

POCATELLO DEVELOPMENT AUTHORITY

Agenda for the meeting of April 20, 2022 – 11:00 a.m. Council Chambers – Pocatello City Hall

During low/medium community level designations, individuals are encouraged, but not required, to wear masks/face coverings.
During high community level designations, individuals will be required to wear masks/face coverings.

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three days' advance notice by contacting Skyler Beebe at sbeebe@pocatello.us, 208.234.6248, or 5815 South 5th Avenue, Pocatello, Idaho.

In the event this meeting is still in progress at 12:00 p.m., a ten-minute recess may be called.

- 1. CALL TO ORDER, DISCLOSURE OF CONFLICT OF INTEREST, AND ACKNOWLEDGMENT OF GUESTS.**
- 2. ACTION ITEM –MEETING MINUTES.** The Board may wish to waive the oral reading of the minutes and approve the minutes from the Regular Board of Commissioners meeting and the Executive Session meeting held on March 16, 2022. *See attached documents.*
- 3. ACTION ITEM –EXPENSE PAYMENTS & REIMBURSEMENTS.** The Board may wish to approve the payment or reimbursement of the following PDA expenses:
 - 3a. \$3,376.00** from the General Fund to Elam & Burke Attorneys at Law for March 2022 Services. *See attached invoice.*
 - 3b. \$10.59** from the General Fund to Aceline McCulla for lunch items for the April 20, 2022 meeting. *See attached receipt.*
 - 3c. \$96.94** from the General Fund to Idaho State Journal for 2021 Annual Report Legal Notice \$24.44 and RFP Treasurer/Bookkeeper Legal Ad \$72.50. *See attached invoices.*
 - 3d. \$4831.01** from the General Fund to the City of Pocatello for Administrative Staff costs for the period January 2022 through March 2022. *See attached expense report.*
- 4. ACTION ITEM –DEATON & COMPANY AUDIT REPORT.** Doran Lambson will present the audit report to the Board of Commissioners.
- 5. ACTION ITEM -IRG OWNER PARTICIPATION AGREEMENT (OPA).** The Board may wish to approve an OPA with IRG in the Naval Ordinance Plant District.
- 6. PRESENTATION ON THE DOWNTOWN DEVELOPMENT PLAN.** Long Range Sr. Planner Jim Anglesey of the City of Pocatello Planning and Development Services Department will present the Downtown Development Plan.
- 7. ACTION ITEM – CALENDAR REVIEW.** The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.
- 8. ACTION ITEM –NEWS FOR THE GOOD OF THE ORDER.** The board may wish to discuss news for the Good of the Order.
- 9. ADJOURN REGULAR MEETING.**

Action Item 2

POCATELLO DEVELOPMENT AUTHORITY

Meeting Minutes for March 16, 2021 at 11:01 a.m.
Council Chambers, 911 N 7th Avenue, Pocatello, Id

Agenda Item No. 1: Call to Order and Disclosure of Conflicts of Interest

Chair Villarreal called the meeting to order at approximately 11:00 a.m. No conflicts were disclosed.

Members present: Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner and David Villarreal (via GoToMeeting).

Members excused: Mayor Brian Blad and Terrel Tovey.

Others present: Executive Director Brent McLane; Secretary Aceline McCulla, PDA Attorney Abigail Germaine (via GoToMeeting), Pocatello Development Engineer Merrill Quayle; City of Pocatello Attorney Jared Johnston, City of Pocatello Public Works Director/City Engineer Jeff Mansfield and other visitors.

Agenda Item No. 2: Approve the Minutes

The Board may wish to waive the oral reading of the minutes and approve the minutes from the Regular Board of Commissioners meeting held February 16, 2022.

It was moved by **J. Johnston** and seconded by **V. Byrd** to approve the meeting minutes, as written, from February 16, 2022. Those in favor were Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner and David Villarreal. Unanimous. Motion Carried.

Agenda Item No. 3: Expense Payments & Reimbursements.

The Board may wish to approve the payment or reimbursement of the following PDA expenses:

3a. \$3,518.50 from the General Fund to ICRMP for 21-22 Policy Year Annual Premium. *See attached invoice.*

3b. \$878.50 from the General Fund to Elam & Burke Attorneys at Law for February 2022 Services. *See attached invoice.*

3c. \$36.92 from the General Fund to Idaho State Journal for the PDA Annual Report Display Ad. *See attached invoice.*

It was moved by **J. Johnston** and seconded by **R. Lion** to approve the reimbursement and expense payments as presented. Those in favor: Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner, and David Villarreal. Unanimous. Motion Carried.

Agenda Item 4: PUBLIC HEARING - PDA 2021 ANNUAL REPORT.

The Board may wish to consider public comment regarding the 2021 Pocatello Development Authority Annual Report and approve it by Resolution 2022-001 and authorize filing with the Pocatello City Clerk and the State of Idaho Controller's Office.

Vice Chair Turner opened the Public hearing at 11:04 a.m.

With no public comment, the hearing was closed at 11:04 a.m.

Cheatum asked that the annual report not be approved until the titles are added per the minutes from previous meeting.

It was moved by **R. Cheatum** and seconded by **V. Byrd** to not approve the 2021 Annual Report until the titles are added. No vote was taken. Discussion ensued.

It was moved by **J. Johnston** to approve the 2021 Annual Report upon the added titles being made. Discussion ensued. **McLane** stated that he would have the changes updated and bring back the updated Annual Report during this meeting for approval.

Vice Chair Turner tabled this item at 11:10 a.m. to allow McLane to update the titles and then make a motion for approval or denial.

It was moved by **R. Cheatum** and seconded by **J. Johnston** to remove this agenda item from tabling status and continue the hearing to approve the motion at 11:19 a.m.

It was moved by **J. Johnston** and seconded by **G. Gunter** to approve the 2021 Annual Report as written and authorize the Chair and Secretary to sign the Resolution 2022-001. Those in favor: Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner and David Villarreal. Unanimous. Motion Carried.

Agenda Item No. 5: PDA TREASURER. The Board may wish to discuss options for filling the office of Treasurer for the PDA.

McLane noted that this position would be outsourced, similar to the Attorney position, and move it out of the City of Pocatello Finance Department. This request is to approve the RFP presented. Cheatum asked about the administration component.

It was moved by **R. Cheatum** to approve the RFP for Treasurer/Bookkeeper Services as presented, less the removal under the Agency seeks professionals in the following disciplines section, number three (3). **Byrd** recommended adding that the financial report be presented during the monthly meeting to make that role clear in the RFP. The Board agreed to add this under the Scope of work section.

Cheatum amended the motion to add under the Scope of work session, that the accounting firm representative will attend the monthly meeting and file a monthly report.

It was moved by **R. Cheatum** and seconded by **G. Gunter** to approve the RFP for Treasurer/Bookkeeper Services as presented, less the removal of number three (3) in the Agency seeks professionals in the following disciplines section, and to add that the accounting firm representative will attend the monthly meeting and file a monthly report, in the Scope of work section. Those in favor: Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner and David Villarreal. Unanimous. Motion Carried.

Agenda Item 6: EXECUTIVE SESSION – The Board may wish to go into Executive Session to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code; and to communicate with legal counsel to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Idaho Code §74-206(1)(d), (f).

It was moved by **D. Villarreal** and seconded by **J. Johnston** to go into Executive Session to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code; and to communicate with legal counsel to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Idaho Code §74-

206(1)(d), (f) at 11:23 a.m. Those in favor: Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner, and David Villarreal. Unanimous. Motion Carried.

Following the Executive Session, **Vice Chair Turner** reconvened the regular Board meeting at 12:05 p.m.

Agenda Item 7: Calendar Review.

The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.

The Board discussed airlines.

Agenda Item 8: NEWS FOR THE GOOD OF THE ORDER.

The board may wish to discuss news for the Good of the Order.

There was no discussion by the Board.

Agenda Item 9: ADJOURN THE MEETING.

With no further business, **Vice Chair Turner** adjourned the meeting at 12:15 p.m.

Submitted by: _____ Approved on April 20, 2022
Aceline McCulla, Secretary

Pocatello Develop Authority Board of Commissioners
Executive Session Minutes
City Hall Council Chambers
March 16, 2022

Chair Villarreal called the meeting to order at 11:23 a.m.

Members present: Victoria Byrd, Rick Cheatum, Greg Gunter, Jim Johnston, Rob Lion, Scott Turner, and David Villarreal (via GoToMeeting).

Members excused: Mayor Brian Blad and Terrel Tovey,

Others present: Brent McLane, Executive Director; Aceline McCulla, Secretary, Abigail Germaine, PDA Attorney (via GoToMeeting); Merrill Quayle, Pocatello Development Engineer, Jared Johnston City of Pocatello Attorney and Jeff Mansfield, City of Pocatello Public Works Director/City Engineer.

Executive Session

The Board may wish to go into Executive Session to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code; and to communicate with legal counsel to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Idaho Code §74-206(1)(d), (f).

With no further discussion, it was moved by **J. Johnston** and seconded by **R. Lion** to adjourn from the executive session pursuant to Idaho Code §74-206(1)(d), (f) at approximately 12:05 p.m., and reconvene to the regular meeting session. Those in favor: Byrd, Cheatum, Gunter, Johnston, Lion, Turner, and Villarreal. Unanimous. Motion Carried.

By: _____
Aceline McCulla, Secretary

Approved on: April 20, 2022

Action Item 3

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844

AGENDA 3a

Tax Id No. 82-0451327

Pocatello Development Authority
Attn: Brent McLane
City of Pocatello
P.O. Box 4169
Pocatello, ID 83205

MARCH 31, 2022

Invoice # 195357

Billing Atty - MSC

RE: Special Counsel General

CLIENT/MATTER: 09212-00003

MARCH 31, 2022

Invoice # 195357

***** INVOICE SUMMARY PAGE *****

PROFESSIONAL FEES	3,376.00
COSTS ADVANCED	.00
TOTAL INVOICE	3,376.00

Payable to:

Aceline McCulla

Food items - meeting of April 20, 2022

COSTCO
WHOLESALE

Pocatello #1033
305 West Quinn Rd.
Pocatello, ID 83202

4A Member 111854619394
E 1421675 RSBRY CKIE 9.99 A
SUBTOTAL 9.99
TAX 0.60
**** TOTAL 10.59

XXXXXXXXXXXX1490 CHIP Read
AID: A0000000031010
Seq# 202535 App#: 04154D
Visa Resp: APPROVED
Tran ID#: 210400202535....
Merchant ID: 991033

APPROVED - Purchase
AMOUNT: \$10.59
04/14/2022 14:58 1033 202 86 202

Visa 10.59
CHANGE 0.00

A 6.00 % TAX RATE 0.60
TOTAL TAX 0.60
TOTAL NUMBER OF ITEMS SOLD = 1
04/14/2022 14:58 1033 202 86 202


21103320200862204141458
OP#: 202 Name: SCO OPERATOR
Thank You!
Please Come Again
Whse:1033 Trm:202 Trn:86 OP:202

Items Sold: 1
4A 04/14/2022 14:58



ADVERTISING INVOICE

APG West Payment
Processing
PO Box 1570
Pocatello, ID 83204
Ph. (208) 239-3163

AGENDA 3c

BILLING DATE:	ACCOUNT NO:
03/18/22	1614

ACELINE MCCULLA
CITY OF POCA TELLO, PLANNING & DEVELOPMEN
P.O. BOX 4169
Pocatello, ID 83201

PUBLIC NOTICE

As required by Idaho Code Section 50-2006(5)(c), the Urban Renewal Agency of the City of Pocatello, aka the Pocatello Development Authority, has filed a report of its 2021 activities with the office of the Pocatello City Clerk. It is anticipated information within the report will be submitted to the Idaho State Controller pursuant to Idaho Code Section 67-1076. The report is available for inspection during business hours in the office of the City Clerk, 911 N. 7th Avenue, Pocatello, Idaho. The report is also available on the Agency's website at <https://pda.pocatello.us/>.

If you have any questions please contact, Brent McLane (208) 234-6583, or bmclane@pocatello.us.

Published March 29, 2022.
(ISJ1614-215897)

AD #	DESCRIPTION	START	STOP	TIMES	AMOUNT
215897	PUBLIC NOTICE As req	03/29/22	03/29/22	1	\$24.44

Payments:

Date	Method	Card Type	Last 4 Digits	Check	Amount
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Discount: **\$0.00**
Surcharge: **\$0.00**
Credits: **\$0.00**

Gross: **\$24.44**
Paid Amount: **\$0.00**

Amount Due: \$24.44

We Appreciate Your Business!



ADVERTISING INVOICE

APG West Payment
Processing
PO Box 1570
Pocatello, ID 83204
Ph. (208) 239-3163

AGENDA 3c

BILLING DATE: ACCOUNT NO:

04/07/22

18588

LEGAL NOTICE REQUEST FOR PROPOSAL

Treasurer/Bookkeeping Services

The Urban Renewal Agency of the City of Pocatello, Idaho d/b/a Pocatello Development Authority, a public body corporate and politic ("Agency") invites individuals and entities to submit proposals for general nonexclusive treasurer/bookkeeping services.

The individual or entity would negotiate with Agency for a services agreement.

Interested individuals and entities are invited to obtain RFP submission instructions by contacting Brent McLane at bmclane@pocatello.us or by visiting the PDA webpage at <https://pda.pocatello.us/documents/RFP-bookkeeping-account-services.pdf> to download the RFP instruction packet. Submission instructions are also available at the Pocatello Development Authority offices located at 911 North 7th Avenue, Pocatello, Idaho 83201. Submissions will be accepted until 3:00 p.m. MDT, April 29, 2022. Late or incomplete submissions will not be accepted.

The services contract will be awarded to the individual or agency who, in the sole opinion of Agency, is best qualified to perform the work. The right is reserved to reject any or all submissions not conforming to the intent and purpose of the "Request for Proposals" whenever such action appears to be in the best interests of Agency.

Published April 10 and 17, 2022. (ISJ18588-223325)

ACELINE MCCULLA
POCATELLO DEVELOPMENT AUTHORITY
911 N 7th Avenue
POCATELLO, ID 83205

AD #	DESCRIPTION	START	STOP	TIMES	AMOUNT
223325	LEGAL NOTICE REQUEST	04/10/22	04/17/22	2	\$72.50

Payments:

Date	Method	Card Type	Last 4 Digits	Check	Amount
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Discount: **\$0.00**
Surcharge: **\$0.00**
Credits: **\$0.00**

Gross: **\$72.50**
Paid Amount: **\$0.00**

Amount Due: \$72.50

We Appreciate Your Business!

