociates.com

Triangle, Inc.  
P.O. Box 1082  
Pocatello ID 83204

November 21, 2008  
Project No: 208041-000  
Invoice No: 0000008  
Project Manager: Jaglowski

Project: 208041-000 Triangle - Const. Admin. & Platting

Project Manager: W. Jaglowski

Professional services from October 1, 2008 to October 31, 2008

Task: 001 Preliminary and Final Plat

**Fee**

Total Fee	6,800.00		
Percent Complete	100.00	Total Earned	6,800.00
		Previous Fee Billing	6,800.00
		Current Fee Billing	0.00
		<b>Total Fee</b>	<b>0.00</b>
			<b>Total this task</b>
			<b>\$0.00</b>

Task: 002 Construction Administration

**Total this task** **\$0.00**

Task: 003 Additional Services

**Professional Personnel**

	Hours	Rate	Amount
Hansen, Eddy	13.00	60.00	780.00
Smith, Brady	3.00	65.00	195.00
Totals	16.00		975.00
<b>Total Labor</b>			<b>975.00</b>

**Total this task** **\$975.00**

**Total this invoice** **\$975.00**

**Outstanding Invoices**

Engineering Solutions, Satisfied Clients  
Idaho Falls • Meridian • Pocatello • Riverton

Project: 208041-000

Triangle - Const. Admin. & Platting

Invoice No: 0000008

---

Number	Date	Balance
0000007	10/24/08	2,180.00
<b>Total</b>		<b>2,180.00</b>

Billings to date	Current	Prior	Total
Fee	0.00	6,800.00	6,800.00
Labor	975.00	21,960.00	22,935.00
<b>Totals</b>	<b>975.00</b>	<b>28,760.00</b>	<b>29,735.00</b>

**APPLICATION AND CERTIFICATE FOR PAYMENT** AIA DOCUMENT G702 (Instructions on reverse side) PAGE ONE OF PAGES

TO OWNER: Triangle Inc  
Po Box 7  
Pocatello Idaho 83204

PROJECT: Triangle Phase One  
2043 E. Center St.  
Pocatello Idaho 83204

APPLICATION NO.: Eight Distribution to:  
 PERIOD TO: 11.1 to 11.30.08  OWNER  
 PROJECT NOS.: 06104  ARCHITECT  
 CONTRACTOR

FROM CONTRACTOR: Harris Inc  
4555 Burley Dr.  
Pocatello Idaho 83202

VIA ARCHITECT: Myers Anderson Architects CONTRACT DATE: 1.15.08  
101 N. Klein Street  
Pocatello Idaho 83204

CONTRACT FOR:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached

- 1 ORIGINAL CONTRACT SUM ..... \$ 485,416.00
- 2 Net change by Change Orders ..... \$ 21,610.16
- 3 CONTRACT SUM TO DATE (Line 1 + 2) ..... \$ 513,026.16
- 4 TOTAL COMPLETED & STORED TO DATE ..... \$ 497,482.94  
 (Column G on G703) 476,094.46
- 5 RETAINAGE:
  - a 5 % of Completed Work ..... \$ 24,874.15  
 (Columns D + E on G703)
  - b \_\_\_\_\_ % of Stored Material ..... \$ \_\_\_\_\_  
 (Column F on G703)
  - Total Retainage (Line 5a + 5b or  
 Total in Column I of G703) ..... \$ 23,804.72  
24,874.15
- 6 TOTAL EARNED LESS RETAINAGE ..... \$ 472,608.79  
 (Line 4 less Line 5 Total) 452,289.74
- 7 LESS PREVIOUS CERTIFICATES FOR PAYMENT ..... \$ 417,503.24  
 (Line 6 from prior Certificate)
- 8 CURRENT PAYMENT DUE ..... \$ 55,105.55
- 9 BALANCE TO FINISH, INCLUDING RETAINAGE ..... \$ 10,447.37  
 (Line 3 less Line 6) 34,786.50  
60,736.42

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

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: \_\_\_\_\_  
 By: [Signature] Date: 11.26.08

State of: Idaho  
 County of: Bannock  
 Subscribed and sworn to before me this 26th day of November 2008  
Deborah Hitchcock  
 Notary Public: Deborah Hitchcock  
 My Commission expires: 2013



**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising this 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 ..... \$ 34,786.50  
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT: [Signature]  
 By: \_\_\_\_\_ Date: 12.04.08  
 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.





