

11:00 a.m.

Call to order by Michael Orr, Chairman
Acknowledge guests of the Board
Disclosure of conflicts of interest
Agenda; delete action or discussion items

Action and Discussion Items:

Agenda Item No. 1: Minutes.

Motion to approve and/or amend Minutes of June 17, 2015 and the Special meeting on June 22, 2015.

Agenda Item No. 2: Financial Report.

Motion to approve and/or amend June 2015 Income and Expenses.

Agenda Item No. 3: Bannock County Development Corporation- Site Ready Cost Share by John Regetz.

Agenda Item No. 4: Ratification of Positron Systems, Inc. counter proposal vote taken via email and a Litigation Update.

Seven members voted in favor; none voted against or abstained.

Agenda Item No. 5: North Portneuf TIF District: Hoku: Review of agreement and negotiations providing for repayment and conveyance of real property and related discussion.

Agenda Item No. 6: Recognition of Linda Tigert's service as a Board Member from March 19, 2014 to July 14, 2015. Ms. Tigert was nominated in March 2014 by the Bannock County Commissioner's to fill their Board Member seat as their designee. Her service is recognized by the adoption of the attached Resolution.

Agenda Item No. 7: Vote to approve Howard Manwaring, Bannock County Commissioner, to replace the County Commissioner's seat previously held by the County's designee, Linda Tigert, which seat's term expires on May 1, 2018.

Matters exist for discussion in an executive session as per I.C. §67-2345(1)(e)

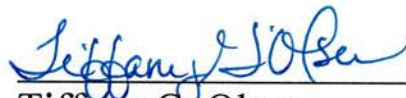
Motion: "I move that we enter into an executive session as per Idaho Code §67-2345(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

Adjourn.

**NOTICE OF RESCHEDULED MEETING
POCATELLO DEVELOPMENT AUTHORITY
July 14, 2015**

The regular monthly meeting of the Pocatello Development Authority scheduled for Wednesday, July 15, 2015 at 11:00 o'clock a.m. in the Paradise Conference Room at City Hall has been cancelled and is rescheduled for **Tuesday, July 14, 2015 at 11:00 o'clock a.m.**, in the Paradise Conference Room at City Hall, 911 North 7th, Pocatello, Idaho.

DATED this 29 day of June, 2015.



Tiffany G. Olsen
Secretary

AGENDA ITEM

NO. 1

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
July 14, 2015

Members present: Brian Blad (arrived 11:12 A.M.), Chad Carr, Larry Fisher, Russell Meyers (via telephone), Michael Orr (Chair), John Regetz (ex-officio), and Linda Tigert.

Members absent: Cynthia Hill, Scott Smith, and Thomas Ottaway.

Staff present: Lon Crowell, Executive Director; Aceline McCulla, Planning & Development Services Dept., Joyce Stroschein, City Finance Dept., Dean Tranmer City Legal Dept., and Merrill Quayle, Development Engineer.

Chair Michael Orr called the meeting to order at 11:07 a.m.

Introductions, Conflicts, and Agenda: **Chair Orr** introduced the guests in attendance that included Mark Lupo with Idaho Power and Logan McDougal, City Public Information Officer.

Chair Orr mentioned that Mark Lupo would speak after the Financial Report, that Agenda items 6 and 7 would be moved to the next meeting, and there were no conflicts with the agenda items.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The Minutes from the regularly scheduled meeting of June 17, 2015, were reviewed. It was MSC (**L. Fisher, L. Tigert**) to approve the Minutes as presented. The Minutes from the Special meeting of June 22, 2015 were reviewed. It was MSC (**L. Fisher, R. Meyers**) to approve the Special meeting Minutes as presented.