Project selection

From project : PDA001 To project : PDA001

Type : O (O=Only, R=Range, S=Selective)

Description begins with :

Description contains . :

From project estimate . . : .00 To project estimate . . : 99,999,999,999.99

From project type . . . : To project type : 99

From project sub-type . . : To project sub-type . . : 99

Sequence options

OPTION: 3 Project

Project options

Print projects without detail (Y/N/O) : Y

Print inactive projects (Y/N) : Y

Print budget projects (Y/N) : Y

Print projects miscellaneous info? (Y/N) : Y

Account selection

From fiscal year . . . : 2022 To fiscal year : 2022

From account : 001-0000-400.00-00 To account : 980-9999-999.99-99

Type : S (O=Only, R=Range, S=Selective)

Account type selection : Assets: X Liabilities: X Revenue: X Expense: X

Print zero activity accounts (Y/N) : N

Transaction selection

From period : 04 of 2022 To period : 06 of 2022

From transaction date . . : 00/00/0000 To transaction date . . : 99999999

Transaction type. . . . : AJ . . :X AP . . :X CR . . :X EN . . :X TF . . :X BA . . :

Print transaction detail? (Y/N) : Y

Print transaction description (Y/N) : Y

Print work order # and job # (Y/N) : N

Summary options

Print classification totals (Y/N) : Y

Print project estimate totals (Y/N) : Y

Print project totals (Y/N) : Y

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							140.76		.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		211.14	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		469.20	.00	2022 05
AJ		02/04/2022	PR0204			PAYROLL SUMMARY		140.76	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		1,008.78	.00	2022 04
TRANSACTION TOTAL:							1,970.64		.00	
01-0600-415.10-02	AJ	03/18/2022	PERS.-NONEXEMPT, FU PR0318			.00 PAYROLL SUMMARY	1,552.55	1,552.55	.00	1,552.55-
							69.48		.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		138.96	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		86.85	.00	2022 05
AJ		02/04/2022	PR0204			PAYROLL SUMMARY		23.16	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		648.48	.00	2022 04
TRANSACTION TOTAL:							966.93		.00	
01-0600-415.21-01	AJ	03/18/2022	MEDICAL PR0318			.00 PAYROLL SUMMARY	848.21	848.21	.00	848.21-
							39.21		.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		65.05	.00	2022 06
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AJ		02/04/2022	PR0204			PAYROLL SUMMARY		32.27	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		304.55	.00	2022 04
TRANSACTION TOTAL:							549.19		.00	
01-0600-415.21-02	AJ	03/04/2022	LIFE PR0304			.00 PAYROLL SUMMARY	.59	.59	.00	.59-
							.26		.00	2022 06
AJ		02/04/2022	PR0204			PAYROLL SUMMARY		.09	.00	2022 05
TRANSACTION TOTAL:							.35		.00	
01-0600-415.21-03	AJ	03/18/2022	DENTAL PR0318			.00 PAYROLL SUMMARY	39.41	39.41	.00	39.41-
							1.83		.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		3.06	.00	2022 06

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AJ		02/04/2022	PR0204			PAYROLL SUMMARY		1.40	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		14.49	.00	2022 04
TRANSACTION TOTAL:								25.54	.00	

01-0600-415.22-00			WORKERS COMPENSATI			.00	7.18	7.18	.00	7.18-
AJ		03/18/2022	PR0318			PAYROLL SUMMARY		.33	.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		.54	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		.85	.00	2022 05
AJ		02/04/2022	PR0204			PAYROLL SUMMARY		.26	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		2.53	.00	2022 04
TRANSACTION TOTAL:								4.51	.00	

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AJ		03/18/2022	PR0318			PAYROLL SUMMARY		25.11	.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		42.02	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		66.40	.00	2022 05
AJ		02/04/2022	PR0204			PAYROLL SUMMARY		19.71	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		197.90	.00	2022 04
TRANSACTION TOTAL:								351.14	.00	

01-0600-415.24-04			MEDICAL SAVINGS			.00	148.87	148.87	.00	148.87-
AJ		03/18/2022	PR0318			PAYROLL SUMMARY		3.76	.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		6.76	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		8.60	.00	2022 05
AJ		02/04/2022	PR0204			PAYROLL SUMMARY		2.59	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		30.94	.00	2022 04
TRANSACTION TOTAL:								52.65	.00	

01-0600-415.25-00			SOCIAL SECURITY			.00	329.95	329.95	.00	329.95-
AJ		03/18/2022	PR0318			PAYROLL SUMMARY		15.02	.00	2022 06
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		25.42	.00	2022 06

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AJ		02/04/2022	PR0204			PAYROLL SUMMARY		11.74	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		118.68	.00	2022 04
TRANSACTION TOTAL:								210.32	.00	

01-0601-445.10-01		PERS.-EXEMPT, FULL				.00	708.35	708.35	.00	708.35-
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		68.55	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		68.55	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		342.75	.00	2022 04
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01-0601-445.21-01		MEDICAL				.00	146.89	146.89	.00	146.89-
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AJ		02/18/2022	PR0218			PAYROLL SUMMARY		14.22	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		70.94	.00	2022 04
TRANSACTION TOTAL:								99.48	.00	

01-0601-445.21-02		LIFE				.00	.06	.06	.00	.06-
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		.04	.00	2022 06
TRANSACTION TOTAL:								.04	.00	

01-0601-445.21-03		DENTAL				.00	6.17	6.17	.00	6.17-
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		.60	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		.60	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		2.97	.00	2022 04
TRANSACTION TOTAL:								4.17	.00	

01-0601-445.22-00		WORKERS COMPENSATI				.00	10.23	10.23	.00	10.23-
AJ		03/04/2022	PR0304			PAYROLL SUMMARY		.96	.00	2022 06
AJ		02/18/2022	PR0218			PAYROLL SUMMARY		.96	.00	2022 05
AJ		01/21/2022	PR0121			PAYROLL SUMMARY		4.81	.00	2022 04
TRANSACTION TOTAL:								6.73	.00	

01-0601-445.24-03		PERSI				.00	84.71	84.71	.00	84.71-

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AJ		01/21/2022	PR0121				PAYROLL SUMMARY		40.95	.00	2022	04			
TRANSACTION TOTAL:									57.37	.00					

01-0601-445.24-04		MEDICAL SAVINGS				.00		18.51	18.51	.00		18.51-			
AJ		03/04/2022	PR0304				PAYROLL SUMMARY		.97	.00	2022	06			
AJ		02/18/2022	PR0218				PAYROLL SUMMARY		.94	.00	2022	05			
AJ		01/21/2022	PR0121				PAYROLL SUMMARY		4.69	.00	2022	04			
TRANSACTION TOTAL:									6.60	.00					

01-0601-445.25-00		SOCIAL SECURITY				.00		50.81	50.81	.00		50.81-			
AJ		03/04/2022	PR0304				PAYROLL SUMMARY		4.99	.00	2022	06			
AJ		02/18/2022	PR0218				PAYROLL SUMMARY		4.91	.00	2022	05			
AJ		01/21/2022	PR0121				PAYROLL SUMMARY		24.50	.00	2022	04			
TRANSACTION TOTAL:									34.40	.00					

53-5300-416.64-99		OTHER MISC. CONTRA				.00		11.57	11.57	.00		11.57-			
AJ		01/21/2022	PR0121				PAYROLL SUMMARY		11.10	.00	2022	04			
TRANSACTION TOTAL:									11.10	.00					

=== PROJECT: PDA001 ===== P R O J E C T T O T A L S =====															
CLASSIFICATION TOTALS:									EXPENDITURES:		4,831.01				
TRANSACTION TOTAL:											4,831.01	.00			
ESTIMATE COMPARISON:						.00	7,564.16	7,564.16				7,564.16-			
(ACTUAL) SUMMARY TOTAL:						.00	7,564.16	7,564.16		.00		7,564.16-			
MISCELLANEOUS INFO:		CODE	FREEFORM INFORMATION						DATE						
		----	-----						----						
		MISC	TO TRACK TIME SPENT WORKING ON PDA IN CASE THE						06/18/2019						
		MISC	CITY WANTS TO BILL THEM FOR SERVICES.						06/18/2019						

Action Item 4

POCATELLO DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF POCATELLO, IDAHO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

**POCATELLO DEVELOPMENT AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**POCATELLO DEVELOPMENT AUTHORITY
LIST OF OFFICIALS**

David Villareal, Council Member, Chairman of the Board

Scott Turner, Vice Chairperson of the Board

Brian Blad, Mayor of Pocatello, Board member

Terrel Tovey, Bannock County Commissioner, Board member

Robert Lion, Board member

Greg Gunter, Board member

Victoria Byrd, Board member

Jim Johnston, Board Member

Heidi Adamson, Board Member

Brent McLane, City of Pocatello, Executive Director

Aceline McCulla, City of Pocatello, Secretary

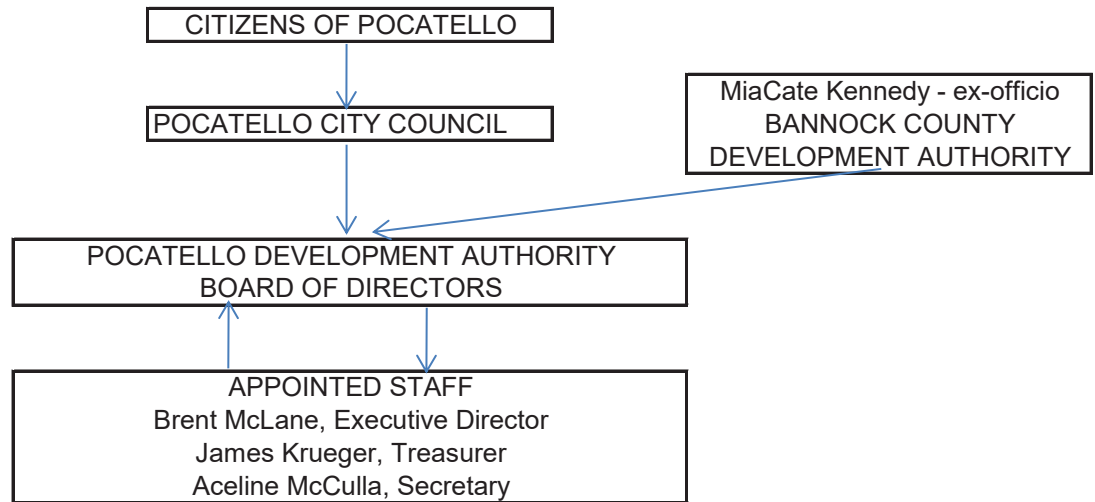
James Krueger, City of Pocatello, Treasurer

LIST OF EX-OFFICIO ADVISORS

Meghan Conrad, Legal Counsel

MiaCate Kennedy, Bannock Development Authority, ex-officio member

POCATELLO DEVELOPMENT AUTHORITY ORGANIZATION CHART



Advisory Staff:

Meghan Conrad, Attorney, Legal counsel



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pocatello Development Authority
Pocatello, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pocatello Development Authority, a component unit of the City of Pocatello, Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the Pocatello Development Authority, a component unit of the City of Pocatello, Idaho, as of September 30, 2021, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 19-20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Authority's basic financial statements for the year ended September 30, 2020, and we expressed unmodified opinions on the respective financial statements of the governmental activities, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Pocatello Development Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Seaton & Company". The signature is written in black ink and is positioned above the printed text of the firm's name.

Pocatello, Idaho
March 31, 2022

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2020

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 3,551,773	\$ 3,965,226
Accrued interest	15,785	5,973
Property tax receivable	46,369	-
Notes receivable (less reserve for bad debts)	<u>295,742</u>	<u>301,324</u>
Total assets	<u><u>3,913,188</u></u>	<u><u>4,272,523</u></u>
LIABILITIES		
Accounts payable	\$ <u>32</u>	\$ <u>129,412</u>
Total liabilities	<u>32</u>	<u>129,412</u>
NET POSITION		
Unrestricted	3,913,156	4,143,111
Restricted	<u>-</u>	<u>-</u>
Total net position	<u><u>\$ 3,913,156</u></u>	<u><u>\$ 4,143,111</u></u>

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
WITH COMPARATIVE TOTAL FOR THE ENDED SEPTEMBER 30, 2020

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
EXPENSES		
General	\$ 38,358	\$ 100,484
Naval Ordinance Plant	-	31,171
North Portneuf	-	427,629
Airport	614,283	289,934
Northgate	-	-
	<u>652,641</u>	<u>849,218</u>
GENERAL REVENUES		
Property taxes	390,207	429,476
Interest	32,479	75,080
Gain on sale of assets	-	222,532
Proceeds collection from bad debts	-	4,172
Miscellaneous	-	12,183
	<u>422,686</u>	<u>743,443</u>
NET CHANGE IN NET POSITION	(229,955)	(105,775)
BEGINNING NET POSITION - restated	<u>4,143,111</u>	<u>4,248,886</u>
ENDING NET POSITION	<u>\$ 3,913,156</u>	<u>\$ 4,143,111</u>

**POCATELLO DEVELOPMENT AUTHORITY
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2020**

	General Fund	Naval Ordinance Plant	North Portneuf	Airport	Northgate	2021	2020
ASSETS							
Cash and cash equivalents	\$ 712,073	\$ 1,382,338	\$ 1,453,167	\$ -	\$ 4,195	\$ 3,551,773	\$ 3,965,226
Accrued interest	15,785	-	-	-	-	15,785	5,973
Prepaid expense	3,519	-	-	-	-	3,519	-
Property tax receivable	-	-	1,055	45,314	-	46,369	-
Notes receivable	328,602	-	-	-	-	328,602	334,804
Due from other funds	142,606	-	-	-	-	142,606	-
	<u>\$ 1,202,585</u>	<u>\$ 1,382,338</u>	<u>\$ 1,454,222</u>	<u>\$ 45,314</u>	<u>\$ 4,195</u>	<u>\$ 4,088,654</u>	<u>\$ 4,306,003</u>
LIABILITIES							
Accounts payable	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ 32	\$ 129,412
Due to other funds	-	-	-	142,606	-	142,606	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable interest revenues	-	-	-	-	-	-	5,094
Unavailable tax revenues	-	-	1,055	45,314	-	46,369	-
Unavailable notes receivable revenues	328,602	-	-	-	-	328,602	334,804
	<u>328,634</u>	<u>-</u>	<u>1,055</u>	<u>187,920</u>	<u>-</u>	<u>517,609</u>	<u>469,310</u>
FUND BALANCES							
Nonspendable	3,519	-	-	-	-	3,519	-
Committed	-	1,382,338	1,453,167	(142,606)	4,195	2,697,094	2,957,676
Unassigned	870,432	-	-	-	-	870,432	879,017
	<u>873,951</u>	<u>1,382,338</u>	<u>1,453,167</u>	<u>(142,606)</u>	<u>4,195</u>	<u>3,571,045</u>	<u>3,836,693</u>
	<u>\$ 1,202,585</u>	<u>\$ 1,382,338</u>	<u>\$ 1,454,222</u>	<u>\$ 45,314</u>	<u>\$ 4,195</u>		

Amounts reported for governmental activities in the statements of net position are different because:

Certain receivables are not current resources and are reported as deferred revenues in the governmental funds.	374,971	334,804
Accrual adjustments for allowance for doubtful accounts.	(32,860)	(33,480)
Interest accrued on noted receivable not classified as current assets.	-	5,094
Net Position of Governmental Activities	<u>\$ 3,913,156</u>	<u>\$ 4,143,111</u>

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
WITH COMPARATIVE TOTAL FOR YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Naval Ordnance Plant	North Portneuf	Airport	Northgate	2021	2020
REVENUES							
Property taxes	\$ -	\$ 203,808	\$ 96,358	\$ 45,884	\$ 3,990	\$ 350,040	\$ 637,557
Interest	27,090	1,435	1,594	427	205	30,751	69,986
Rental and miscellaneous revenue	-	-	-	-	-	-	12,183
	<u>27,090</u>	<u>205,243</u>	<u>97,952</u>	<u>46,311</u>	<u>4,195</u>	<u>380,791</u>	<u>719,726</u>
EXPENDITURES							
Administration	24,093	-	-	-	-	24,093	11,429
Projects and grants	-	-	-	614,283	-	614,283	169,351
Professional services	14,265	-	-	-	-	14,265	46,469
Capital construction	-	-	-	-	-	-	621,968
Debt services:							
Principal retirement	-	-	-	-	-	-	224,248
Interest	-	-	-	-	-	-	-
	<u>38,358</u>	<u>-</u>	<u>-</u>	<u>614,283</u>	<u>-</u>	<u>652,641</u>	<u>1,073,465</u>
EXCESS REVENUES OR (EXPENDITURES)	(11,268)	205,243	97,952	(567,972)	4,195	(271,850)	(353,739)
OTHER FINANCING SOURCES/(USES):							
Notes receivable collections	6,202	-	-	-	-	6,202	64,078
Economic loans	-	-	-	-	-	-	(22,354)
Proceed from sale of property	-	-	-	-	-	-	1,250,000
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(5,066)	205,243	97,952	(567,972)	4,195	(265,648)	937,985
BEGINNING FUND BALANCE	879,017	1,177,095	1,355,215	425,366			
ENDING FUND BALANCE	<u>\$ 873,951</u>	<u>\$ 1,382,338</u>	<u>\$ 1,453,167</u>	<u>\$ (142,606)</u>	<u>\$ 4,195</u>		
Amounts reported for governmental activities in the statements of activities are different because:							
Governmental funds only report revenue on receivables that are available to pay current expenditures within the first 60 days of the fiscal year. All receivables minus allowances for bad debt are treated as revenues received in the statement of activities.						40,787	(222,000)
Interest on notes receivable not meeting the definition of current asset for modified accrual are recognized on the statements of net position.						(5,094)	(18,539)
The net affect of sales of assets. In the statement of activities, only the gain on sale of assets is reported. However, in the governmental funds, the proceeds from the sale increased financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset sold:						-	(1,027,468)
Principal payments on notes payable are current fund expenditures in governmental funds, but are presented as reductions of long-term debt in the statements of net position						-	224,247
Change in Net Position of Governmental Activities						<u>\$ (229,955)</u>	<u>\$ (105,775)</u>

POCATELLO DEVELOPMENT AUTHORITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

A. *Reporting entity*

The Idaho Urban Renewal Law of 1965 authorized the Mayor, with advice and consent of the City Council, to appoint a board of commissioners for an urban renewal agency to function within the municipality of Pocatello, provided that the Council has first passed a resolution finding that one or more blighted areas are in existence, and that there is a need for an urban renewal agency to function in the City.