4555 Burley Drive, Pocatello, ID 83202  
Phone: 208-237-0575 Fax: 208-237-0520

License: 10657-AAA-1-3

Owner: Triangle Inc.  
PO Box 1082  
Pocatello ID 83204

Harris Inc.  
4555 Burley Drive  
Pocatello ID 83202  
208 237 0575

Job Location: The Triangle - Phase 1 & 2  
PO Box 1082  
Pocatello ID 83204

## Progress Billing

Application: 8

Period: 11/25/2008

### Application For Payment On Contract

Original Contract.....	485,416.00
Net Change by Change Orders.....	27,610.16
Contract Sum to Date.....	513,026.16
Total Complete to Date.....	497,482.94
Total Retained.....	24,874.15
Total Earned Less Retained.....	472,608.79
Less Previous Billings.....	417,503.24
Current Payment Due.....	55,105.55
Balance on Contract.....	40,417.37

### Contractor's Certification of Work

The undersigned contractor certifies that, to the best of the contractor's knowledge, the work on the the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion.

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

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

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

Terms: Invoices are due and payable from the date of invoice. All overdue amounts will be charged a service charge of 0.00 % per month. Please make checks payable to: Harris Inc.

Thank you for your prompt payment.

# PROGRESS BILLING

Application: 8

Period: 11/25/2008

## Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
1 - Mobilization/Bond	7,834.00		7,834.00	7,834.00			7,834.00	100.00		391.70
2 - Saw Cut Asphalt	3,380.00		3,380.00	3,380.00			3,380.00	100.00		169.00
3 - Asphalt Removal	18,888.00		18,888.00	18,888.00			18,888.00	100.00		944.40
4 - Remove Water Service M	5,917.00		5,917.00	5,917.00			5,917.00	100.00		295.85
5 - Remove Catch Basin	1,644.00		1,644.00	1,644.00			1,644.00	100.00		82.20
6 - Remove Manholes	2,411.00		2,411.00	2,411.00			2,411.00	100.00		120.55
7 - Remove Storm Drain Line	6,519.00		6,519.00	6,519.00			6,519.00	100.00		325.95
8 - Remove Sanitary Sewer	10,650.00		10,650.00	10,650.00			10,650.00	100.00		532.50
9 - Remove Subsoils	10,638.00		10,638.00	10,638.00			10,638.00	100.00		531.90
10 - Install HDPE Pipe	35,892.00		35,892.00	35,892.00			35,892.00	100.00		1,794.60
11 - Install PVC Sewer Pipe	19,235.00		19,235.00	19,235.00			19,235.00	100.00		961.75
12 - Fire Hydrant Assembly	7,286.00		7,286.00	7,286.00			7,286.00	100.00		364.30
13 - 30" Catch Basin	5,369.00		5,369.00	5,369.00			5,369.00	100.00		268.45
14 - 48" Storm Drain Manhole	4,295.00		4,295.00	4,295.00			4,295.00	100.00		214.75
15 - Subgrade Compacted	1,064.00		1,064.00	1,064.00			1,064.00	100.00		53.20
16 - Install Geotextile	1,702.00		1,702.00	1,702.00			1,702.00	100.00		85.10
17 - Install 8" Thick 2" Cr	13,829.00		13,829.00	13,829.00			13,829.00	100.00		691.45
18 - Install 4" Thick Asphalt	7,447.00		7,447.00	7,447.00			7,447.00	100.00		372.35
19 - Install 2 1/2" Thick	28,721.00		28,721.00	28,721.00			28,721.00	100.00		1,436.05
21 - Traffic control	9,735.00		9,735.00	6,814.50	2,920.50 ✓		9,735.00	100.00		486.75
22 - Standard Curb and Gutte	17,979.00		17,979.00	15,282.15	2,696.85 ✓		17,979.00	100.00		898.95
23 - HCP Ramps	7,834.00		7,834.00	7,834.00			7,834.00	100.00		391.70
24 - Hand Stk Curb and Gutt	5,884.00		5,884.00	5,884.00			5,884.00	100.00		294.20
25 - Sidewalk	55,582.00		55,582.00	38,907.40	12,000.00		55,582.00	100.00		2,779.10
26 - Ferguson Geotextile	5,547.00		5,547.00	5,547.00	<del>16,674.00</del>		5,547.00	100.00		277.35
27 - Pocatello Precast	13,444.00		13,444.00	13,444.00			13,444.00	100.00		672.20
32 - Surveying	3,935.00		3,935.00	3,935.00			3,935.00	100.00		196.75
30 - Sidewalk Removal	1,141.00		1,141.00	1,141.00	6,000.00		1,141.00	100.00		57.05
35 - Tree Rings	12,490.00		12,490.00	12,490.00	<del>12,490.00</del>		12,490.00	100.00		624.50
38 - Greenway Landscape	47,044.00		47,044.00	13,000.00	<del>23,223.88</del>		36,223.88	77.00	10,820.12	1,811.19
					13,000.00					