Agenda Item No. 2: Financial Report. J. Stroschein stated at month end, the Pocatello Development Authority (PDA) had cash on hand of \$5,727,945.08. The checking account balance was \$3,832,180.02 and the savings account was \$746,945.08. PDA recognized normal financial activity during the month of June. PDA received revenue totaling \$140,069.72, which \$1,676.89 was interest earnings on cash invested. The \$2,000.00 received on the note receivable applied \$367.63 towards the principal of the note. There were two payments made for May and June this month. Property tax revenue totaled \$138,025.20 for the North Yellowstone District and North Portneuf District. Expenses for the month totaled \$122,129.65. The expenses included the payment of \$99,988.00 for the Gateway West Economic Grant. The payment to T-O Engineering totaled \$9,173.64 for the cat ex work on the Airport property related to Project Pipe. The Legislative Fund contribution of \$8,500.00 was paid to the Redevelopment Association of Idaho (RAI). The remaining administrative expenses for lunch, meeting supplies and annual audit (\$4,180.00) totaled \$4,468.01. Year-to-Date (YTD) revenues of \$4,074,977.30 (see page 3) were less than expenses of \$4,557,574.72. The General Fund District had a net YTD income of \$2,888,075.00. **Chair Orr** asked Stroschein if the \$885.00 membership paid was for T-O Engineering. **Stroschein** commented the \$885.00 was for RAI and T-O Engineering was paid \$9,173.64. It was MSC (**L. Tigert, C. Carr**) to approve the Financial Report as presented.

Agenda Addition: Mark Lupo, Idaho Power, present a refund check for the Engineering Study on the Project Pipe Project. Mark Lupo presented a refund check, which the PDA gave Idaho Power for an engineering study that was done for Project Pipe at the Airport. Idaho Power requested the check for \$1,033.42 be returned to the PDA, since Project Pipe is on hold or not moving forward at this time. Lupo provided J. Stroschein with a copy of the explanation to accompany the check.

Agenda Item No. 3: Bannock County Development Corporation- Site Ready Cost Share by John Regetz. John Regetz stated that he and Mark Lupo were requesting \$3,125.00 to co-fund a Site Readiness Study and Evaluation Program in a partnership through the Department of Commerce and Idaho Power. These efforts would help determine what needed to be done in industrial parks and potential sites and would provide steps on how to prepare prospective sites for future prospects for economic development corporations, cities, and other development entities in the State of Idaho. **L. Crowell** commented the property would be classified as site-ready for prospecting companies, and others like it would know that Pocatello had property ready. **C. Carr** asked if the site-ready classification was included in the \$6250.00. **J. Regetz** stated it was included. **Chair Orr** asked if Idaho Power was doing the study. **M. Lupo** stated Idaho Power was paying someone to do the study, and that Idaho Power was a partner and would pay half the cost, \$6,250.00, of the Stage 2 application. The other half of the \$6,250.00 would be split between Bannock County Development and PDA. The site selected for this study was the Pocatello Regional Airport. **J. Regetz** clarified the funding: Idaho Power paid \$500 for the Stage 1 Qualification Application, and Bannock County Development would pay \$3,125.00, PDA would pay \$3,125.00 and Idaho Power would pay \$6,250 for the Stage 2 Site Readiness Study and Evaluation application. **Chair Orr** asked what acreage was included at the Airport. **J. Regetz** stated 700 acres, all the industrial and commercial property in the airport that was ready or targeted for development. The study required a minimum of 50 acres to qualify; the Pocatello Regional Airport also qualified as a supersite, because multiple projects could be placed at this location. **B. Blad** noted it was a super site, not a super-fund site. **C. Carr** asked what the DOC's role would be in the partnership. **J. Regetz** stated they would promote and coordinate with all the economic development companies. **L. Crowell** mentioned the DOC would help market the properties that were site-ready. **B. Blad** noted there had been a big push over recent years for site-ready property that could be shown and was be ready to begin building within a week to a few months. This program would speed up the process and get businesses in Pocatello. **J. Regetz** commented that the important points were to identify what steps were needed for infrastructure, what the assets were, and what was the time frame for assets to be established. Mitigations would provide information that was significant in risk management for any investing company to undertake a mortgage. **L. Tigert** inquired about PDA's financial commitment. **M. Lupo** stated Idaho Power paid \$500 for the Stage 1 application process and \$6,750.00 toward Stage 2, with PDA and BCD each paying \$3,125.00 toward Stage 2 for the Pocatello Regional Airport site to be site-ready. **Chair Orr** asked if the FAA would recognize the site-ready report or if the PDA needed to defend the study report results? **L. Crowell** stated this process would identify everything needed to be done at the airport, if it had not been done already. The report provided phase work timelines, (how long to put in rail, how long to put in the additional road, and sewer). The FAA and any prospective company would know up front information on infrastructure, asset information, and what sites were available. **Chair Orr** asked if the City Engineers would be able to do this study. **L. Crowell** stated this was a site-selecting broker, one of the biggest in the Country; it was about marketing and nothing to do with engineering. **B. Blad** asked if this company worked with the State. **L. Crowell** commented that

prospects go through this company, who then contact the DOC with a prospective company interested in Idaho that is this company. **J. Regetz** mentioned this program provided credibility, a site selector would talk with other site selectors about what was ready, and what needed to be done, and it was an independent firm. **M. Quayle** mentioned the site selectors will be asking the City engineers and other departments questions on the site property and they will fill in the blanks (timelines, costs, materials) needed to complete the report. It was MSC (**B. Blad, L. Fisher**) to approve the \$3,125 expense for the Site Readiness Evaluation Program and payment made from the Pocatello Regional Airport TIF Fund.