Pocatello's urban renewal agency, Pocatello Development Authority, was found necessary by resolution in 1988 and the board members were appointed thereafter. Unlike other advisory boards to the City Council, state law declares this agency to be "an independent public body corporate and politic" and gives it a wide range of authority to effectuate urban renewal.

Under generally accepted accounting principles, as adopted by the Governmental Accounting Standards Board, the Pocatello Development Authority is included in the Annual Financial Statements of the City of Pocatello as a discretely presented component unit.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

C. *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the authority.

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. *Assets, liabilities, and net position or equity*

1. *Deposits and investments*

Unrestricted cash balances from all funds are combined and invested in investments authorized under Idaho State Code. Earnings from these investments are credited to the funds based on the monthly balance of cash in each fund. Cash includes cash on hand, deposits and other investments which are immediately convertible to cash or have a maturity of less than 90 days.

PDA is authorized under State Code to invest in obligations of the U.S. Treasury, U.S. Government backed institutions, commercial paper, and repurchase agreements. PDA's policy is to restrict investment to highly liquid money market accounts.

2. *Receivables and payables*

Property taxes receivable are recorded when certified by the State Tax Commission in October of each year. Taxes not received within sixty days of year-end are deferred. The taxing authorities, within each tax increment financing district, levy property taxes by the third Monday of September on a market value basis. These taxes are billed to the taxpayers in November and are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for the Authority by Bannock County.

3. *Inventory and prepaid items*

Inventory is reported at the lower of cost or fair market value.

4. *Restricted assets*

The assets of the special revenue funds are restricted as to usage by the State Code to payment of District expenses and debt service and an administrative fee to the General Fund of the Authority. Remaining net position representing property taxes collected are to be refunded to the taxing districts from which the taxes were collected.

It is the Authorities policy to first apply restricted resources when an expense is incurred for purposes in which both restricted and unrestricted net assets are available.

5. *Capital Assets*

The Authority has no capital assets.

6. *Compensated Absences*

The Authority has no liability for compensated absences.

7. *Long-term obligations*

In the government-wide financial statements long-term debt are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount which are amortized over the term of the related debt.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. *Assets, liabilities, and net position or equity - continued*

8. *Fund Equity*

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are subject to externally enforceable legal restrictions. Commitments of fund balance represent amounts whose use is constrained by limitations that the Board has imposed upon itself.

NOTE 2 - Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes the reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of the reconciliation explains that "Certain receivables are not current resources and are reported as deferred revenues in the governmental funds".

Deferred property taxes	\$ 46,369
Deferred notes receivable	<u>328,602</u>
	<u><u>\$ 374,971</u></u>

Another element of the reconciliation is titled "accrual adjustments for allowance for doubtful accounts." Governmental funds do not record an adjustment to accounts or loans receivable that represents the estimated amount of the receivables that will not be collectable. Instead, receivables not available for current spending are deferred.

Allowance for doubtful accounts	\$ (32,860)
	<u><u>\$ (32,860)</u></u>

NOTE 3 - Stewardship, Compliance and Accountability

A. *Budgetary Information*

The budget is prepared on a modified accrual basis by fund, (each tax increment financing district is represented by it own fund), and includes information about the current year.

The Board of the Pocatello Development Authority holds a public meeting in conjunction with adoption of its annual budget. The new budget is submitted to the board at its meeting in August as part of the cash report presented by the Treasurer. When the cash report is approved by the board the budget is approved as well. Budgets may be amended by the same procedure used to adopt the budget. The Budget is published as required.

NOTE 4 - Detailed Notes on all Funds

A. *Deposits and Investments*

Cash and cash equivalents at yearend consist of the following:

Deposits	
Cash in bank	<u><u>\$ 3,551,773</u></u>

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - Detailed Notes on all Funds - (Continued)

A. *Deposits and Investments - (Continued)*

The Authority has no investments

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. At year-end, the Authority's carrying amount (reconciled balance reported in the financial statements) of deposits was \$3,551,773 and the bank balance (balance per bank statements) was \$3,551,773. Of the cash balance, \$250,000 was covered by federal depository insurance at Idaho Central Credit Union. There exists a custodial risk of \$3,301,773

Deposits and Investment transactions are subject to a variety of risks.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. This risk does not exist since the Authority has no investments.

Credit Risk is the risk that an issuer or a counter party to an investment will not fulfill its obligations.

B. *Property Taxes and Abatements*

Property tax revenues are recognized and accrued when billed by Bannock County. PDA's property taxes, levied by the third Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for PDA by Bannock County.

The Authority had no tax abatements

C. *Notes Receivable*

	<u>Balance</u>
\$26,000 was loaned to a local limited liability company with a terms of a quarterly payment of \$1,840. This payments covers 6.0% interest and principal with a maturity date of November 1, 2023.	\$ 15,382
\$200,000 was loaned to a local limited liability company at zero percent interest for 12 months. Various payments are to be made beginning on or before June 1, 2020 with an interest of 5.75%.	188,220
\$125,00 was given to a local limited liability company at zero percent interest for 12 months. Quarterly payments of \$8,501 will begin on or before June 1, 2020. This	<u>125,000</u>
	<u>328,602</u>
Less: Allowance for doubtful accounts	<u>\$ (32,860)</u>
	<u><u>\$ 295,742</u></u>

Revenue from notes receivable is recognized when received and when received within 60 days after yearend. Principal balances not received with 60 days after yearend are shown as deferred notes receivable revenues.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - Detailed Notes on all Funds - (Continued)

D. Property Tax Receivable and Deferred Property Taxes

At yearend, property tax receivable and deferred tax revenues were as follows:

	Receivables	Deferred Tax
Airport	\$ 45,314	\$ 45,314
North Portneuf District	1,055	1,055
	<u>\$ 46,369</u>	<u>\$ 46,369</u>

E. Interfund Assets/Liabilities

Due from/to other funds are as follows:

	Due From	Due To
General fund	\$ -	\$ 142,606
Airport	142,606	-
	<u>\$ 142,606</u>	<u>\$ 142,606</u>

The purpose of significant duet from/to other funds and advances from/to other funds are as follows:

\$142,606 is a temporary loan by the General fund to cover a committed project expense out of the Airport fund. The Airport fund did not have sufficient cash to cover the project commitment.

F. Grants

Pocatello Development Authority has provided grants to businesses wanting to locate in Pocatello, Idaho. These grants contain conditions requiring the grantee to perform specified conditions to receive the grant awards. The grantee is required to repay the grant if the conditions of the grant are not met.

G. Fund Equity

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable Assets

Nonspendable amounts that cannot be spent because they are not in spendable form or that are legally or contractually required to be maintained intact.

Restricted Assets

Restricted amounts are used for a particular purpose, primarily to satisfy regulatory or contractual requirements.

Committed Assets

The tax revenues of special revenue funds are committed by state law to pay for expenditures of Tax Increment Financing Districts. The Districts are established by ordinances passed by the City. The ordinance establishing the District define types of construction, bonded debt, administrative costs, and collected taxes to be refunded to the taxing districts from which they were derived.

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - Detailed Notes on all Funds - (Continued)

G. Fund Equity

Assigned Assets

Assigned amounts are intended to be used for certain purposes as determined by the board with a majority vote pursuant to accounting rules for fund balance reporting and the definition of Governmental Fund Type.

The Pocatello Development Authority's Board of Directors has not assigned any amounts for purposes of future projects.

Unassigned Assets

Unassigned residual balances in the General Fund that have not been restricted, committed or assigned.

Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources for the fund.

It is the Authority's policy to first use restricted resources and then unrestricted resources as needed. When restricted resources are available for use, it is the Authority's policy to use resources in the following order; first committed, then assigned, and finally unassigned. Fund balance commitments may be established, modified or rescinded by the board.

NOTE 5 - Other Information

A. Contingent Liabilities

The majority of the revenue collected by PDA is derived from tax increment financing. Tax increment financing is a method of segregating a portion of the property taxes paid on properties within an urban renewal district to fund improvements for which the district was formed. This is accomplished by freezing the market value of property within the district.

A contingent liability exists when the market value increase in the district is not large enough to fund any debt incurred by the district to finance the improvements within the district.

NOTE 6 - Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Pocatello Development Authority recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements.

Subsequent events were evaluated up to March 31, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget Amounts	Actual Amounts	Variance
REVENUES			
GENERAL FUND			
Interest	\$ 9,300	\$ 27,090	\$ 17,790
Miscellaneous	33,167	-	(33,167)
	<u>42,467</u>	<u>27,090</u>	<u>(15,377)</u>
SPECIAL REVENUE FUNDS			
North Portneuf	13,952	205,243	191,291
Naval Ordnance Plant	222,144	97,952	(124,192)
Pocatello Regional Airport	85,582	46,311	(39,271)
Northgate	10,000	4,195	(5,805)
Subtotal special revenue funds	<u>331,678</u>	<u>353,701</u>	<u>22,023</u>
Total revenue all funds	374,145	380,791	6,646
EXPENDITURES			
GENERAL FUND			
Administration	10,752	24,093	(13,341)
Professional services	20,000	14,265	5,735
Projects and Grants	864,466	-	864,466
	<u>895,218</u>	<u>38,358</u>	<u>856,860</u>
SPECIAL REVENUE FUNDS			
North Portneuf	1,791,673	-	1,791,673
Naval Ordnance	1,400,930	-	1,400,930
Pocatello Regional Airport	635,564	614,283	21,281
Northgate	10,200	-	10,200
Subtotal special revenue funds	<u>3,838,367</u>	<u>614,283</u>	<u>3,224,084</u>
Total expenditures all funds	<u>4,733,585</u>	<u>652,641</u>	<u>4,080,944</u>
EXCESS REVENUES OR (EXPENDITURES)	(4,359,440)	(271,850)	4,087,590
OTHER FINANCING SOURCES (USES)			
Notes receivable collections	-	6,202	6,202
Total other financing sources (uses)	<u>-</u>	<u>6,202</u>	<u>6,202</u>
CHANGE IN NET POSITION	(4,359,440)	(265,648)	4,093,792
BEGINNING NET POSITION	<u>\$ 4,359,440</u>	<u>3,836,693</u>	<u>\$ (522,747)</u>
ENDING NET POSITION		<u>\$ 3,571,045</u>	

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL**

NOTE 1 - Expenditures in excess of budget

During the year there were expenditures in excess of their budget for administration expenses in the general fund.

These expenditures in excess of budget were covered by decreased expenditures in projects and grants within the general fund.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Pocatello Development Authority
Pocatello, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Pocatello Development Authority, a component unit of the City of Pocatello, Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Pocatello Development Authority's basic financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pocatello Development Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items, 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pocatello Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pocatello Development Authority's Response to Findings

Pocatello Development Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Seaton & Company". The signature is written in a cursive, flowing style.

Pocatello, Idaho
March 31, 2022

POCATELLO DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES (PAGE 1 OF 2)
SEPTEMBER 30, 2021

Findings

2021-001 Internal control – Notes Receivable

Criteria and Condition: Management is responsible to ensure controls are appropriate to record and report all financial transactions accurately and on a timely basis.

Context: The Authority's internal control system did not properly allocate all payments received for notes receivable between interest revenue and principal. It was also determined that the terms for delinquent payments were not followed. We were also unable to find supporting documents to verify new terms or changes to loan agreements and whether such terms were agreed upon by both parties.

Cause: The Authority was missing an appropriate separation of duties regarding the oversight of notes receivable. It was also determined that one individual was responsible for the recording, reporting and acceptance of payments over notes receivable.

Recommendation: It is recommended that the board review their policies and procedures to ensure proper controls over the reporting and recording of notes receivable.

Management Response: Management believes the above material weakness was an oversight and will be corrected going forward. Management will review controls to evaluate the best methods to ensure property reporting and recording of notes receivable.

2021-002 Internal control – Bank Reconciliations

Criteria and Condition: Management is responsible to ensure controls are appropriate to record and report all financial transactions accurately and on a timely basis.

Context: During the audit it was determined that over \$140,000 was loaned from the general fund to the Airport District fund with no documentation of proper authorization. Delinquent bank statements were also found through out the year. No bank reconciliations were found in the software backup provided December 2, 2021, for the months of July through September 30, 2021.

Cause: The Authority was missing an appropriate separation of duties regarding the oversight of bank reconciliations during the fiscal year. One individual was responsible for the recording, and reporting of bank transactions.

Recommendation: It is recommended that the board review their policies and procedures to ensure proper controls over the reporting and recording of bank transactions.

Management Response: Management believes the above material weakness was an oversight and will be corrected going forward. Management will review controls to ensure proper controls over the reporting and recording of bank transactions.

**POCATELLO DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES (PAGE 2 OF 2)
SEPTEMBER 30, 2021**

2021-003 Internal control – Property Tax Revenues

Criteria and Condition: Management is responsible to ensure controls are appropriate to record and report all financial transactions accurately and on a timely basis.

Context: During the audit it was determined that over \$45,000 was deposited erroneously into the City of Pocatello's bank account rather than the Authority's account.

Cause: The Authority's controls did not require those responsible for the recording and reporting of tax revenues to reconcile deposit provided by the counties to the delinquent property taxes.

Recommendation: It is recommended that the board review their policies and procedures to ensure proper controls over the completeness of reporting and recording property tax revenues.

Management Response: Management believes the above material weakness was an oversight and will be corrected going forward. Management will review controls to ensure proper controls over the completeness of reporting and recording property tax revenues.