PROGRESS BILLING

Application: 8

Period: 11/25/2008

Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
39 - E-Permits and Mobilize	2,129.00		2,129.00	2,129.00			2,129.00	100.00		106.45
40 - E-Underground Conduits	7,780.00		7,780.00	7,780.00			7,780.00	100.00		389.00
41 - E-Pole Bases	7,056.00		7,056.00	7,056.00			7,056.00	100.00		352.80
42 - E-Poles, Fixtures, Panel	84,037.00		84,037.00	79,835.15			79,835.15	95.00	4,201.85	3,991.76
43 - E-Install Conductors	10,425.00		10,425.00	9,903.75			9,903.75	95.00	521.25	495.19
44 - Construction Sign	653.00		653.00	653.00			653.00	100.00		32.65
Change Order# 1		19,488.00	19,488.00	19,488.00			19,488.00	100.00		974.40
Change Order # 3		8,122.16	8,122.16	8,122.16			8,122.16	100.00		406.11
<b>Totals:</b>	<b>485,416.00</b>	<b>27,610.16</b>	<b>513,026.16</b>	<b>439,477.11</b>	<b>-58,005.83</b>		<b>497,482.94</b>	<b>96.97</b>	<b>15,543.22</b>	<b>24,874.15</b>
					<b>36,617.35</b>		<b>476,094.46</b>			<b>23,804.72</b>

**APPLICATION AND CERTIFICATE FOR PAYMENT** AIA DOCUMENT G702 (Instructions on reverse side) PAGE ONE OF \_\_\_\_\_ PAGES

TO OWNER: Triangle Inc  
PO Box 7  
Pocatello Idaho 83204

PROJECT: Triangle Phase Two  
2043 E. Center St.  
Pocatello Idaho 83204

APPLICATION NO: Eight  
 PERIOD TO: 11.1 to 11.30.08  
 PROJECT NOS.: 06104

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM CONTRACTOR: Harris Inc  
4555 Burley Dr.  
Pocatello Idaho 83202

VIA ARCHITECT: Myers Anderson Architects  
101 N. Main Street  
Pocatello Idaho 83204

CONTRACT DATE: 1.15.08

CONTRACT FOR:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached

1. ORIGINAL CONTRACT SUM ..... \$ 844,731.00
2. Net change by Change Orders ..... \$ .00
3. CONTRACT SUM TO DATE (Line 1 + 2) ..... \$ 844,731.00
4. TOTAL COMPLETED & STORED TO DATE ..... \$ ~~228,814.89~~  
 (Column G on G703) 222,176.10
5. RETAINAGE:
  - a. 5 % of Completed Work ..... \$ 11,440.75  
 (Columns D + E on G703)
  - b. \_\_\_\_\_ % of Stored Material ..... \$ -  
 (Column F on G703)
 Total Retainage (Line 5a + 5b or  
 Total in Column I of G703) ..... \$ 11,108.81  
11,440.75
6. TOTAL EARNED LESS RETAINAGE ..... \$ ~~27,374.14~~  
 (Line 4 less Line 5 Total) 211,067.30
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT  
 (Line 6 from prior Certificate) ..... \$ 201,567.29
8. CURRENT PAYMENT DUE 9,500.01 ..... \$ 15,806.85
9. BALANCE TO FINISH, INCLUDING RETAINAGE  
 (Line 3 less Line 6) ..... \$ ~~27,374.14~~ 33,663.70

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
<b>TOTALS</b>		
NET CHANGES by Change Order		

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:-

By: [Signature] Date: 11.26.08

State of: Idaho  
 County of: Bannock  
 Subscribed and sworn to before  
 me this 26th day of November 2008



[Signature]  
 Notary Public: Deborah Hitchcock  
 My Commission expires: 2013

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising this 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 ..... \$ 9,500.01

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

ARCHITECT:  
 By: [Signature] Date: 12.04.08

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.







Harris Inc.  
 4555 Burley Drive  
 Pocatello ID 83202  
 208 237 0575

## Progress Billing

Application: 8

Period: 11/25/2008

License: 10857-AAA-1-3

Owner: Triangle Inc.  
 PO Box 1082  
 Pocatello ID 83204

Job Location: The Triangle - Phase 1 & 2  
 PO Box 1082  
 Pocatello ID 83204

### Application For Payment On Contract

Original Contract.....	244,731.00
Net Change by Change Orders.....	0.00
Contract Sum to Date.....	244,731.00
Total Complete to Date.....	<u>228,814.89</u>
Total Retained.....	11,440.75
Total Earned Less Retained.....	<u>217,374.14</u>
Less Previous Billings.....	201,567.29
Current Payment Due.....	15,806.85
Balance on Contract.....	<u>27,356.86</u>

### Contractor's Certification of Work

The undersigned contractor certifies that, to the best of the contractor's knowledge, the work on the the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion.