Agenda Item No. 4: Ratification of Positron Systems, Inc. counter proposal vote taken via email and a Litigation Update. **Chair Orr** reminded the board that they motioned to request the Deed in Lieu of Foreclosure, the PDA would offset the unpaid interest of approximately \$100,000.00 for infrastructure, and Positron would vacate the property. Legal had been in contact with ISU as to their role in this and the \$400,000.00 would be forgiven and Positron would be relieved of all liability. There had been conversations with Craig Christensen in lieu of foreclosure except those related to environmental issues. **D. Tranmer** discussed the payment history of Eric Oaas, which **Chair Orr** discussed in the introduction. **Tranmer** stated ISU would inventory the building and forgo the utilities owed in order to lease the building out again and that Craig Christensen was in contact with E. Oaas. **Chair Orr** mentioned that the PDA and C. Christensen had discussions to resolve this issue with the counter proposal attached, which the PDA voted on by email and it was approved with a majority vote. **B. Blad** asked if a time line was given, and **Chair Orr** noted the counter proposal was dated July 17, 2015. **Chair Orr** commented that E. Oaas understands he could not defend himself. It was made known that E. Oaas needed to seek legal counsel if this was proceeding to court. This was approved up to \$5,000.00. **Orr** commented that PDA needed to recoup the \$400,000.00 and ISU had lease option interests for the building.

L. Tigert asked why the ratification was needed, if it was voted on via email and approved. **Chair Orr** explained by ratifying it in the minutes there would be a documented paper trail, and it was cleaner to ratify an email vote during the next face-to-face meeting.

It was MSC (**B. Blad, C. Carr**) to ratify the attached counter proposal vote taken via email and to send the attached Pocatello Development Authority v. Positron, et al Case No. CV-2015-1377-OC Counter Settlement Proposal.

Agenda Item No. 5: North Portneuf TIF District: Hoku/Agreement providing for repayment and conveyance of real property. **Chair Orr** recapped that the PDA authorized the repayment of \$300,000.00 on October 1, 2015, to the City of Pocatello for the purchase of the Hoku property upon condition. It was not clear how much to pay the City back. **L. Crowell** presented a PowerPoint illustrating the existing districts and how much time was had left on each one. This is important, because the only District performing was the North Yellowstone District TIF with about 12-years remaining. The North Portneuf was established in 2001 and expired in 2031, which left about 15 years in this district, and PDA agreed to pay the \$300,000.00 in requested conveyance; the City Council agreed to this concept. The biggest question was should the PDA own ROW, the PDA has land and ROW, and **L. Crowell** recommended the PDA not own ROW. Whether the PDA reimbursed the City for that or not is a different question, but as far as a Deed, **Crowell** recommended the PDA not own ROW in the Hoku land itself. **L. Crowell** referenced the second map of the presentation that addressed the ROW, shown in blue, and that