Action Item 5

OWNER PARTICIPATION AGREEMENT

By and Between

**The Urban Renewal Agency of Pocatello, Idaho, also known as the
Pocatello Development Authority**

and

Pocatello Quinn, LLC

for the

Naval Ordnance Plant Urban Renewal Area Improvement Plan

OWNER PARTICIPATION AGREEMENT

THIS OWNER PARTICIPATION AGREEMENT (hereinafter “Agreement”) is entered into by and between the Urban Renewal Agency of Pocatello, Idaho, also known as the Pocatello Development Authority, an independent public body, corporate and politic (hereinafter “Agency”), organized pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, as amended (hereinafter the “Law”), and undertaking projects under the authority of the Law and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, as amended (hereinafter the “Act”), and Pocatello Quinn, LLC, a Delaware limited liability company (hereinafter “Participant”), collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below.

RECITALS

WHEREAS, Agency is an urban renewal agency created by and existing under the authority of the Law and the Act; and

WHEREAS, the Pocatello City Council adopted Ordinance No. 2797 on July 6, 2006, approving the Naval Ordnance Plant Urban Renewal Area Improvement Plan (hereinafter the “Urban Renewal Plan”), and establishing the Naval Ordnance Plant revenue allocation area (the “Project Area”). The termination date of the Urban Renewal Plan and Project Area is December 31, 2030; and

WHEREAS, Participant, acquired the approximately 150-acre former Naval Ordnance Plant, located within the City of Pocatello (the “City”) and within the Project Area (the “Site”); and

WHEREAS, Participant intends to make significant improvements to the Site to attract a mix of tenants to support industrial distribution, manufacturing, office, and retail uses (the “Project”); and

WHEREAS, as part of the Project, Participant intends on constructing certain improvements to facades of several of the existing buildings, including painting and replacement of any existing damaged, loose and/or failing panels, which improvements are necessary to the proper redevelopment of the Site; and

WHEREAS, the Urban Renewal Plan authorizes Agency to use revenue allocation financing to fund specific projects and improvements to implement the Urban Renewal Plan, including building façade enhancements; and

WHEREAS, Agency and Participant have negotiated the major terms of Agency’s participation in the funding of certain improvements and other eligible expenses (collectively the “Agency Funded Public Improvements”); and

WHEREAS, the Agency Funded Public Improvements implement several objectives outlined in the Urban Renewal Plan; and

WHEREAS, the Site is not registered in the National Register of Historic Places, but is historically significant and contributes to the historic integrity of the City. Additionally, the Site contributes greatly to the City's skyline; and

WHEREAS, as a result of Participant's agreement to construct the Agency Funded Public Improvements, Participant's commitment to comply with the terms of the Urban Renewal Plan, and Agency's commitment to reimburse Participant in compliance with the Urban Renewal Plan, the Parties deem it necessary to enter into this Agreement to define their respective obligations.

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

I. EFFECTIVE DATE

The Effective Date of this Agreement shall be the date when this Agreement has been signed by the Parties (last date signed). Participant shall complete the Agency Funded Public Improvements within eighteen (18) months from the Effective Date (the "Construction Term"). Upon written request the Agency may grant one extension of the Construction Term for a period not to exceed nine (9) months to allow Participant to complete the Agency Funded Public Improvements. Agency's reimbursement obligations under Section III.G shall continue until the earlier of (i) Agency has paid to Participant those amounts due hereunder or (ii) the expiration of the Urban Renewal Plan (the "Reimbursement Term").

II. SUBJECT OF AGREEMENT

A. Recitals, Purpose of This Agreement, and Interest

The Parties agree that the foregoing recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein. The mutual consideration and covenants contained herein are intended to achieve the objectives and obligations of both Parties. The Agency's commitment herein is intended to comply with the Agency's authority under the Law, the Act, and the Urban Renewal Plan and is not a gift or donation of public funds.

The purpose of this Agreement is to effectuate the Urban Renewal Plan by providing for the construction and reimbursement of a portion of the Agency Funded Public Improvements, as generally identified in **Attachment 4**, on the Site.

The enhancements to the Site pursuant to the Agency Funded Public Improvements and the fulfillment, generally, of this Agreement are in the vital and best interests of the City and the health, safety, and welfare of its residents and are in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements. Implementation of this Agreement will further the goals and objectives of the Urban Renewal Plan.

B. The Plan

This Agreement is subject to the provisions of the Urban Renewal Plan.

C. The Project Area

The Project Area is located in the City, and the exact boundaries of the Project Area are set forth in **Attachment 1**, the Project Area Map, and as more particularly described in the Legal Description of the Project Area, attached hereto as **Attachment 2**. The Project Area has the same boundaries as the Site.

D. The Site

The Site has the same boundaries as the Project Area. An overview of the Site showing specific building numbers where the Agency Funded Public Improvements will be located is attached hereto as **Attachment 3**.

E. Agency Participation Policy

Generally, the Agency will agree to financially participate with a private developer when such participation achieves the objectives of the Urban Renewal Plan, is not duplicative of other public entity funding, and does not replace or substitute for the obligations imposed by other governmental agencies on the Participant. The specific participation by the Agency for this Site is as set forth herein.

F. Parties to This Agreement

1. Agency

The Agency is an independent public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Law and the Act. The office of the Agency is located at City of Pocatello, 911 North 7th Avenue, Pocatello, Idaho 83201. "Agency," as used in this Agreement, includes the Urban

Renewal Agency and any assignee of or successor to its rights, powers, and responsibilities.

2. Participant

The Participant is Pocatello Quinn, LLC, a Delaware limited liability company. The principal address of the Participant is 11111 Santa Monica Blvd., Suite 810, Los Angeles, CA 90025. The Guarantor (as defined below) is Holdings SPE, LLC, a Delaware limited liability company. The principal address of the Guarantor is 11111 Santa Monica Blvd., Suite 810, Los Angeles, CA 90025.

“Participant” as used in this Agreement, shall include any assignee or successor in interest approved or consented to by the Agency, which consent should not be unreasonably withheld.

G. City Agreements and Approvals

“City Agreements and Approvals” shall mean those certain agreements between Participant and City, if any, concerning, among other things, any required building permits and other approvals by City for the improvements on the Site, including the Agency Funded Public Improvements.

Any material default by Participant of the City Agreements and Approvals, including but not limited to any and all applicable City ordinances not cured within any applicable cure period that would unreasonably delay or prohibit the completion of the Agency Funded Public Improvements shall constitute a default under this Agreement with the Agency reserving any of its rights and remedies under this Agreement concerning default.

III. IMPROVEMENT OF THE SITE AND AGENCY'S PARTICIPATION

A. Development Renderings

Participant agrees that the Agency Funded Public Improvements will be in full compliance with the Urban Renewal Plan, all applicable City building and zoning ordinances, and any City Agreements and Approvals. The Agency Funded Public Improvements to each building 13, 16, 36, 37 and 38 will substantially conform to the renderings attached hereto as **Attachment 7**. To the extent there is a material change to the renderings attached hereto as **Attachment 7**, including any change to the color palette, the Agency Board must approve the proposed changes prior to commencement of the Agency Funded Public Improvements, which approval shall not be unreasonably withheld, conditioned, or delayed.

Participant acknowledges that should it proceed with a mural on a building, subject to the Deed of Façade Easement, Participant shall also submit the proposed mural design to the Agency for its approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

B. Cost of Construction

The cost of all improvements to the Site, including the Agency Funded Public Improvements, defined below, shall be borne by the Participant except as may be eligible for reimbursement following completion as otherwise set forth herein.

C. Agency, City, and Other Governmental Agency Permits

Participant has or shall, at Participant's own expense, secure or cause to be secured any and all permits or approvals which may be required by Agency, City, or any other governmental agency necessary for construction of the improvements on the Site, including the Agency Funded Public Improvements.

D. Agency Funded Public Improvements

The Agency Funded Public Improvements are: (a) critical to the redevelopment and/or improvement of the Site and (b) provide a higher quality of development that should assist Agency in meeting the objectives of the Urban Renewal Plan. Because of the proposed improvements to the Site, which achieves several of the objectives contained within the Urban Renewal Plan, Agency finds that a portion of the improvements related to the overall enhancement of the Site may be reimbursed by the Agency. Agency finds that the Agency Funded Public Improvements are in the best public interest and provide for enhanced improvements to the Site within the Project Area.

In consideration of the terms of this Agreement and subject to certain conditions as contained in this Agreement, Agency agrees to pay a portion of the costs of certain approved Agency Funded Public Improvements as verified by the Agency and/or its designee. Approved Agency Funded Public Improvements may include those improvements listed on **Attachment 4**. Participant anticipates that following commencement of the Agency Funded Public Improvements, the work will be completed in approximately six (6) months from the date of commencement. Participant anticipates the Agency Funded Public Improvements will commence in April 2022, provided such date is an estimate only and shall not serve to bind Participant to such commencement date so long as the Agency Funded Public Improvements are completed during the Construction Term.

E. Agency Review and Approval of Design and Construction Documents

Agency shall have the right and the opportunity to review and approve any substantial changes to the renderings set forth in **Attachment 7** concerning Participant's design, construction and/or improvement plans, and the right and opportunity to review budgets, and bids for the Agency Funded Public Improvements (collectively the "Agency Funded Public Improvement Construction Documents"). Participant will utilize commercially reasonable contracting, budgeting, and bidding practices to ensure that the Agency Funded Public Improvements are constructed consistent with the Agency Funded Public Improvement Construction Documents and are undertaken in a reasonable manner. For purposes of this Section and Section F, Participant shall be presumed to have utilized commercially reasonable contracting, budgeting and bidding practices if (1) Participant's general contractor solicits or solicited competitive bids for the Agency Funded Public Improvements pursuant to Title 67, Chapter 28, Idaho Code, as amended; (2) the work is performed by Idaho public works licensed contractors or contractors holding requisite licenses as may be required by law; and (3) such work is not performed by an affiliate or subsidiary of Participant.

All such improvements to the exterior of the buildings' façades within the Site consisting of Agency Funded Public Improvements shall be subject to a Deed of Façade Easement, attached hereto as **Attachment 6**, granting the City the right to preserve the partially publicly funded buildings' exterior façades into the future.

F. Reimbursement Obligation

1. Amount of Reimbursement

In consideration of Participant's construction of the Agency Funded Public Improvements, Agency, subject to the terms of this Agreement, agrees to reimburse Participant an amount equal to the Actual Eligible Costs, as defined below, of the Agency Funded Public Improvements, **not to exceed** One Million, Six Hundred Thirty-Eight Thousand Nine Hundred Seven Dollars and 00/100 (\$1,638,907.00), with no interest accruing on the Reimbursement Obligation (defined below).

2. Notification, Inspection, Approval

Upon completion of the Agency Funded Public Improvements to each building 13, 16, 36, 37 and 38 associated with the Project, Participant shall notify Agency in writing to request a meeting with the Agency Administrator to determine if the completed Agency Funded Public Improvements meet the requirements of this Agreement (the "Notification of Completion"). Agency shall provide Participant with written confirmation in a form generally consistent with the Confirmation of Agency

Reimbursement form attached hereto as **Attachment 5** that the completed Agency Funded Public Improvements are eligible for reimbursement as follows:

(a) With respect to each Notification of Completion (there may be more than one), Participant is responsible for submitting detailed schedule of values, invoices and receipts for work performed as part of the Project, including lien waivers, in a form deemed acceptable by the Agency (the “Cost Documentation”) which will permit the Agency to determine the Actual Eligible Costs spent to date, which shall be the actual costs to construct the then completed Agency Funded Public Improvements. Cost Documentation shall include the following:

- i. An accounting of the costs associated with the then completed Agency Funded Public Improvements and evidence of payment of such costs by Participant. Participant shall include a schedule of values that includes line items for the Agency Funded Public Improvements for reimbursement so they are identifiable separate from other line items, invoices from Participant’s general contractor, subcontractor(s), and material suppliers for each type of eligible cost item, which shall specify quantities and unit costs of installed materials.
- ii. Explanation of any significant deviation between the initial cost estimates in **Attachment 4** and the actual costs in the Cost Documentation.
- iii. Additional documentation or clarifications as requested by the Agency Administrator.

(b) The Agency Administrator and/or his designee shall have the right to review the Cost Documentation, to inspect the completed Agency Funded Public Improvements, and to obtain independent verification that the quantities of work claimed, and the costs associated therewith are accurate, commercially reasonable, and appropriate for the completed Agency Funded Public Improvements and consistent with the cost estimates provided by Participant to Agency prior to construction, and meets the objectives of Title 67, Chapter 28, Idaho Code. The Agency’s approval shall not be unreasonably conditioned delayed, or withheld.

(c) Within thirty (30) days of Agency’s receipt of the Cost Documentation for the then completed Agency Funded Public Improvements for each building 13, 16, 36, 37 and 38, the Agency shall notify Participant in writing of Agency’s acceptance or rejection of the Cost Documentation and Agency’s determination of the Actual Eligible Costs to be reimbursed, memorialized in a confirmation

form consistent with the Confirmation of Agency Reimbursement form set forth in **Attachment 5**, to be executed by the Participant and the Agency. Agency shall, in its discretion determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in the Agency Funded Public Improvement Construction Documents. In no event shall the total for all Actual Eligible Costs exceed the amount allowed by Section II.F(1).

If Participant disagrees with Agency's calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency's calculation was in error and providing any evidence to support any such contentions Participant wants Agency to consider. Agency shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant that the Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency's determination of the Actual Eligible Costs is within its sole discretion.

(d) As the Agency Funded Public Improvements associated with the Project may be phased, it is understood Participant will likely submit more than one Notification of Completion for each building 13, 16, 36, 37, and 38, and that Participant and Agency will enter into several Confirmation of Agency Reimbursement in a form consistent with **Attachment 5**.

3. Allocation of Costs

Agency and Participant agree Participant shall be able to allocate expenses among the various items listed on **Attachment 4** so long as the total amount of reimbursement sought by Participant does not exceed One Million, Six Hundred Thirty-Eight Thousand Nine Hundred Seven Dollars and 00/100 (\$1,638,907.00). Participant shall notify Agency of the allocation of costs among the items listed on **Attachment 4**.

4. Reimbursement

Participant shall initially pay for all of the costs of construction for the Agency Funded Public Improvements associated with the Project. By approval of this Agreement by Agency's Board of Commissioners, Agency has authorized reimbursement for the Actual Eligible Costs of the Agency Funded Public Improvements (the "Reimbursement Obligation") as set forth in Section F, Section G and the other provisions of this Agreement.

G. Reimbursement Procedure

1. Agency's Reimbursement Obligation shall not commence until: (i) the recordation of the Deed of Façade Easement; (ii) completion of all the Agency Funded Public Improvements for each of buildings 13, 16, 36, 37 and 38 as determined by the Agency and, to the extent necessary, the City's acceptance of the improvements, recognizing completion of each building may be phased; (iii) execution of the Confirmation of Reimbursement Form for each completed building; and (iv) the Agency Funded Public Improvements are completed within eighteen (18) months from the Effective Date, unless otherwise extended as set forth in Section I. It is intended the Agency will pay a portion of the Reimbursement Obligation upon completion of the Agency Funded Public Improvements on each building to the extent existing revenue allocation proceeds from the Project Area are available.