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

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

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

Terms: Invoices are due and payable from the date of invoice. All overdue amounts will be charged a service charge of 0.00 % per month. Please make checks payable to: Harris Inc.

Thank you for your prompt payment.

PROGRESS BILLING

Application: 8

Period: 11/25/2008

Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
1 - Mobilization/Bond	6,410.00		6,410.00	6,410.00			6,410.00	100.00		320.50
Clearing and Grubbing	2,928.00		2,928.00	2,928.00			2,928.00	100.00		146.40
Asphalt Removal	2,841.00		2,841.00	2,841.00			2,841.00	100.00		142.05
48" Sewer Manholes	3,222.00		3,222.00	3,222.00			3,222.00	100.00		161.10
Subgrade Compacted	2,265.00		2,265.00	2,265.00			2,265.00	100.00		113.25
Install Geotextile	3,624.00		3,624.00	3,624.00			3,624.00	100.00		181.20
Install 8" Thick 2" Crushed	29,440.00		29,440.00	29,440.00			29,440.00	100.00		1,472.00
Install 4" Thick 3/4" Crushe	15,852.00		15,852.00	15,852.00			15,852.00	100.00		792.60
Install 2 1/2" Thick Asphalt	61,143.00		61,143.00	61,143.00			61,143.00	100.00		3,057.15
Surveying	3,934.00		3,934.00	3,934.00			3,934.00	100.00		196.70
Standard Curb and Gutter	7,845.00		7,845.00	7,845.00			7,845.00	100.00		392.25
Valley Gutters	9,394.00		9,394.00	9,394.00			9,394.00	100.00		469.70
Extruded Curb	8,842.00		8,842.00		10,000		10,000		8,842.00	
Dumpster Pad	12,052.00		12,052.00		<del>12,052.00</del>		<del>12,052.00</del>	<del>100.00</del>		602.60
Ferguson	38,966.00		38,966.00	38,966.00	0.00		38,966.00	100.00		1,948.30
Greenway Landscape	23,522.00		23,522.00	13,525.15	<del>4,566.79</del>	13,525.15	18,111.94	<del>77.00</del>	5,410.06	905.60
E-Permits and Mobilization	236.00		236.00	236.00			236.00	100.00		11.80
E-Underground Conduit/Fittin	864.00		864.00	864.00			864.00	100.00		43.20
E-Pole Bases	784.00		784.00	744.80			744.80	95.00	39.20	37.24
E-Poles, Fixtures, Panels	9,337.00		9,337.00	8,870.15			8,870.15	95.00	466.85	443.51
E-Install Conductors	1,158.00		1,158.00						1,158.00	
Construction Sign	72.00		72.00	72.00			72.00	100.00		3.60
<b>Totals:</b>	<b>244,731.00</b>		<b>244,731.00</b>	<b>212,176.10</b>	<del>16,688.79</del> 10,000		<del>228,814.89</del> 222,176.10	93.50	<del>15,916.11</del> <del>9,200.01</del>	<del>41,440.78</del> 11,108.81

**PDA Funding Application**

ORGANIZATIONAL INFORMATION

Organization: Positron Systems Incorporated

Name of Applicant organization: Positron Systems Incorporated

Contact Person: Steven Yano

Title: CEO, Acting

Mailing Address: 411 South 5<sup>th</sup> Street Boise, Idaho

Phone number: 208-514-4579

Fax Number: 208-338-2659

Email: syano@positronsystems.com

Website: www.positronsystems.com

Number of current employees: 3 full-time, 2 part-time

Any Principals with previous indictment? NO

Any Principals charged with arrest? NO

Any Principals convicted of offense? NO

## FUNDING REQUEST

1. Total amount requested: An economic development loan agreement for \$400,000 was created in 2003 and the principal amount is due in full in 2011 - ten years from the completion of construction of the Positron facility at IAC, in 2004. This request is for the loan amount of the note to be forgiven.
2. Describe use of funds

### Schedule of Use of Funds

<b>Project</b>	<b>Estimated Costs</b>
IMPLEMENT PET ISOTOPE PRODUCTION FACILITY: SBA loan financing is currently being sought by the company for the above project in the amount of \$1.5M. If the note is forgiven, and the company's debt structure improves by a corresponding elimination of this obligation, Positron's collateral for this loan should meet SBA's funding approval requirements.	\$400,000
<b>Total</b>	<b>\$400,000</b>

3. Total Funds required for project or to start business: \$1.5M
4. Difference between request and total needs: \$1,100,000

## BUSINESS/PROJECT DESCRIPTION

Describe business and project plan.