the City would want that on the Hoku property, which was approximately 400,000 square feet. However, L. Crowell recommended PDA retain an easement for that particular property and separate it by deed, that way PDA could require the developer or buyer to construct the road rather than they request the City to build the road. L. Crowell referenced parcels 1, 2, 3, and 4, and included parcel 9 and its easements verses parcels 5, 6, 7, and 8, which was ROW. **L. Tigert** asked if parcel 4 included the property across the railroad. **L. Crowell** stated it was purchased for the bridge for the ROW, and there may be some land available after the bridge was constructed, and it would be beneficial for the PDA to own because PDA could sell the land verses having to auction the property, or leave it vacant. **J. Stroschein** reviewed the Hoku land purchased, when looking at the maps Joyce identified the land parcels 1, 2, and 3 and various expenditures related to the properties of \$942,975.32, which included broker fees, survey of land, railroad engineering review, and purchase price, shown on the list provided. Parcel 4 was purchased for Highway 30 and the railroad overpass site for \$128,742.50, less DOC grant funds of -\$55,614.85 leaving \$73,127.65 that was paid by the City, plus the additional costs paid by the DOC grant of -\$147,563.15 for the waterline relocation, the fence and slats, and a portion of the ROW at RR overpass site. **The total cost of land was \$1,016,102.97 less the November 2014 payment of -\$450,000.00, less the October 2015 payment of -\$300,000.00, leaving a remaining balance of \$266,102.97, which was noted in payment options on page one of the handouts.** Joyce went over the payment options on the handout. Option 1 – 15 years/\$17,740.20 annual payment; Option 2 – 7 years/\$38,014.71 annual payment, Option 3 - 2 years/\$133,051.49 annual payment, Option 4 - 1 year/\$266,102.97 one payment, and Option 5 - 12 years/\$22,175.00.24 annual payment. **R. Meyers** clarified with Joyce that the amount owed was inclusive with principal and there was no interest applied to this amount. **J. Stroschein** stated that was correct. The land purchase of Great Western Malting Co. access road was originally set up as an interest-bearing loan with land purchased for \$174,000.00 and interest of \$2416.46. Then the Parrish Property appraisal of \$1,600.00 and Title & Escrow for \$147,562.11 and the purchase of the H&H Dive property Title & Escrow for \$11,365.14. The report handout identified the properties and the ROW purchased with their costs. The ending cost to the City for all ROW purchases was \$340,843.71. **M. Quayle** pointed out that the placement of the #8 property was not located in the correct location on the map. **L. Crowell** would update the map. **Chair Orr** advised the board that he, Lon, and Joyce met last night to discuss the property purchased and recommendations of what the City and PDA should own or not own. The recommendation was that PDA reimburses the City for parcels 1, 2, 3, and 4, and consider parcel 8, the rail site for \$11,365.14. It was noted that the County records and the City documents and figures did not match. **R. Meyers** commented that the previous discussion was to purchase properties 1, 2, 3, and 4 and he did not see any advantage to purchase parcel 8 ROW. At this time, these four properties would allow PDA to recover some of the expenses, and if the ROW would come up relative for a future prospect, PDA could look at parcel 8 at that time. **Chair Orr** noted it would benefit PDA to purchase parcel 8 ROW next to the rail for the \$11,365.14 to allow for the rail site. **R. Meyers** stated that was fine. **L. Tigert** mentioned there was not a copy of Deed for parcel 4. **L. Crowell** commented PDA owned the land and did not include the paperwork, but could request it form the City Surveyor. **Chair Orr** commented it was for the overpass and it would be required for a secondary emergency access. **L. Tigert** asked if there was any liability associated with this parcel, an underground storage tank, or anything like that. **M. Quayle** noted it was not the Stinker Station but the property behind it, which was the Smith Ready Mix. He was not aware of any tanks or anything on the site. **L. Crowell** suggested the PDA should include in the proposal that the site be cleaned. **Chair Orr** asked that Legal review the document with JH Kelley to verify the lease due date of January 21, 2017, and if are they liable

to remove and demo all the concrete structures that are in there. Chair Orr received an email from JH Kelley's marketing group to market the plant, who asked if PDA was buying the property, was the PDA interested in buying the office building. Chair Orr stated he could not answer that, as the lease comes due and the building is on the property, if JH Kelley wants to buy the property that was an option, the point was PDA wants the property back on the tax role and wanted a paying employee in there. The City would be transferring the lease to the PDA and PDA needs to make sure a tenant would use the building as is or the site would need to be leveled and cleaned up to sell. Chair clarified that the agenda item today was to approve the reimbursement to the City for the balance of \$277,468.11, which includes the purchase of the parcels 1, 2, 3, 4, and 8. The sale of assets on parcel 4 would reduce the tax income and soon be a zero tax income.