2. Subsequent to the satisfaction of the conditions set forth in Section G(1), the Agency will first pay the Reimbursement Obligation from existing Project Area revenue allocation proceeds, subject to Agency retention of a maximum of \$50,000 to pay for Project Area operating and administrative expenses. To the extent existing Project Area revenue allocation proceeds are not available to pay the Reimbursement Obligation in full upon completion off the Agency Funded Public Improvements as provided herein, the Agency will, in conjunction with its receipt of revenue allocation proceeds on a biannual basis from the Project Area, the Agency will retain up to ten percent (10%) of the revenue allocation proceeds per year, with a maximum of \$50,000 per year, to pay for Project Area operating and administrative expenses and agrees to make payment to Participant of the remaining tax increment revenue allocation proceeds actually received and arising from the Site subsequent to the satisfaction of the conditions set forth in Section G(1) and until such time as the Reimbursement Obligation has been paid in full or the Reimbursement Term of this Agreement, whichever occurs first. **PARTICIPANT ACKNOWLEDGES THE REVENUE ALLOCATION PROCEEDS MAY NOT BE SUFFICIENT TO PAY OFF THE REIMBURSEMENT OBLIGATION ON OR BEFORE THE TERMINATION OF THE REVENUE ALLOCATION AUTHORITY UNDER THE URBAN RENEWAL PLAN AND ASSUMES THAT RISK.**

3. Agency shall have no obligation to make payments to the Participant for taxes collected and paid to Agency beyond the Reimbursement Term.

4. All payment due hereunder shall be paid to the Participant, and future owners or tenants of units created on the Site as part of the Project shall have no claim or entitlement to such payments as a result of such ownership or tenancy.

5. Non-General Obligation

As provided by Idaho Code Section 50-2910, the obligations of Agency hereunder shall not constitute a general obligation or debt of the Agency, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers to be payable out of any funds or properties other than the monies deposited in the special fund or funds provided for herein and pledged hereby to the payment of a Reimbursement Obligation.

H. Taxes

The Act provides that Agency will be paid revenue allocation proceeds contingent on the amount of assessed value as determined by the Bannock County Assessor each year and the rate of tax levy or the percentage of assessment levied by each of the taxing agencies. Agency is not a guarantor of the assessment determination made by Bannock County Assessor or guarantor of collection of taxes by the Bannock County Treasurer.

Participant shall pay, when due, all real estate and personal property taxes and assessments assessed and levied on Participant's ownership interest of the Site. This provision or covenant shall run with the land and be binding upon Participant's successors. Except as set forth herein, nothing herein contained shall be deemed to prohibit Participant from contesting the validity or amounts of any tax, assessment, encumbrance, or lien or to limit the remedies available to Participant with respect thereto; provided, such contest does not subject the Site or any portion thereof to forfeiture or sale.

Participant recognizes Agency has no authority or involvement in the assessment, tax, or collection process for ad valorem taxes, including real property and personal property taxes. Participant also recognizes the ability of Agency to reimburse Participant for the Reimbursement Obligation is dependent on the ad valorem assessment and collection process. Therefore, in the event insufficient taxes are received by Agency because of reduction of the tax levy rate or assessed values less than assumed by Agency and Participant or in the event of any tax delinquency by any owner of parcels within the Site or by any tenant related to personal property, or due to legislative changes, Participant must elect to either pay the delinquent taxes or in-lieu-of taxes reflecting higher assessments or levy rate on behalf of those taxpayers or receive less reimbursement from Agency to pay the Reimbursement Obligation.

Participant shall not apply for or otherwise request any exemption or reduction in property taxes on the Site pursuant to Idaho Code §§ 63-602NN, 63-4404, 63-602II, or Idaho Code §§ 63-606A or 63-602W, or similar exemptions, during the term of the Urban Renewal Plan, unless otherwise consented to by the Agency in writing.

Provided, Participant may appeal the assessed values or seek any property tax exemption for the Property if the Bannock County Assessor determines the value of the Property is greater than the Estimated Value upon receipt of Agency's written authorization, such authorization shall not be unreasonably withheld and shall be provided in timely manner. Any appeal of an assessed value or request for property tax exemption for the Property for an assessment less than the Estimated Value requires Agency's written authorization, which shall be provided in Agency's sole discretion. For purposes of this Agreement, Participant estimates the total value of the Project upon completion will be at least Seven Million Three Hundred Fifty-one Thousand Six Hundred Ninety Dollars (\$7,351,690) (the "Estimated Value").

I. No Security Interest

The Parties agree this Agreement does not provide Participant with a security interest in any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code).

J. Liens/Payment of General Contractor

Participant hereby certifies that as of the Effective Date no mechanic's or materialman's liens have been placed on the Site (other than inchoate liens), as defined above, and that the general contractor and all subcontractors have been or will be paid in full for all work performed on the Site when due. In the event any materialman's liens are placed on the Site, Participant agrees Agency may suspend any payments required under this Agreement until any liens or claims related to the Project and made by any contractor, subcontractor, or material supplier that performed work on the Site have been satisfied.

K. Agency Contribution Assignable

Agency and Participant agree that Agency's obligations run only to Participant or its assignee and that Agency is under no obligation to grant any additional consideration or greater participation than set forth herein. Participant shall have the absolute right to assign its right to receive any payments to its lender, its successor, or other entity designated by Participant.

L. Indemnification

Participant shall indemnify, defend, and hold Agency and its respective commissioners, officers, agents, consultants and employees (collectively referred to in this Section L as "Agency") harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect, design and attorney fees (collectively referred to in this Section L as

“Claim”), which may be imposed upon or incurred by or asserted against Agency and for which Agency may be legally liable under applicable law (excluding any liability or obligation Agency assumes by contract) by reason of any of the following occurrences, provided Participant shall have no obligation to indemnify, defend, and hold Agency harmless from and against any Claim to the extent it arises from the negligence or willful act or omission of Agency:

1. Any work done in, Project Area, including the Agency Funded Public Improvements, or work related to the Agency Funded Public Improvements; or
2. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of the Site or any part thereof; or
3. Any negligent or intentional wrongful act or omission on the part of Participant or any of its agents, contractors, servants, employees, subtenants, operators, licensees, or invitees; or
4. Any accident, injury, or damage to any person or property occurring in, on, or about the Project Area, or any part thereof, during construction; or
5. Any failure on the part of Participant to perform or comply with any of the terms, provisions, covenants, and conditions contained in this Agreement to be performed or complied with on its part.

In case any such Claim is brought against Agency, Participant, upon written notice from Agency, shall, at Participant’s expense, resist or defend such Claim by counsel approved by Agency, which approval shall not be unreasonably withheld, conditioned, or delayed.

M. Insurance

Participant shall, or through its contractor constructing the Agency Funded Public Improvements, shall, at Participant’s sole cost, obtain and maintain in force for the duration of the Agreement (including any warranty period) insurance of the following types, with limits not less than those set forth below, and in a form acceptable to Agency:

1. Commercial General Liability Insurance (“Occurrence Form”) with a minimum combined single limit liability of \$2,000,000 each occurrence for bodily injury and property damage, with a minimum limit of liability of \$2,000,000 each person for personal and advertising injury liability. Such policy shall have a general aggregate limit of not less than \$4,000,000, which

general aggregate limit will be provided on a per project basis. The policy shall be endorsed to name Agency, including its respective affiliates, and City as additional insureds.

2. During the construction of the Project, Builder's Risk Insurance or equivalent upon the Project covering one hundred percent (100%) of the replacement cost of the Project. This policy shall be written on a builder's risk "all risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the construction, temporary buildings, falsework, and construction in transit, and shall insure against at least the following perils: (i) fire; (ii) lightning; (iii) explosion; (iv) windstorm or hail; (v) smoke; (vi) vehicles; (vii) civil commotion; (viii) theft; (ix) vandalism and malicious mischief; (x) leakage from fire extinguishing equipment; (xi) collapse; (xii) breakage of building glass; (xiii) falling objects; (xiv) debris removal; (xv) demolition occasioned by enforcement of laws and regulations; (xvi) weight of snow, ice, or sleet; or (xvii) weight of people or personal property;

3. Workers' Compensation Insurance, if Participant has employees, including occupational illness or disease coverage, in accordance with the laws of the nation, state, territory, or province having jurisdiction over Participant's employees, and Employer's Liability Insurance. If Participant has employees, Participant shall not utilize occupational accident or health insurance policies, or the equivalent, in lieu of mandatory Workers' Compensation Insurance or otherwise attempt to opt out of the statutory Workers' Compensation system.

4. Automobile Liability Insurance covering use of all owned, non-owned, and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 per occurrence. This policy shall be endorsed to name Agency, including its respective affiliates, directors, and employees, as additional insureds.

5. All insurance provided by Participant under this Agreement shall include a waiver of subrogation by the insurers in favor of Agency. Participant hereby releases Agency, including its respective affiliates, directors, and employees, for losses or claims for bodily injury or property damage covered by Participant's insurance or other insured claims arising out of Participant's performance under this Agreement or construction of the Project subject to reimbursement of any deductible in the event such claim arises from the negligence or willful act or omission of Agency.

6. Certificates of insurance, reasonably satisfactory in form to Agency (ACORD form or equivalent), shall be supplied to Agency evidencing that the insurance required above is in force, and that notice will be given to Agency prior to any cancellation of the policies in accordance with the policies

as of the Effective Date. Participant shall also provide, with its certificate of insurance, executed copies of the additional insured endorsements and dedicated limits endorsements required in this Agreement. At Agency's request, Participant shall provide a certified copy of each insurance policy required under this Agreement.

7. Except as otherwise stated in this Agreement, the obligations set forth in this Section shall remain in effect only until the date that Agency approves the completed Agency Funded Public Improvements.

8. All policies of insurance required by this Agreement shall be issued by insurance companies with a general policyholder's rating of not less than A and qualified to do business in the State of Idaho.

9. The foregoing insurance coverage shall be primary and noncontributing with respect to any other insurance or self-insurance that may be maintained by Agency. Participant's General and Automobile Liability Insurance policies shall contain a Cross-Liability or Severability of Interest clause. The fact that Participant has obtained the insurance required in this Section shall in no manner lessen or affect Participant's other obligations or liabilities set forth in the Agreement.

N. Warranty

Participant warrants that the materials and workmanship employed in the construction of the Agency Funded Public Improvements shall be good quality and shall conform to generally accepted standards within the construction industry and agrees to repair any non-conforming improvements during the warranty period upon receipt of notice from Agency of such non-conforming improvements. Such warranty and repair obligation shall extend for a period of one (1) year after approval of the Agency Funded Public Improvements. Provided, nothing herein shall limit the time within which Agency may bring an action against Participant on account of Participant's failure to otherwise construct such improvements in accordance with this Agreement.

O. Time of the Essence

As an express condition of approving the Agency Funded Public Improvements as eligible for reimbursement, Participant agrees to begin construction of the Agency Funded Public Improvements within three (3) months of the Effective Date except as otherwise provide herein. After commencement of the Agency Funded Public Improvements, Participant must complete all necessary construction and installation within prior to the expiration of the Construction Term, which may be extended as set forth in Section I (the "Completion Date"). Should Participant not complete the

Agency Funded Public Improvements within this timeframe, Agency may terminate this Agreement upon written notice and seek all remedies available to recover any losses Agency has suffered.

P. Additional Assurance

Because completion of Agency Funded Public Improvements prior to the Completion Date is a material and essential term of this Agreement, the Participant will provide a performance guaranty from the Guarantor to complete the Agency Funded Public Improvements. The performance guaranty will require Guarantor to cure a default to ensure completion of the Agency Funded Public Improvements pursuant to the terms of this Agreement upon notice from Agency as provided herein. This guaranty shall terminate and be for no further force or effect upon expiration of the Construction Term.

Q. Maintenance

Participant recognizes Agency has no specific authority to accept maintenance responsibility of the Agency Funded Public Improvements. Agency anticipates Participant will retain maintenance obligations of the Agency Funded Public Improvements.

IV. USE AND MAINTENANCE OF THE SITE AND ADJACENT AREA

A. Use of the Site

Participant agrees and covenants to comply with all other provisions and conditions of the Urban Renewal Plan for the period of time the Urban Renewal Plan is in force and effect.

B. Effect and Duration of Covenants

Covenants contained in this Agreement shall remain in effect until the earlier of: (1) the completion of all obligations of each party; or (2) the earlier of December 31, 2030, or the date on which the Urban Renewal Plan terminates. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the part of the Participant and any successors and assigns to the Site, or any part thereof, for the benefit of and in favor of Agency, its successors, and assigns. The Deed of Façade Easement shall run with the land for the time set forth therein.

C. Local, State and Federal Laws

Participant covenants that it will carry out the construction of the Agency Funded Public Improvements in conformity with all applicable laws, including all applicable federal and state labor standards and anti-discrimination laws.

V. DEFAULTS, DISPUTE RESOLUTION, REMEDIES, AND TERMINATION

A. Defaults in General

Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said forty-five (45) day period, has rectified the particulars specified in said notice of default, provided that in the case where rectifying the matters specified in the notice of default requires more than forty-five (45) days, such notified Party shall not be in default so long as they commence prior to the expiration of the forty-five (45) days and diligently pursue actions needed to rectify such matters. In the event of a default, the non-defaulting Party may do the following:

1. The non-defaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the non-defaulting Party.

2. The non-defaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, and, in addition, recover all damages incurred by the non-defaulting Party. The Parties declare it to be their intent that this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.

3. The non-defaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.

4. The non-defaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the non-defaulting Party.

5. In the event Participant defaults under this Agreement, Agency (the non-defaulting Party) shall have the right to suspend or terminate its

payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Agency may seek reimbursement of any amounts paid to Participant up to the amount of damages incurred by Agency for Participant's default.

Any default by Participant under any City Agreements and Approvals that would unreasonably delay or prohibit the completion of the Agency Funded Public Improvements shall be deemed a default under this Agreement.

B. Dispute Resolution

If the Parties fail to resolve the default following the opportunity to cure as set forth in Section V.A. above, the Parties agree to first endeavor to settle any dispute in an amicable manner by mediation or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the Northwestern States or otherwise, as the Parties may mutually agree before resorting to litigation, and each Party shall share equally in such costs and expenses. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation or other process of structured negotiation, each Party shall have the right to pursue those rights and remedies set forth in this Agreement.

C. Legal Actions

In addition to any other rights or remedies, any Party may institute legal action to cure, correct, or remedy any default; to recover damages for any default; or to obtain any other remedy consistent with the purpose of this Agreement. The non-defaulting Party may also, at its option, cure the default and sue to collect reasonable attorney's fees and costs incurred by virtue of curing or correcting the Party's breach.

The laws of the State of Idaho shall govern the interpretation and enforcement of this Agreement.

D. Rights and Remedies Are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

VI. GENERAL PROVISIONS

A. Notices, Demands, and Communications Between the Parties

Formal notices, demands, and communications between Agency and Participant shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, or hand delivery to the principal offices of Agency and Participant as set forth in this Agreement. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

B. Conflicts of Interest

No member, official, or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his/her personal interests or the interests of any corporation, partnership, or association in which he/she is directly or indirectly interested.

Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

C. Non-liability of Agency Officials and Employees

No member, official, or employee of Agency shall be personally liable to Participant in the event of any default or breach by Agency or for any amount which may become due to Participant or on any obligations under the terms of this Agreement.

D. Successors and Assigns

This Agreement shall, except as otherwise provided herein, be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

E. Attorney Fees and Costs

In the event that either party to this Agreement shall enforce any of the provisions hereof in any action at law or in equity, the unsuccessful party to such litigation agrees to pay to the prevailing party all costs and expenses, including reasonable attorney fees incurred therein by the prevailing party, and such may be included to the judgment entered in such action.