*Steve: Please provide a 1-page brief providing a history of the company, when and why the original \$400,000 loan was given and under what conditions. Describe your request and the rationale for the benefits to the City/PDA/University/community.*

### Request and Rationale

The specific project associated with this request is to create Idaho's first manufacturing site of radioisotopes for use in Positron Emission Tomography (PET). The facility will serve the needs of medical facilities in the Intermountain West region that initially include Pocatello, Idaho Falls, Twin Falls, and Jackson, Wyoming. PET is the most commonly performed nuclear medicine imaging procedure and has broad application to detection of cancer, heart disease, and neurological abnormalities. These products have very short useful shelf lives (the most commonly used F18-FDG, has a half life of just less than two hours), which creates market opportunity for a local production source that can reliably and cost effectively meet the needs of regional hospitals and imaging facilities on a daily basis.

The project will be a collaborative effort between at least two and possibly three local entities: Positron (or a newly formed corporation), the Idaho Accelerator Center (IAC), and potentially Advanced Radiopharmaceutical Management. Once the project is funded, the production capability is planned to be fully operational within 11 months. Positron is in the process of applying for \$1.5M in SBA financing to fund the necessary equipment installation, which will occur in its existing building space, but not compromise its continued test operations. If the note is forgiven, and the company's debt structure improves by a corresponding elimination of this obligation, Positron's collateral for this loan should meet SBA's funding approval requirements.

This project creates an excellent academic/industry cooperative opportunity. A cyclotron owned by ISU but currently not being utilized will be installed and commissioned for PET production activities that will occur during a graveyard shift. The cyclotron will additionally be made available for academic and private research during normal business hours. Projected new jobs created for the company and local partners (shown in the table) number 4 for end of year one and an additional 6 by end of year three. Revenues of \$1.4 M are projected at the end of the first full year of production (year two of project).

Equally as important, the project represents an initial step toward a larger vision of advancing nuclear medicine research, development, and commercialization in

Pocatello. Supply shortages of key radioisotopes have already been identified as a critical domestic issue by the National Academy of Sciences and others. For example, the most commonly used compound, Molybdenum-99 is currently not produced within the U.S. in any commercial quantities, yet it represents a multi-billion dollar market. Ninety percent of the world supply of Mo-99 is produced by two aging nuclear reactors, one in Canada (NRU) and the other in the Netherlands (HFR). Within the last year, safety related shutdowns at both sites have caused Mo-99 shortages in both North America and Europe, affecting tens of thousands of patients. The increasingly pressing need for domestic supply could be addressed on regional and potentially national levels in future years using accelerator-based methods developed and commercialized at IAC and Positron facilities, and thus creating tremendous economic impact to the local area. Positron and IAC have begun discussions regarding possible strategies to begin the larger scale fundraising and technical activities necessary to move toward advanced production methods of the higher value isotopes such as Mo-99.

#### About Positron

Positron Systems initiated operations in Pocatello in 2001. Its business objective has been to commercialize a new materials non-destructive test (NDT) method based on licensing of several patents originating from the Idaho National Lab. In 2003, Positron entered into an agreement with Idaho State University to lease the property adjacent to the Idaho Accelerator Center for a 50 year term, with the intent to further construct a test facility. Also in 2003, the above referenced \$400,000 loan from the PDA was secured, which was applied to the construction of the presently existing test facility adjacent to the IAC.

Although its success in NDT has yet to mature as quickly as originally envisioned, Positron has continued to endeavor to develop and market its test technologies and has since 2001 maintained a core staffing level at the Pocatello Test Center ranging from one to three full time staff, in addition to employing ISU student interns and IAC technical consultants. The company was re-structured in 2006, at which time Oaas Laney, LLC contributed a significant investment and became the majority shareholders of Positron. Since 2007, Oaas Laney, LLC have consistently demonstrated their financial commitment to Positron by funding nearly all of its operating costs. In August 2008, the company's management team was reorganized and significant cost reduction initiatives established to bring its expense and revenue projections in line.

There are several noteworthy points worth mentioning regarding Positron's overall strategy going forward, which has been substantially revised:

- Positron's commercialization strategy will no longer be constrained to a single methodology (positron annihilation) and target industry (non-destructive test). Rather, the company will determine its commercialization efforts based on the best leverage of its strengths: a unique test facility certified to operate complex nuclear equipment, experienced, knowledgeable operations staff, and proven experience identifying appropriate laboratory technologies that can be developed and transformed into product solutions.
- Positron understands that its commercialization success will be dependent on its ability to leverage current academic partnerships and develop new strategic relationships with commercial partners. This in turn enables strong multi-disciplined development teams, which are necessary to successfully commercialize complex technologies in today's competitive environment. One of Positron's greatest opportunities is its direct access to a world-class research facility- the IAC. In just the past three months Positron and IAC have recently initiated a number of promising collaborative initiatives in areas of non-destructive evaluation (positron annihilation, monochromatic x-ray, photon activation) and nuclear medicine (PET isotopes).
- Though in the past, the company has distributed its employee base, it recognizes that to be successful, its core operation must be based where the value-added activity is taking place. It is therefore committed to consolidating its work force as much as possible at its test facility in Pocatello, particularly if additional working capital can be obtained for 2009.