It was MSC (**R. Meyers, L. Fisher**) to approve the Hoku Agreement providing for repayment and conveyance of real property. **PDA would purchase parcels 1, 2, 3, 4, and 8, which were identified in the Exhibit Map Lon Crowell presented, from the City of Pocatello for \$1,027,468.11, the total before \$450,000.00 was paid in 2014 and \$300,000.00 would be paid in 2015, and enter into a purchase agreement for the remaining \$277,468.11, to be paid over 15 years with an annual payment of \$17,740.20. It was requested that Legal review the contract for JH Kelley, verify that the property was cleaned per the current agreement, and verify the lease expires on January 21, 2017. Since the H&H Dive property was not located within the North Portneuf TIF District and the \$11,365 would need to come from the PDA General Fund to reimburse the City. In addition, the PDA asked if Legal would verify that parcel 4 had a clean title, an environmental scan was performed, there were no easements or encumbrances, and that the City of Pocatello retain an easement for a public road, greenway trail, sewer, and water.**

Agenda Item No. 6: Recognition of Linda Tigert's service as a Board Member from March 19, 2014 to July 14, 2015. Ms. Tigert was nominated in March 2014 by the Bannock County Commissioner's to fill their Board Member seat as their designee. Her service was recognized by the adoption of the attached Resolution.

This item was moved to the next PDA meeting after the Bannock County Commissioners determined a replacement for Linda Tigert.