F. Severability

If any provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

G. Headings

The section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

H. Counterparts

This Agreement may be simultaneously executed in several counterparts, including electronic signatures, each of which shall be an original and all of which shall constitute one and the same instrument.

I. Forced Delay; Extension of Times of Performance

In addition to the specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, acts of another party, environmental analysis or removal of hazardous or toxic substances, acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Agency shall not excuse performance by Agency), supply chain issues, or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by Agency and Participant.

J. Inspection of Books and Records

Agency has the right, upon not less than five (5) business days' notice, at all reasonable times to inspect the books and records of Participant pertaining to the Agency Funded Public Improvements.

K. [RESERVED].

L. No Joint Venture or Partnership

Agency and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Participant a joint venture or partners.

M. Anti-Boycott Against Israel Certification.

Participant hereby certifies pursuant to Section 67-2346, Idaho Code, that the Participant, its wholly owned subsidiaries, majority owned subsidiaries, parent companies and affiliates, are not currently engaged in, and will not for the duration of this Agreement, knowingly engage in, a boycott of goods or services from Israel or territories under its control.

VII. AMENDMENTS TO THIS AGREEMENT

Agency and Participant agree to mutually consider reasonable requests for amendments to this Agreement and any attachments hereto which may be made by any of the Parties hereto, lending institutions, bond counsel, financial consultants, or underwriters to Agency, provided said requests are consistent with this Agreement and would not alter the basic business purposes included herein or therein. Any such amendments shall be in writing and agreed to by the appropriate authorities of Agency and Participant.

VIII. ENTIRE AGREEMENT, WAIVERS, AND AMENDMENTS

This Agreement, including **Attachments 1 through 7**, inclusive, incorporated herein by reference, constitutes the entire understanding and agreement of the Parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter thereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Participant.

[signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

**URBAN RENEWAL AGENCY OF THE CITY OF POCA TELLO, IDAHO, A/K/A
THE POCA TELLO DEVELOPMENT AUTHORITY**

By: _____

David Villarreal, Chair

Date: _____

ATTEST:

By: _____

_____, Secretary

PARTICIPANT

POCA TELLO QUINN, LLC

By: _____

_____, Manager

Date: _____

ACKNOWLEDGMENTS

STATE OF IDAHO)
) ss.
County of Bannock)

On this _____ day of _____, 2022, before me, _____, the undersigned notary public in and for said county and state, personally appeared David Villareal, known or identified to me to be the Chair of the Urban Renewal Agency of the City of Pocatello, Idaho, also known as the Pocatello Development Authority, the public body corporate and politic, that executed the within instrument, and known to me to be the person that executed the within instrument on behalf of said Agency and acknowledged to me that such Agency executed the same for the purposes herein contained.

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

Notary Public for Idaho
Commission Expires _____

STATE OF _____)
) ss.
County of _____)

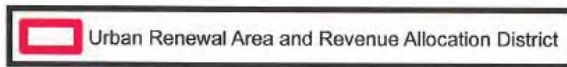
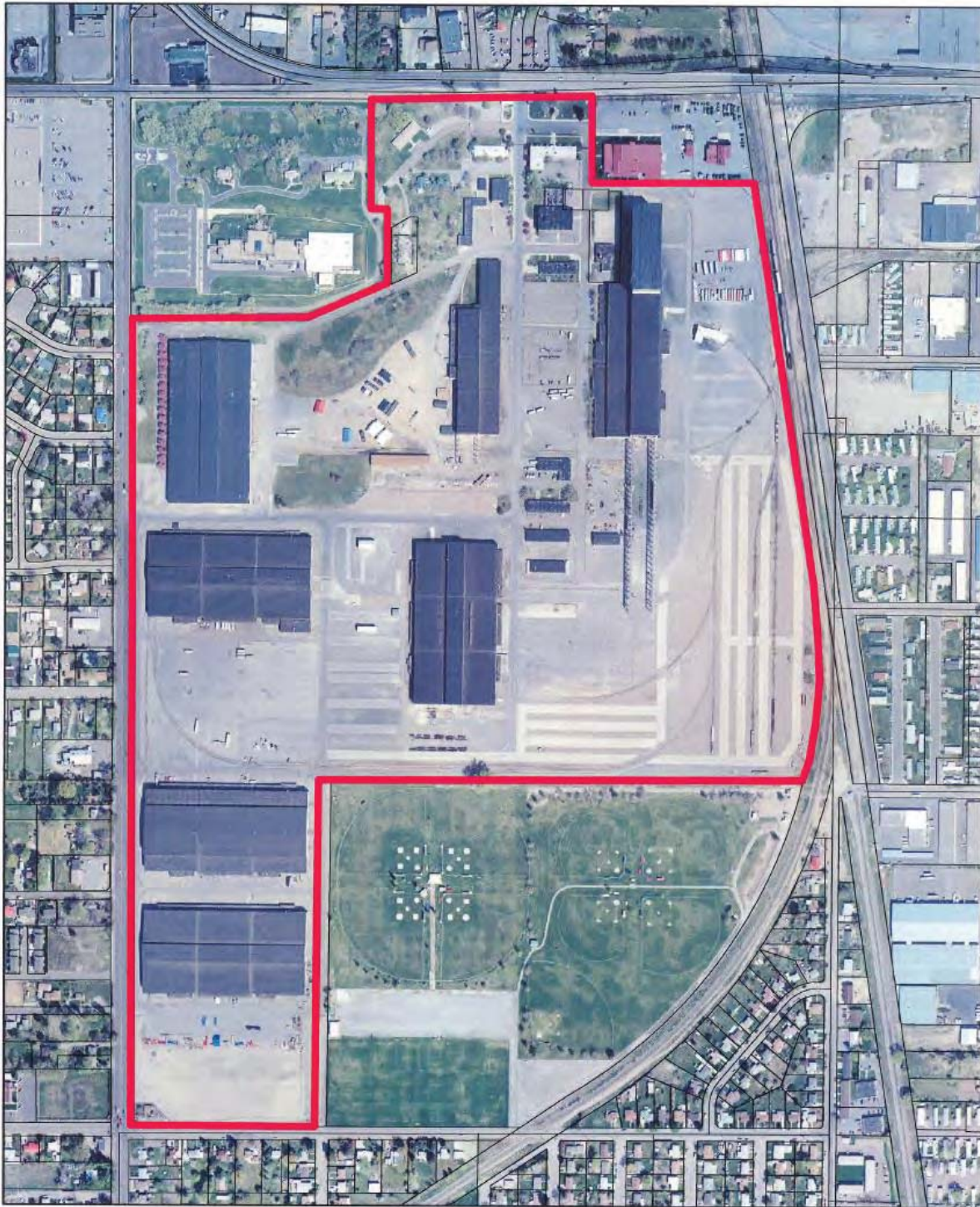
On this _____ day of _____, 2022, before me, _____, the undersigned notary public in and for said county and state, personally appeared _____, known or identified to me to be the Manager of Pocatello Quinn, LLC, and the person who signed the within instrument, and acknowledged to me that he has authority to execute and executed the foregoing instrument for the purposes therein contained on behalf of Industrial Realty Group, LLC.

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

Notary Public for _____
Commission Expires _____

Attachment 1

Project Area Map



1 inch equals 500 feet

The City of Pocatello does not guarantee any information contained in this map to be an accurate representation of actual conditions.

No reproduction of this material in any form is authorized without written consent of the City of Pocatello.

Attachment 2

Legal Description of the Project Area

A parcel of land located in the E ½ of Section 15, Township 6 South, Range 34 East, Boise Meridian Bannock County, Idaho, a portion of the land described in instrument no. 724647 of the records of Bannock County, Idaho, being more particularly described as follows:

Commencing at the North one quarter corner of Section 15, Township 6 South, Range 34 East, Boise Meridian, said corner marked with an aluminum capped monument; thence North 89°28'06" East 65.30 feet to a point in the East right of way line of Pole Line Road; thence South 01°18'55" East along the East right of way line of Pole Line Road 25.0 feet;

thence continuing South 01°18'55" East 199.13 feet to an angle point; thence continuing along the East right of way line of Pole Line Road South 00°32'32" East 627.31 feet to the Southwest corner of the land described in instrument no. 732922 and depicted on the Record of Survey recorded as instrument no. 733159 of the records of Bannock County, Idaho, said corner marked by a ½-inch iron pin tagged LS-2652, the true point of beginning;

thence following the South and East boundaries of the said land described in instrument no. 732922 for the next five courses:

North 89°25'44" East 662.29 feet (recorded as North 89°28'06" East 662.24 feet) to a ½-inch iron pin tagged LS-2652; thence North 65°25'29" East 327.72 feet recorded as North 65°25'05" East 327.76 feet) to a ½-inch iron pin tagged LS-2652; thence North 00°31'05" West 274.76 (recorded as North 00°32'32" West 274.85 feet) to a ½-inch iron pin tagged LS-2652;

thence South 89°24'46" West 64.24 feet (recorded as South 89°28'06" West 64.25 feet) to a ½-inch iron pin tagged LS-2652; thence North 00°33'46" West 417.75 feet (recorded as North 00°32'32" West 418.0 feet) to a point in the South right of way line of Infirmary Road (commonly referred to as Quinn Road), said point marked with a ½-inch iron pin tagged LS-2652;

thence North 89°28'06" East 354.97 feet along the South right of way line of Infirmary Road to an angle point, said point marked with a 5/8-inch iron pin tagged PE/LS-2652; thence continuing along the South right of way line of Infirmary Road North 87°45'06" East 470.47 feet (recorded as 470.62 feet) to the Northwest corner of the Armed Forces Reserve Training Area, said corner marked with a ½-inch iron pin tagged LS-977, a distance of 2.3 feet easterly of a State of Idaho right of way monument identified as being 55 feet left of centerline station 93+60 of the Yellowstone Highway-Quinn Road Project;

thence South 00°02'34" East 324.22 feet (recorded as South 00°01'29" East 324.93 feet) to the Southwest corner of the said training area, said corner marked with a "PK" nail tagged LS-977; thence North 89°57'26" East 614.32 feet (recorded as North 89°58'00" East 614.59 feet) to a brass cap monument set in concrete, marking the Southeast corner of the said training area.

thence South 08°46'34" East 1568.57 feet (recorded as South 08°45'29" East 1568.22 feet) along the Westerly right of way line of the Union Pacific Railroad to a point of curvature, said point marked with an untagged ½- iron pin, from which the center of the curve bears South 81°22'51" West;

thence continuing along the Westerly right of way line of the Union Pacific Railroad, following an 1860 foot radius nontangent curve, concave to the West, through a central angle of 21°34'18" for an arc distance of 700.28 feet (recorded as 700.4 feet) to a concrete monument marking the Northeast corner of N.O.P. Park (a City of Pocatello Park), from which the East one quarter corner of Section 15 bears South 86°53'02" East 109.83 feet;

thence South 89°20'26" West on a nontangent line 1771.96 feet (recorded as South 89°21'27" West 1771.60 feet) to the Northwest corner of N.O.P. Park, said corner marked with a ½-inch iron pin tagged LS-977; thence South 00°04'43" West along the West boundary of N.O.P. Park 1300.68 feet to a point on the North right of way line of Eldredge Road;

thence South 89°21'43" West along the North right of way line of Eldredge Road 739.45 feet to a point in the East right of way line of Pole Line Road; thence North 00°32'32" West 3042.61 feet to the point of beginning.

Attachment 3

Overview of the Site



Attachment 4

Agency Funded Public Improvements

Item	Estimated Cost
<p>Improvements to Building 16 Façade, Windows, and Paint (Tower Portion Only)</p> <ul style="list-style-type: none">○ Windows: To include demolition, disposal, replacement, and installation of window/sealants/required flashings/transition pieces. This scope is for 1 row/band of the “Tower Only” portion of the building at the tower low-band (currently mostly covered in tan corrugated fiberglass panel) existing original wood frame windows. Replacement windows will be a 36”W x 66”H vinyl picture window, No Low E glass.○ Paint: To include prep(scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.○ Panels: The majority of existing siding on the buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.	
<p>Improvements to Building 36 Facade, Paint</p> <ul style="list-style-type: none">○ Windows: No window replacements necessary.○ Paint: To include prep(scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.○ Panels: The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.	
<p>Improvements to Building 37 Facade, Paint</p> <ul style="list-style-type: none">○ Windows: No window replacements necessary.○ Paint: To include prep (scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces,	

<p>including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.</p> <ul style="list-style-type: none"> ○ Panels: The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties. 	
<p>Improvements to Building 38 Facade, Paint</p> <ul style="list-style-type: none"> ○ Windows: No window replacements necessary. ○ Paint: To include prep(scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings. ○ Panels: The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties. 	
<p>Improvements to Building 13 Facade, Paint</p> <ul style="list-style-type: none"> ○ Windows: To include demolition, disposal, replacement, and installation of window/sealants/required flashings/transition pieces. Replacement windows will be a 36"W x 66"H vinyl picture window, No Low E glass. ○ Paint: To include prep (scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings. ○ Panels: The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties. 	
<p>Agency Contribution Not to Exceed:</p>	<p>\$1,638,907.00</p>

Attachment 5

Confirmation of Reimbursement

CONFIRMATION OF AGENCY REIMBURSEMENT NO. ____

This Confirmation of Agency Reimbursement No. ____ (“Confirmation”) is entered into between the Urban Renewal Agency of the City of Pocatello, Idaho, also known as the Pocatello Development Authority, an independent public body, corporate and politic (hereinafter “Agency”), organized pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, as amended (hereinafter the “Law”), and undertaking projects under the authority of the Law and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, as amended (hereinafter the “Act”), and Pocatello Quinn, LLC, a Delaware limited liability company authorized to do business in the State of Idaho (hereinafter “Participant”). Collectively, Agency and Participant may be referred to as the “parties.” The Effective Date of this Confirmation is the date last signed by the parties.

WITNESSETH:

1. Agency Contribution

Agency has, pursuant to the procedures set forth in the Owner Participation Agreement by and between the Agency and Participant with an effective date of _____ (the “OPA”), determined the Actual Eligible Costs for those certain Agency Funded Public Improvements as those terms are defined in the OPA and as specifically identified below, shall be _____ and ____/100 dollars (\$_____) (the “Agency Reimbursement”) for the [identify Agency Funded Public Improvements subject to reimbursement in this Confirmation]. All capitalized terms not otherwise set forth herein shall have those meanings set forth in the OPA.

2. Payment Terms.

Agency agrees to reimburse Participant for the amount of the Agency Reimbursement, without interest from the Effective Date, pursuant to the Reimbursement Procedure set forth in the OPA.

Participant acknowledges that the Agency Reimbursement may not be paid in full if the revenue allocation proceeds available for reimbursement under the Urban Renewal Plan and pursuant to the OPA are less than the total Agency Reimbursement.

If the Agency Reimbursement is not fully funded by December 31, 2030, or the date upon with the Urban Renewal Plan and Project Area terminates, whichever is earlier, the Agency will not be obligated to make any additional payments.

To the extent there is more than one Confirmation of Agency Reimbursement between the parties pursuant to the OPA, then payment will be applied to the Confirmation with the earliest Effective Date first, until paid in full, or until December 31, 2030, or upon termination of the Urban Renewal Plan, whichever occurs first as provided in the OPA.