OTHER EVALUATION CRITERIA: *The following are just sample job categories*

**Workforce Projections**

**Projected for full year of Production**

Number new jobs created by the company (direct jobs)	Annual Salary Range	Full Production Headcount (Yr 1 Prod)	Full Production Headcount (Yr 3 Prod)
Senior Management	\$100,000		1
Supervision	\$70,000	1	1
Administration	\$40,000		1
Chemist	\$80,000		1
Quality	\$60,000	1	1
Production	\$60,000	1	1
Total Headcount		3	6

Number of new jobs created through other Bannock County partners (direct jobs)	Annual Salary Range	Full Production Headcount (Yr 1 Prod)	Full Production Headcount (Yr 3 Prod)
Senior Management			
Supervision			
Administration			
Engineering/Project Mgmt.	\$70,000		1
Sales and Marketing	\$70,000		1
Production/Distribution	\$50,000	1	2
Total Headcount		1	4



**Total Annual Payroll: \$240,000 (Year 1) – 600,000 (Year 2)**

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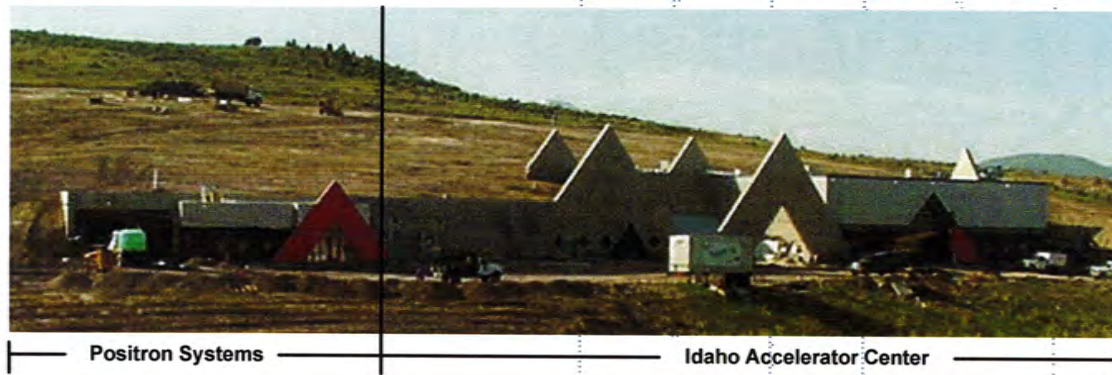


# Pocatello Development Authority

December 17, 2008

# Positron Systems Local Roots

- Local Pocatello Facilities Since 2001
  - Stable Local Employer
    - Full Time Lab Staff, Idaho Accelerator Center (IAC) Consultant, ISU Student Interns
  - Develop and Commercialize Materials Non-Destructive Test Methods
    - Licensed Intellectual Property from Idaho National Lab
- Expanded In 2003 With Local Assistance
  - 50 Year Lease With IAC/ISU On Adjacent Property
  - \$400,000 Loan From the PDA Applied to Construction of Test Facility







# Positron Systems Today

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- Corporate Strategy Aligned to Leverage Strengths and Opportunities
  - Unique Test Facility and Operations Expertise in Specialized Nuclear Equipment
  - World Class Nuclear Physics Research Facility Next Door
  - Proven Leadership in Development of New Technologies for Commercial Application
- Build Effective Research and Industry Partnerships
  - Multi-Disciplinary Solutions
    - Non-Destructive Test
    - Isotopes for Nuclear Medicine



# Unique Opportunity for Local Innovation

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**Opportunity:** to fulfill a local production need of  $^{18}\text{F}$ -FDG, a nuclear medicine isotope, to the Intermountain West market.

- FDG is a radioisotope tracer used in Positron Emission Tomography, which enables medical professionals to image internal organs and to diagnose cancer, heart disease, and brain disorders.
- FDG is one of the most common medical isotopes and is used in dozens of procedures a day right here in Idaho.
  - *There is no Idaho based production capacity for FDG. All Idaho markets are served by suppliers from neighboring states.*
  - *FDG decays quickly, so delivering from out of state requires greater production and distribution costs.*
  - *PET procedures are growing at annual growth of 80% a year.*



# A Local Solution

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**Solution:** a collaborative local partnership enabling Idaho's first production of FDG to the local Idaho and Intermountain West markets.