Agenda Item No. 7: Vote to Approve NEW PERSON, Bannock County Planning Director, to replace the County Commissioner's seat as their "designee":

This item was moved to the next PDA meeting after the Bannock County Commissioners determined a replacement for Linda Tigert.

With no other business, it was MSC (**L. Tigert, C. Carr**) to adjourn the meeting at 12:09 P.M.

By: *Aceline McCulla*
Aceline McCulla, PDS Executive Assistant

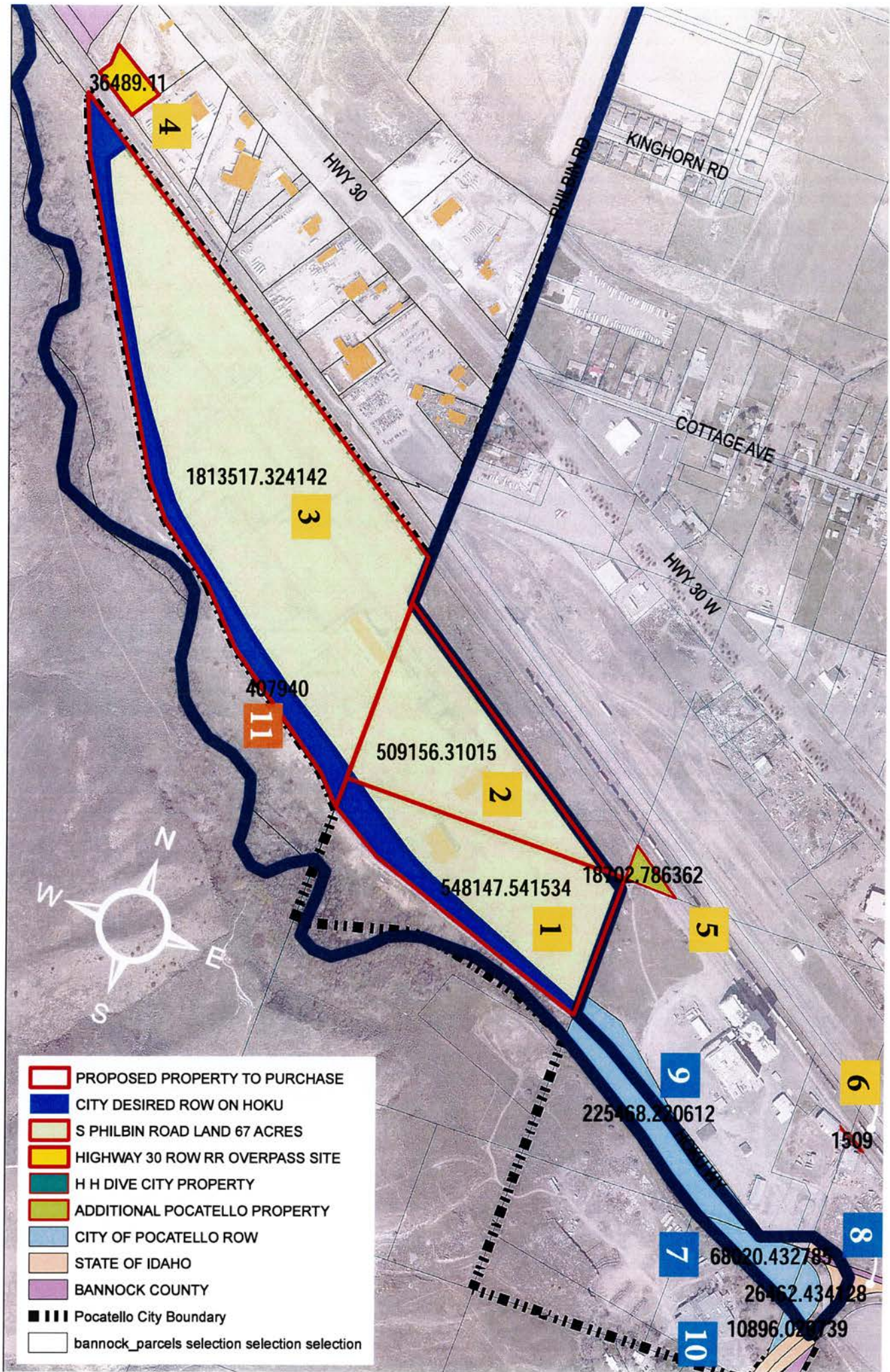
PARCEL	DEED_OWNER	DEED	OLD_DEED	SHAPE.STArea()	SHAPE.STLength()	PERIMETER	ACRES			
1	RPCPP044844	CITY OF POCATELLO	20705326 438900	548147.5415	3502.333507	3502.33133	12.58373603			
2	RPCPP044809	CITY OF POCATELLO	20705326 438900	509156.3102	3533.365913	3533.36409	11.68862053			
3	RPCPP044853	CITY OF POCATELLO	20705326 20708497	1813517.324	7129.680423	0	41.63262911	\$912,571.82	\$0.50	67.208984
4	R3853019502	CITY OF POCATELLO	20909438 CV-2003-2297-C	36489.11			0.84	\$73,127.65	\$2.00	
5	RPCPP044809	CITY OF POCATELLO	20705326 438900	18702.78636	684.627863		0.429356895			
6	HH DIVE	CITY OF POCATELLO		1509			0.034641873	\$11,365.14	\$7.53	
7	RPCPP044838	CITY OF POCATELLO	20710563- 20019123	68020.43279	1365.603403	1365.60243	1.56153427	\$147,562.11	\$2.17	7.5952047
8	RPCPP044837	CITY OF POCATELLO	20710563- 20019123	26462.43413	673.585651	673.58547	0.607493896			
9	RPCPP044716	CITY OF POCATELLO	20901600	225468.2206	2884.254317	4366.71271	5.176038122	\$174,000.00	\$0.77	
10	RPCPP044852	CITY OF POCATELLO	20710563 20019123	10896.02974	558.593516		0.250138424	\$12,400.00	\$1.14	\$1.32
FUTURE ROW EASEMENT										
11	ROW EASEMENT ACROSS HOKU PROPERTY			407940			9.365013774	\$268,687.09	\$0.66	9.3650138