3. **Limitation on Making Payments**

It is the intention of the parties that Participant shall first be paid from the existing revenue allocation proceeds, if any, collected within the Naval Ordnance Plant Urban Renewal Area Improvement Plan revenue allocation area (the "Site") pursuant to the terms and conditions set forth in the OPA. If existing revenue allocation proceeds are not sufficient to pay the Confirmation in full as of the Effective Date, the Participant shall be paid from revenue allocation proceeds received over time from the Site during the Reimbursement Term.

Except as expressly modified above, the terms and conditions of the OPA are still binding on Agency and Participant as set forth in such OPA. In the event of a conflict between this Confirmation and the OPA, the OPA shall control.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

AGENCY:

**URBAN RENEWAL AGENCY OF THE CITY OF POCA TELLO, IDAHO a/k/a
POCA TELLO DEVELOPMENT AUTHORITY**

By: _____
_____, Chair

Date: _____

ATTEST:

By: _____
_____,
Secretary

PARTICIPANT:

POCA TELLO QUINN, LLC, a Delaware limited liability company.

By: _____

Date: _____

Attachment 6

Deed of Façade Easement

After recording, return to:

City of Pocatello
c/o City Attorney
911 N. 7th Avenue
Pocatello, ID 83201

DEED OF FAÇADE EASEMENT

THIS DEED OF FAÇADE EASEMENT (“Façade Easement”) is made this ____ day of _____, 2022 (the “Effective Date”), by and between POCATELLO QUINN, LLC, a Delaware limited liability company (hereinafter “Grantor”), whose address is 11111 Santa Monica Boulevard, Suite 810, Los Angeles, California 90025 and the CITY OF POCATELLO, IDAHO, (hereinafter “Grantee”), whose address is 911 North 7th Avenue, Pocatello, Idaho 83201. Grantor and Grantee may be individually referred to as a Party and collectively referred to as the “Parties.”

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of certain premises and improvements, as hereinafter described, commonly known as the Naval Ordnance Plant situated in Pocatello, Bannock County, Idaho (the real property together with the buildings and improvements thereon and the fixtures attached thereto and the appurtenances thereof, being hereinafter collectively referred to as the “Buildings”); and

WHEREAS, the Buildings are located within the Naval Ordnance Plant Urban Renewal Area Improvement Plan (the “Plan”) revenue allocation area (the “Project Area”) adopted by Pocatello City Council Ordinance No. 2797 on July 6, 2006; and

WHEREAS, the Buildings are historically significant and contribute to the historic integrity of the City and to the aesthetics of the City of Pocatello’s (the “City”) skyline; and

WHEREAS, the façades of buildings 13, 16, 36, 37 and 38 have been or will be improved by Grantor and Grantor is eligible for reimbursement for all or a portion of the façade improvements to buildings 13, 16, 36, 37 and 38 pursuant to that certain Owner Participation Agreement, dated _____, 2022 (the “OPA”) by and between Grantor and Urban Renewal Agency of the City of Pocatello, Idaho, also known as the Pocatello Development Authority, an independent public body, corporate and politic, authorized pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, as amended, and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, as amended (such improvements to buildings 13, 16, 36, 37 and 38, the “Agency Funded Improvements”), as further described on Exhibit A, attached hereto and incorporated herein; and

WHEREAS, the grant of a façade easement, hereinafter referred to as the “Façade Easement,” by Grantor to Grantee on the Property (as defined below) will assist in preserving and maintaining the Buildings, the Property, and their architectural ensemble and historic significance for the benefit of public; and

WHEREAS, Grantor desires to grant to Grantee, and Grantee desires to accept, the Façade Easement for the purposes of ensuring that the architectural and aesthetic improvement of the Property will not be destroyed, altered, or impaired during the Term (as defined below).

NOW, THEREFORE, in consideration of the sum of One Dollar or other valuable consideration paid to Grantor, the receipt thereof is hereby acknowledged, Grantor does hereby give, grant, bargain, sell, and convey, with covenants of warranty to Grantee, a Façade Easement as hereinafter described with respect to the following described parcel of land, with the buildings and improvements thereon, located in the City of Pocatello, Bannock County, Idaho, and described more particularly on Exhibit B, attached hereto and incorporated herein

The Façade Easement granted herein shall be of the nature and character hereinafter described and shall be a covenant running with the land, for the Term (as defined below), binding upon Grantor, its successors, and assigns.

1. Description and Term

The “Property” for which this Façade Easement is granted is described as follows: all improved exterior surfaces of buildings 13, 16, 36, 37 and 38 (including, without limitation, the exterior walls and windows) within the Project Area. The location of the Property within the Project Area is shown on Exhibit B, and the Project Area is more particularly described in Exhibit C, attached hereto and incorporated herein by reference.

The Term of this Façade Easement shall be ten (10) years from the date of completion of all of the Agency Funded Improvements on the Property, as determined pursuant to the OPA, unless otherwise terminated as provided herein or by written agreement of the Parties.

2. Maintenance

Grantor agrees to assume the cost of all continued maintenance and repair of the Property and further agrees to conduct regular maintenance and repair in order to preserve the architectural and aesthetic improvements of the Property in the same or better condition as of the completion of the Agency Funded Improvements. All maintenance and repairs to the Property shall be of high quality and performed in a workmanlike manner, using materials of high quality, and shall be commenced and completed with a high degree of diligence and in a matter which preserves the improvements to the Property in the same condition as of the completion of the Agency Funded Improvements. Grantee shall have the right to request additional maintenance should it be necessary to preserve the Property in the same condition as of the completion of the Agency Funded Improvements.

3. Alterations

Grantor, its successors or agents, shall make no material alterations or changes to the exterior surfaces to the Property, including changes in paint colors after completion of the Agency Funded Improvements, without the express written consent of Grantee, which consent shall not be unreasonably withheld, conditioned, or delayed, other than general maintenance and repair as required hereunder which shall not require the consent of Grantee, provided, however, no functionally required elements such as door locks, personnel doors, overhead doors, or other

devices which do not materially modify the exterior of the Property shall require Grantee's consent. The addition of any new building element onto the existing Property, or the demolition of Property, may be undertaken, commenced, or performed only with the prior written consent of Grantee, which consent shall not be unreasonably withheld, conditioned, or delayed.

4. Inspection

Grantor hereby agrees that representatives of Grantee, its successors, and assigns, shall be permitted at all reasonable times to inspect the Property. Inspections will normally take place from the street. However, Grantor agrees that representatives of Grantee, its successors, and assigns, shall upon request be permitted to enter and inspect the interior of the Property improved by the Agency Funded Public Improvements to ensure the integrity of the Property upon reasonable notice to Grantor. Such access shall be in compliance with all security requirements of Grantor or any tenant of Grantor, and exercised in such manner as to not unreasonably interfere with the operations of Grantor or any tenant of Grantor.

5. Grantor's Use

Grantor reserves the right and privilege for the use of the Property and the Buildings for any purpose not inconsistent with this Façade Easement or with any Local, State, or Federal law or regulation. Nothing herein shall be construed to grant unto the general public or any other persons, other than Grantee and its agents for the inspection rights above, the right to enter the Property for the purposes set forth herein.

6. Casualty or Loss

In the event the Buildings, including the Property, are, by reason of fire, flood, earthquake, or other disaster of any kind whatsoever:

A. Partially destroyed to such an extent or of such nature that the appearance of the Property are materially altered, then Grantor shall, within a reasonable period of time, restore the Property either to a condition so that the appearance is restored to that existing at the time immediately prior to such destruction, or to any other such condition as the Parties may agree to in writing, provided, however, that if the partial destruction of the Property and/or the Buildings is so extensive as to make repair or reconstruction impractical, taking into account the proceeds of any insurance available for reconstruction, or there is less than 24 months left in the Term, then Grantor may proceed under 6B below.

B. Totally destroyed with respect to the Property and/or the Buildings, then this Façade Easement shall be extinguished, and Grantor may thereafter erect a building which meet all applicable, zoning, land use restrictions pertaining to the Project Area.

Upon satisfactory completion of restoration under Paragraph 6A, this Façade Easement shall apply to the restored appearance for the remainder of the Term. If Grantor fails, after written notice to restore the Buildings or the Property within a reasonable period of time as required under Paragraph 6A, Grantee may invoke any remedy available to it under this Façade Easement.

7. Insurance

Grantor, shall maintain, at its own cost, insurance against loss from the perils commonly insured under standard fire and extended coverage policies and comprehensive general liability insurance against claims for personal injury, death, and property damage in an amount in the lesser of the (i) full replacement value or (ii) the fair market value of the Buildings and Property. Such insurance shall include Grantee's interest and name Grantee as additional insured and shall provide for at least thirty (30) days' notice to Grantee before cancellation and that the act or omission of one insured will not invalidate the policy as to the other insured. Furthermore, Grantor shall deliver to Grantee certificates or other such documents evidencing the aforesaid insurance coverage at the Effective Date and a new policy or certificate prior to the expiration of such policy.

8. Release

Grantor hereby releases and relieves Grantee of all liability with respect to the Buildings and the Property unless arising from the misconduct or negligence of Grantee in performing its rights or obligations hereunder. Grantor shall defend and hold harmless Grantee from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses which may be imposed upon or incurred by Grantee by reason of loss of life, personal injury, and of damage to property occurring in or around the Buildings or the Property subject to this Façade Easement, occasioned in whole or in part by the negligence of Grantor, its agents or employees.

9. Enforcement

If either party violates or fails to observe any covenant, agreement or provision contained here, then the non-defaulting party shall, in addition to all other remedies available at law or in equity, have the right to enforce this Façade Easement, including each of its provisions by specific performance. If Grantor fails to maintain the Property as required hereunder, and if such failure shall not be completely cured and remedied within a reasonable period of time of not less than thirty (30) days following written notice sent by Grantee to Grantor, then Grantee shall have the right, itself or through agents or contractors, to restore, repair, or maintain the Property, and Grantor shall, promptly upon request, reimburse Grantee for all reasonable sums so actually expended by Grantee.

10. Successors and Assigns

This Façade Easement shall be binding upon and shall inure to the benefit of Grantor and Grantee and their respective successors and assigns. Grantee agrees that it will hold this Façade Easement exclusively for conservation purposes and will not transfer this Façade Easement for money, other property, or services. Nothing herein shall be construed to limit Grantor's right to assign, sell, transfer, convey, mortgage, pledge, or otherwise hypothecate its interest in the Buildings without Grantee's consent, so long as any such transfer or pledge shall be subject to Grantee's interest herein; provided further, that upon assignment, sale, or transfer (other than for security) of the Buildings, the obligations and duties of Grantor hereunder shall automatically transfer to Grantor's successor in interest and Grantor shall be released from any liability hereunder.

11. Notice

Any notice required herein shall be in writing sent by first class U.S. Mail to the following addresses:

For Grantor:

Pocatello Quinn, LLC
11111 Santa Monica Blvd., Suite 810
Los Angeles, CA 90025

For Grantee:

City of Pocatello
Office of the Mayor
911 North 7th Avenue
Pocatello, ID 83201

12. Acceptance

Grantee hereby accepts the rights and interests granted to it in this Façade Easement.

13. Severability of Provisions

Should any term, provision, condition or other portion of this Façade Easement or the application thereof be held to be inoperative, invalid, or unenforceable, the remainder of this Façade Easement or the application of the term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

[end of text]

TO HAVE AND TO HOLD, the afore granted and bargained Façade Easement, with all the privileges and appurtenances thereof to Grantee, its successors, and assigns, in perpetuity.

IN WITNESS WHEREOF, Grantor has executed this on _____ of _____, 2022.

Pocatello Quinn, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: Manager

STATE OF _____)
) ss.
County of _____)

On this ____ day of _____, 2022, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the Manager of Pocatello Quinn, LLC a Delaware limited liability company, the entity that executed the instrument or the person who executed the instrument on behalf of said entity and acknowledged to me that such entity executed the same.

S
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A
L

Notary Public
My commission expires on _____

IN WITNESS WHEREOF, Grantee has executed this on _____ of _____,
2022.

Brian Blad, Mayor, City of Pocatello

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2022, before me, _____, a
Notary Public in and for said State, personally appeared Brian Blad, known or identified to me to
be the Mayor of the City of Pocatello that executed the said instrument, and acknowledged to me
that such City executed the same.

S
E
A
L

Notary Public for Idaho
My commission expires on _____

EXHIBIT A

Agency Funded Public Improvements

Item
<p>Improvements to Building 16 Façade, Windows, and Paint (Tower Portion Only)</p> <ul style="list-style-type: none">○ Windows: To include demolition, disposal, replacement, and installation of window/sealants/required flashings/transition pieces. This scope is for 1 row/band of the “Tower Only” portion of the building at the tower low-band (currently mostly covered in tan corrugated fiberglass panel) existing original wood frame windows. Replacement windows will be a 36”W x 66”H vinyl picture window, No Low E glass.○ Paint: To include prep(scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.○ Panels: The majority of existing siding on the buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.
<p>Improvements to Building 36 Facade, Paint</p> <ul style="list-style-type: none">○ Windows: No window replacements necessary.○ Paint: To include prep(scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.○ Panels: The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.
<p>Improvements to Building 37 Facade, Paint</p> <ul style="list-style-type: none">○ Windows: No window replacements necessary.

- **Paint:** To include prep (scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.
- **Panels:** The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.

Improvements to Building 38 Facade, Paint

- **Windows:** No window replacements necessary.
- **Paint:** To include prep(scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.
- **Panels:** The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.

Improvements to Building 13 Facade, Paint

- **Windows:** To include demolition, disposal, replacement, and installation of window/sealants/required flashings/transition pieces. Replacement windows will be a 36"W x 66"H vinyl picture window, No Low E glass.
- **Paint:** To include prep (scrape/power wash), 2 coats of paint, & sealants of all exterior body and trim surfaces, including fluted panel & brick surfaces, windows along ground floor offices, soffits, facias, overhead doors, man doors, and roof ladders & pipe handrails as applicable. Paint color selections will be consistent with the renderings.
- **Panels:** The majority of existing siding on our buildings are Transite panels. Some of these sections may need repair or re-securing by mechanical fastener, or some may need complete replacement (similar fluted/corrugated profile, metal, or other material). Contractor will provide securement/attachment of all existing panels as needed as part of prep/paint proposal. Any replacement/installation of new panels will be of similar panel profile, and may be of metal, fiberglass, or other material as agreed upon between both parties.