- Key participation by the Eastern Idaho technology, academic, and medical communities. As proposed, the project currently includes:
  - Positron Systems
  - The Idaho Accelerator Center
  - Advanced Radiopharmaceutical Management
- An Entry Into Accelerator-Based Isotope Production
  - Success in the Medical Technology sector encourages additional investment and compliments the long term vision of Eastern Idaho as a corridor for life sciences technology development.



# Execution Plan

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- Formation of Elemental Isotopes, Inc. (Positron Spin-Off)
- Business Plan Complete (Phase I)
  - F18-FDG will be initial product for local/regional markets
  - Additional “short-lived” compounds to be investigated for Pocatello market
  - Elemental Isotopes, over time, will build a nuclear chemistry competency and grow its technical staff
- \$1.5 Million Funding Requirement
  - SBA Loan Application- Key Bank Boise, ID
  - Goal to Obtain Approval by Jan. 31, 2009
  - Year 1: Facility Setup and Certification
  - Year 2: Production/Distribution in Eastern Idaho

Projected Year 2 Revenue \$1.43 M



# Local Benefits of Elemental Isotopes

- Elemental Isotopes Job Creation: \$50k - \$100k Salary
 

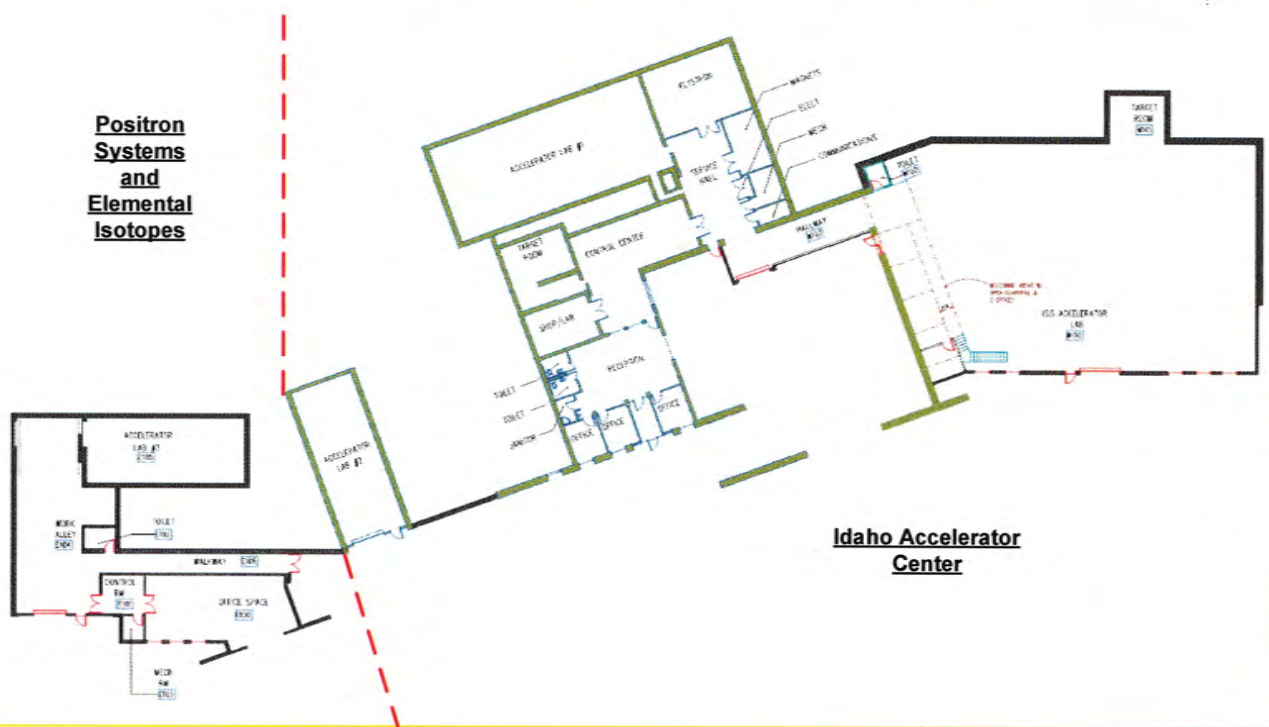
- Yr 1 Direct Jobs Created: +3	Bannock County Partners: +1
- Yr 3 Direct Jobs Created: <u>+3</u>	Bannock County Partners: <u>+3</u>
- Total 6	4
- Dual Use of Elemental Isotopes Facilities Benefits
  - ISU/IAC Research and Education
  - Cyclotron "beam time" available during normal business hours for academic and commercial research.
  - NDE research and commercialization opportunities for Positron and ISU using cyclotron



# Leveraged Utilization of Local Assets

## Elemental Isotopes

- Existing IAC Cyclotron to be Commissioned
- Positron/Elemental Isotopes Share Facility Usage
- Radiochemistry Equipment Potentially Sourced from Premier Technologies





# Our Request to You

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- Positron Systems requests the current \$400,000 facilities loan acquired from the PDA be forgiven.
  - Improving company debt structure enables sufficient loan collateral for SBA application.
  - Enables near-term, direct investment in the local economy.
  - Enables near term local job creation.
  - Key step toward growth of local life sciences, academic, and technology communities.