EXHIBIT B

Location of Buildings 13, 16, 36, 37 and 38 with the Project Area



EXHIBIT C

Legal Description of the Project Area

A parcel of land located in the E ½ of Section 15, Township 6 South, Range 34 East, Boise Meridian Bannock County, Idaho, a portion of the land described in instrument no. 724647 of the records of Bannock County, Idaho, being more particularly described as follows:

Commencing at the North one quarter corner of Section 15, Township 6 South, Range 34 East, Boise Meridian, said corner marked with an aluminum capped monument; thence North 89°28'06" East 65.30 feet to a point in the East right of way line of Pole Line Road; thence South 01°18'55" East along the East right of way line of Pole Line Road 25.0 feet;

thence continuing South 01°18'55" East 199.13 feet to an angle point; thence continuing along the East right of way line of Pole Line Road South 00°32'32" East 627.31 feet to the Southwest corner of the land described in instrument no. 732922 and depicted on the Record of Survey recorded as instrument no. 733159 of the records of Bannock County, Idaho, said corner marked by a ½-inch iron pin tagged LS-2652, the true point of beginning;

thence following the South and East boundaries of the said land described in instrument no. 732922 for the next five courses:

North 89°25'44" East 662.29 feet (recorded as North 89°28'06" East 662.24 feet) to a ½-inch iron pin tagged LS-2652; thence North 65°25'29" East 327.72 feet recorded as North 65°25'05" East 327.76 feet) to a ½-inch iron pin tagged LS-2652; thence North 00°31'05" West 274.76 (recorded as North 00°32'32" West 274.85 feet) to a ½-inch iron pin tagged LS-2652;

thence South 89°24'46" West 64.24 feet (recorded as South 89°28'06" West 64.25 feet) to a ½-inch iron pin tagged LS-2652; thence North 00°33'46" West 417.75 feet (recorded as North 00°32'32" West 418.0 feet) to a point in the South right of way line of Infirmary Road (commonly referred to as Quinn Road), said point marked with a ½-inch iron pin tagged LS-2652;

thence North 89°28'06" East 354.97 feet along the South right of way line of Infirmary Road to an angle point, said point marked with a 5/8-inch iron pin tagged PE/LS-2652; thence continuing along the South right of way line of Infirmary Road North 87°45'06" East 470.47 feet (recorded as 470.62 feet) to the Northwest corner of the Armed Forces Reserve Training Area, said corner marked with a ½-inch iron pin tagged LS-977, a distance of 2.3 feet easterly of a State of Idaho right of way monument identified as being 55 feet left of centerline station 93+60 of the Yellowstone Highway-Quinn Road Project;

thence South 00°02'34" East 324.22 feet (recorded as South 00°01'29" East 324.93 feet) to the Southwest corner of the said training area, said corner marked with a "PK" nail tagged LS-977; thence North 89°57'26" East 614.32 feet (recorded as North 89°58'00" East 614.59 feet) to a brass cap monument set in concrete, marking the Southeast corner of the said training area.

thence South 08°46'34" East 1568.57 feet (recorded as South 08°45'29" East 1568.22 feet) along the Westerly right of way line of the Union Pacific Railroad to a point of curvature, said point marked with an untagged ½- iron pin, from which the center of the curve bears South 81°22'51" West;

thence continuing along the Westerly right of way line of the Union Pacific Railroad, following an 1860 foot radius nontangent curve, concave to the West, through a central angle of 21°34'18" for an arc distance of 700.28 feet (recorded as 700.4 feet) to a concrete monument marking the Northeast corner of N.O.P. Park (a City of Pocatello Park), from which the East one quarter corner of Section 15 bears South 86°53'02" East 109.83 feet;

thence South 89°20'26" West on a nontangent line 1771.96 feet (recorded as South 89°21'27" West 1771.60 feet) to the Northwest corner of N.O.P. Park, said corner marked with a ½-inch iron pin tagged LS-977; thence South 00°04'43" West along the West boundary of N.O.P. Park 1300.68 feet to a point on the North right of way line of Eldredge Road;

thence South 89°21'43" West along the North right of way line of Eldredge Road 739.45 feet to a point in the East right of way line of Pole Line Road; thence North 00°32'32" West 3042.61 feet to the point of beginning.

(VW 1.3.2022)

4862-0082-4322, v. 14

Attachment 7

Renderings of the Improvements to Buildings 13, 16, 36, 37 and 38



BUILDING #13: West

Primary



R (0) G (69) B (124)
C (100) M (79) Y (26) K (10)



R (59) G (141) B (188)
C (75) M (33) Y (10) K (0)

Secondary



R (88) G (89) B (91)
C (0) M (0) Y (0) K (80)



R (188) G (190) B (192)
C (0) M (0) Y (0) K (30)

BUILDING #13: Northwest

13 Blandy St



Exit Street View

Primary



R (0) G (69) B (124)
C (100) M (79) Y (26) K (10)



R (59) G (141) B (188)
C (75) M (33) Y (10) K (0)

Secondary



R (88) G (89) B (91)
C (0) M (0) Y (0) K (80)



R (188) G (190) B (192)
C (0) M (0) Y (0) K (30)

Google Earth

Imagery Date: 6/2019 42°54'16.15" N 112°27'38.41" W elev 4478 ft eye alt 4486 ft

[Report a problem](#)

BUILDING #16: East

Windows

Primary					Secondary				
	R (0)	G (69)	B (124)			R (88)	G (89)	B (91)	
	C (100)	M (79)	Y (26)	K (10)		C (0)	M (0)	Y (0)	K (80)
	R (59)	G (141)	B (188)			R (188)	G (190)	B (192)	
	C (75)	M (33)	Y (10)	K (0)		C (0)	M (0)	Y (0)	K (30)

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Windows

Primary



R (0) G (69) B (124)
C (100) M (79) Y (26) K (10)



R (59) G (141) B (188)
C (75) M (33) Y (10) K (0)

Secondary



R (88) G (89) B (91)
C (0) M (0) Y (0) K (80)



R (188) G (190) B (192)
C (0) M (0) Y (0) K (30)

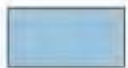
BUILDING #16: South



Primary



R (0) G (69) B (124)
C (100) M (79) Y (26) K (10)



R (59) G (141) B (188)
C (75) M (33) Y (10) K (0)

Secondary







R (88) G (89) B (91)
C (0) M (0) Y (0) K (80)



R (188) G (190) B (192)
C (0) M (0) Y (0) K (30)

BUILDING #16: West

Primary		Secondary	
	R (0) G (69) B (124) C (100) M (79) Y (26) K (10)		R (88) G (89) B (91) C (0) M (0) Y (0) K (80)
	R (59) G (141) B (188) C (75) M (33) Y (10) K (0)		R (188) G (190) B (192) C (0) M (0) Y (0) K (30)

BUILDING #36:North



BUILDING #36: West



BUILDING #37 West



Primary



R (0) G (69) B (124)
C (100) M (79) Y (26) K (10)



R (59) G (141) B (188)
C (75) M (33) Y (10) K (0)

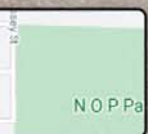
Secondary



R (88) G (89) B (91)
C (0) M (0) Y (0) K (80)



R (188) G (190) B (192)
C (0) M (0) Y (0) K (30)



BUILDING #38 East

Colors

Primary



R (0) G (69) B (124)
C (100) M (79) Y (26) K (10)



R (59) G (141) B (188)
C (75) M (33) Y (10) K (0)

Secondary



R (88) G (89) B (91)
C (0) M (0) Y (0) K (80)



R (188) G (190) B (192)
C (0) M (0) Y (0) K (30)



BUILDING #38: South

COMPLETION GUARANTY

THIS COMPLETION GUARANTY (“Agreement”) is made effective as of April _____, 2022, by and between Holdings SPE, LLC, a Delaware limited liability company (“Guarantor”), and the Urban Renewal Agency of Pocatello, Idaho, also known as the Pocatello Development Authority, an independent public body, corporate and politic (“Agency”).

RECITALS

A. Agency and Pocatello Quinn, LLC entered into an Owner Participation Agreement, dated even date herewith (the “OPA”), for the construction and completion of Agency Funded Public Improvements on or before the Construction Term. All capitalized terms not otherwise defined herein shall have those meanings set forth in the OPA.

B. In order to induce Agency to enter into the OPA, Guarantor has agreed to guaranty the completion of the Agency Funded Public Improvements on the terms and conditions contained herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the terms and benefits of this Guaranty, the foregoing recitals, which are fully incorporated herein, and other good and valuable consideration on the terms, conditions, and covenants hereinafter set forth, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Completion Guaranty. Guarantor hereby unconditionally and irrevocably guaranties to Agency that the Agency Funded Public Improvements will be fully built and completed in accordance with the OPA. This is a guarantee of the completion obligations and not a guarantee of the payment of any funds due from Participant to Agency under the OPA. Guarantor agrees to keep itself fully informed of the status of construction of the Agency Funded Public Improvements and promptly take such action as may be necessary to fulfill its obligations under this Guaranty. This Guaranty shall terminate upon completion of the Agency Funded Public Improvements as set forth in the OPA. In giving this Agreement, Guarantor agrees that it has had an opportunity to review the OPA between Agency and Participant, and accepts the same. This Agreement is an absolute, irrevocable, and unconditional guaranty of completion of the Agency Funded Public Improvements. Guarantor’s obligations under this Agreement survive the dissolution, death, consolidation, bankruptcy, receivership, or transfer of Participant. It shall not be necessary for Agency to first institute suit or pursue or exhaust any rights or remedies against Participant in order to enforce this Agreement against Guarantor.

2. Binding Effect. This Guaranty is binding not only on Guarantor, but also on Guarantor's heirs, successors, and assigns.

3. Governing Law; Forum; Consent to Jurisdiction. This Guaranty shall be deemed to be a contract entered into pursuant to the laws of the State of Idaho and shall in all respects be governed, construed, applied, and enforced in accordance with the internal laws of the state of Idaho, without giving effect to principles regarding conflict of laws. The parties hereby submit to the exclusive jurisdiction of the United States District Court for the District of Idaho and of any Idaho state court sitting in Bannock County, Idaho, for purposes of all legal proceedings arising out of or relating to this Agreement. This Agreement is the result of substantial negotiations between Guarantor and Agency and shall be construed in accordance with the fair intent and meaning of the language contained in this Agreement in its entirety and not for or against either party, regardless of which party (or its legal counsel) was responsible for its preparation.

4. Invalidity of Certain Provisions. If any provision of this Agreement or the application thereof to any circumstance shall, for any reason and to any extent, be declared to be invalid or unenforceable, neither the remaining provisions of this Agreement nor the application of such provision to any other Person or circumstance shall be affected thereby, and the remaining provisions of this Agreement, or the applicability of such provision to other circumstances, as applicable, shall remain in effect and be enforceable to the maximum extent permitted by applicable law.

5. Attorneys' Fees and Costs of Collection. Prevailing party shall pay upon award all attorneys' fees and all other costs and expenses incurred in the enforcement of or preservation rights under this Agreement, including, without limitation, all attorneys' fees and expenses, investigation costs, and all court costs.

6. Notices. Formal notices, demands, and communications between Agency and Guarantor shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, or hand delivery to the principal offices of Agency and Guarantor as set forth in the OPA. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

7. Default and Remedies. Section V of the OPA is fully incorporated herein in the event of a default of either party hereunder.

8. Further Assurances. Guarantor at Guarantor's expense will promptly execute and deliver to Agency upon Agency's request all such other and further documents, agreements, and instruments in compliance with or accomplishment of the agreements of Guarantor under this Guaranty.

9. No Fiduciary Relationship. The relationship between Agency and Guarantor is solely that of Agency and guarantor. Agency has no fiduciary or other

special relationship with or duty to Guarantor and none is created hereby or may be inferred from any course of dealing or act or omission of Agency.

10. Time of Essence. Time shall be of the essence in this Guaranty with respect to all of Guarantors' obligations hereunder.

11. Counterparts. This Guaranty may be executed in multiple counterparts, each of which, for all purposes, shall be deemed an original, and all of which taken together shall constitute but one and the same agreement.

12. Entire Agreement. This Agreement embodies the entire agreement between Agency and Guarantor with respect to the completion of the Agency Funded Public Improvements. This Guaranty supersedes all prior agreements and understandings, if any, with respect to the guaranty by Guarantor for the completion of the Agency Funded Public Improvements. No condition or conditions precedent to the effectiveness of this Agreement exist. This Agreement shall be effective upon execution by Guarantor and delivery to Agency. This Agreement may not be modified, amended, or superseded except in a writing signed by Agency and Guarantor referencing this Agreement by its date and specifically identifying the portions hereof that are to be modified, amended or superseded.

[end of text]

IN WITNESS WHEREOF, Guarantor has duly executed this Agreement under seal as of the date first written above.

GUARANTOR:

HOLDINGS SPE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

AGENCY:

URBAN RENEWAL AGENCY OF THE
CITY OF POCA TELLO, IDAHO, A/K/A THE
POCA TELLO DEVELOPMENT
AUTHORITY

By: _____
David Villarreal, Chair

ATTEST: _____
Name: _____
Title: _____

4878-3852-3676, v. 4

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF POCATELLO, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF POCATELLO, IDAHO, ALSO KNOWN AS POCATELLO DEVELOPMENT AUTHORITY AUTHORIZING AGENCY TO ENTER INTO AN OWNER PARTICIPATION AGREEMENT WITH POCATELLO QUINN, LLC; AUTHORIZING THE CHAIR OR VICE CHAIR AND THE SECRETARY OF AGENCY TO TAKE APPROPRIATE ACTION; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City of Pocatello, Idaho, also known as Pocatello Development Authority, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”), a duly created and functioning urban renewal agency for Pocatello, Idaho, hereinafter referred to as the “Agency.”

WHEREAS, the City Council of the City of Pocatello (the “City”) adopted its Ordinance No. 2797 on July 6, 2006, approving the Naval Ordnance Plant Urban Renewal Area Improvement Plan (hereinafter the “Urban Renewal Plan”), and establishing the Naval Ordnance Plant revenue allocation area (the “Project Area”). The termination date of the Urban Renewal Plan and Project Area is December 31, 2030;

WHEREAS, Pocatello Quinn, LLC (the “Participant”), acquired the approximately 150-acre former Naval Ordnance Plant, located within the City and within the Project Area (the “Site”);

WHEREAS, Participant intends to make significant improvements to the Site to attract a mix of tenants to support industrial distribution, manufacturing, office and retail uses (the “Project”);

WHEREAS, as part of the Project, Participant intends on constructing certain improvements to facades of several of the existing buildings, including painting and replacement of any existing damaged, loose and/or failing panels, which improvements are necessary to the proper redevelopment of the Site;

WHEREAS, the Urban Renewal Plan authorizes Agency to use revenue allocation

financing to fund specific projects and improvements to implement the Urban Renewal Plan, including building façade enhancements;

WHEREAS, Agency and Participant have negotiated the major terms of Agency's participation in the funding of certain improvements and other eligible expenses (collectively the "Agency Funded Public Improvements");

WHEREAS, the Agency Funded Public Improvements implement several objectives outlined in the Urban Renewal Plan;

WHEREAS, the Site is not registered in the National Register of Historic Places, but is historically significant and contributes to the historic integrity of the City. Additionally, the Site contributes greatly to the City's skyline;

WHEREAS, as a result of Participant's agreement to construct the Agency Funded Public Improvements, Participant's commitment to comply with the terms of the Urban Renewal Plan, and Agency's commitment to reimburse Participant in compliance with the Urban Renewal Plan, the Parties deem it necessary to enter into an Owner Participation Agreement to define their respective obligations;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Owner Participation Agreement, attached hereto as Exhibit A, and to authorize the Chair or Vice-Chair to execute and the Secretary to attest the Owner Participation Agreement, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF POCA TELLO, IDAHO, ALSO KNOWN AS POCA TELLO DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Owner Participation Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted, recognizing technical changes or corrections which may be required prior to execution of the Owner Participation Agreement.

Section 3. That the Chair or Vice-Chair and Secretary of the Agency are hereby authorized to sign and enter into the Owner Participation Agreement and to execute all necessary documents required to implement the actions contemplated by the Owner Participation Agreement, including a guaranty, subject to representations by Agency staff and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to

the Owner Participation Agreement or other documents are acceptable, upon advice from Agency's legal counsel that said changes are consistent with the provisions of the Owner Participation Agreement and the comments and discussions received at the April 20, 2022, Agency Board meeting; Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said Agreement.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Pocatello, Idaho, also known as Pocatello Development Authority on April 20, 2022. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on April 20, 2022.

APPROVED:

By _____
Chair of the Board

ATTEST:

By Secretary

EXHIBIT A

Owner Participation Agreement

4838-2688-9403, v. 1