## Headlines Archives

- December 2008
- November 2008
- October 2008
- September 2008
- August 2008
- July 2008
- June 2008
- May 2008
- April 2008
- March 2008
- February 2008
- January 2008
- December 2007
- November 2007
- October 2007
- September 2007
- August 2007
- July 2007
- June 2007
- May 2007
- April 2007
- March 2007
- February 2007
- January 2007
- December 2006
- November 2006
- October 2006
- September 2006
- All Stories by Month
- Old News Archive

## Categories

- Academics
- Events
- Exhibits
- Featured
- General
- ISU-Boise
- People
- Performing Arts
- Research

## Search ISU Headlines

### Idaho State University becomes affiliate member of Southeastern Universities Research Association

The Southeastern Universities Research Association (SURA) recently announced that Idaho State University has been accepted as an affiliate member. This is a significant step forward for ISU's growth in nuclear science research and education.

ISU is the first such university outside the region to be granted this status since the new membership categories were expanded and established this spring. The ability of universities and businesses to affiliate with SURA is intended to enrich the research capabilities of the 27-year old coalition.

"This is yet another national lab that is partnering with Idaho State to support nuclear and accelerator science research and academic programs," said Douglas Wells, Ph.D., director of the ISU Idaho Accelerator Center.

Comprised of 64 universities primarily from 16 Southeastern states, SURA's programmatic initiatives have grown beyond their stewardship of the Thomas Jefferson National Accelerator Facility in Newport News, Virginia – the catalyst for the organization's beginning. With new projects established in the information technology, coastal research and technology commercialization fields, the expanded membership is meant to partner the university consortia more closely with the universities across the nation and in the private sector.

ISU has a primary interest in the work of the Jefferson Lab, which is managed and operated by Jefferson Science Associations. JSA, LLC is a SURA/CSC company created specifically to run Jefferson Lab for the U.S. Department of Energy's Office of Science. This nuclear physics user facility enables the international user community to conduct outstanding scientific research.

ISU's interest and participation includes fundamental nuclear physics research and education to be conducted at Jefferson Lab, detector development and construction to be done at ISU, and accelerator physics research and education at ISU as well. Further, Jefferson Laboratory is funding an accelerator physicist faculty position at ISU to further increase collaborative research and education. ISU's representative to SURA is Philip Cole, Ph.D., of the Department of Physics.

"Joining SURA brings us into a fold of highly regarded research intensive institutions," Cole said. "This agreement will enable us to work closely with these universities as an equal. We are the first institution from completely outside of the southeast, other than MIT, to join SURA, in a large part because we have one of the premier accelerator facilities in the United States, the Idaho Accelerator Center."



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“This path,” continued Cole, “is within our mission of the University, and is part of the vision (ISU) President Vailas has encouraged, so we can take that next step up as a research institution.”

Jefferson Science Associations combines SURA, the university consortium that propelled Jefferson Lab into the forefront of both nuclear/hadronic physics and superconducting radiofrequency (SRF) technologies, and CSC, the corporation that has successfully managed the infrastructure and business operations at three Department of Energy sites, and many other facilities, saving the U.S. Government millions of dollars while winning numerous safety and small business awards.

**Contact:** Greg D. Kubiak, SURA chief communications officer, (202) 408-2412, [kubiak@sura.org](mailto:kubiak@sura.org); visit SURA Web site at [www.sura.org](http://www.sura.org); or call Douglas Wells, Ph.D., Idaho Accelerator director, at (208) 282-5877; or visit IAC Web site, <http://iac.isu.edu/>; or contact Philip Cole, ISU Department of Physics, (208) 282-5799.

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The Southeastern Universities Research Association (SURA) is a consortium of over 60 leading research institutions in the southern United States and the District of Columbia established in 1980 as a non-stock, nonprofit corporation. SURA serves as an entity through which colleges, universities, and other organizations may cooperate with one another, and with government and industry in acquiring, developing, and using laboratories and other research facilities and in furthering knowledge and the application of that knowledge in the physical, biological, and other natural sciences and engineering. For more information, visit [www.sura.org](http://www.sura.org).