TOTALS

\$277,468.11 balance per PDA meeting

1.5
0.9
0.3

	SQ FEET	ACRES
1	548,147.541534	12.583736
2	509,156.310150	11.688621
3	1,813,517.324142	41.632629
4	36,489.110000	0.837675
5	18,702.786362	0.429357
6	1,509.000000	0.034642
SUBTOTAL	2,927,522.072188	67.206659
7	68,020.432785	1.561534
8	26,462.434128	0.607494
9	225,468.220612	5.176038
10	10,896.029739	0.250138
SUBTOTAL	330,847.117264	7.595205
TOTAL	3,258,369.189452	74.801864
11	407,940.000000	9.365014
	2,519,582.072188	57.841645 net acreage



- PROPOSED PROPERTY TO PURCHASE
- CITY DESIRED ROW ON HOKU
- S PHILBIN ROAD LAND 67 ACRES
- HIGHWAY 30 ROW RR OVERPASS SITE
- H H DIVE CITY PROPERTY
- ADDITIONAL POCATELLO PROPERTY
- CITY OF POCATELLO ROW
- STATE OF IDAHO
- BANNOCK COUNTY
- Pocatello City Boundary
- bannock_parcel selection selection selection

AGENDA ITEM

NO. 2

Pocatello Development Authority
Balance Sheet by Class
As of June 30, 2015

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordinance	6-North Portneuf	7-Pocatello Regional Airport	TOTAL
ASSETS							
Current Assets							
Checking/Savings							
Checking Wells Fargo	2,386,872.01	7,000.00	99,684.23	72,787.69	70,415.78	195,420.31	2,832,180.02
Savings Wells Fargo	746,101.01	0.00	0.00	0.00	0.00	0.00	746,101.01
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	0.06	0.00	0.00	0.00	0.06
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	677,577.34	0.00	0.00	0.00	677,577.34
Zions Rev Alloc Fnd 7110526	0.00	0.00	1,472,086.65	0.00	0.00	0.00	1,472,086.65
Total Checking/Savings	3,132,973.02	7,000.00	2,249,348.28	72,787.69	70,415.78	195,420.31	5,727,945.08
Accounts Receivable							
Notes Receivable	50,000.00	597,081.85	0.00	0.00	0.00	0.00	647,081.85
Total Accounts Receivable	50,000.00	597,081.85	0.00	0.00	0.00	0.00	647,081.85
Other Current Assets							
Accrued Interest Income	10,577.19	405.17	0.00	0.00	0.00	0.00	10,982.36
Property Tax Receivable	0.00	0.00	21,825.94	0.00	10,212.12	0.00	32,038.06
Total Other Current Assets	10,577.19	405.17	21,825.94	0.00	10,212.12	0.00	43,020.42
Total Current Assets	3,193,550.21	604,487.02	2,271,174.22	72,787.69	80,627.90	195,420.31	6,418,047.35
TOTAL ASSETS	3,193,550.21	604,487.02	2,271,174.22	72,787.69	80,627.90	195,420.31	6,418,047.35
LIABILITIES & EQUITY							
Liabilities							
Long Term Liabilities							
Deferred Interest Receivable	10,577.39	0.00	0.00	0.00	0.00	0.00	10,577.39
Deferred Notes Receivable Rev	50,000.00	597,081.85	0.00	0.00	0.00	0.00	647,081.85
Deferred Tax Revenues	0.00	0.00	19,488.87	0.00	10,212.12	0.00	29,700.99
Total Long Term Liabilities	60,577.39	597,081.85	19,488.87	0.00	10,212.12	0.00	687,360.23
Total Liabilities	60,577.39	597,081.85	19,488.87	0.00	10,212.12	0.00	687,360.23
Equity							
Fund Balance	244,862.43	2,968,438.69	2,340,117.35	418,042.02	14,679.84	162,500.35	6,148,640.68
Opening Balance Equity	0.00	0.00	64,643.86	0.00	0.00	0.00	64,643.86
Net Income	2,888,075.00	-2,961,033.52	-153,040.47	-345,254.33	55,735.94	32,919.96	-482,597.42
Total Equity	3,132,937.43	7,405.17	2,251,720.74	72,787.69	70,415.78	195,420.31	5,730,687.12
TOTAL LIABILITIES & EQUITY	3,193,514.82	604,487.02	2,271,209.61	72,787.69	80,627.90	195,420.31	6,418,047.35
UNBALANCED CLASSES	35.39	0.00	-35.39	0.00	0.00	0.00	0.00

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordinance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
Ordinary Income/Expense							
Income							
Interest Income	18.40	1,632.37	26.12	0.00	0.00	0.00	1,676.89
Principal received on notes	0.00	367.63	0.00	0.00	0.00	0.00	367.63
Property Taxes	0.00	0.00	136,308.31	0.00	1,716.89	0.00	138,025.20
Total Income	<u>18.40</u>	<u>2,000.00</u>	<u>136,334.43</u>	<u>0.00</u>	<u>1,716.89</u>	<u>0.00</u>	<u>140,069.72</u>
Gross Profit	18.40	2,000.00	136,334.43	0.00	1,716.89	0.00	140,069.72
Expense							
Administrative	4,468.01	0.00	0.00	0.00	0.00	0.00	4,468.01
Dues and Memberships	8,500.00	0.00	0.00	0.00	0.00	0.00	8,500.00
Economic Grants Issued	0.00	0.00	0.00	99,988.00	0.00	0.00	99,988.00
Professional Services							
Engineering Services	0.00	0.00	0.00	0.00	0.00	9,173.64	9,173.64
Other Professional Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Professional Services	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>9,173.64</u>	<u>9,173.64</u>
Total Expense	<u>12,968.01</u>	<u>0.00</u>	<u>0.00</u>	<u>99,988.00</u>	<u>0.00</u>	<u>9,173.64</u>	<u>122,129.65</u>
Net Ordinary Income	-12,949.61	2,000.00	136,334.43	-99,988.00	1,716.89	-9,173.64	17,940.07
Net Income	<u>-12,949.61</u>	<u>2,000.00</u>	<u>136,334.43</u>	<u>-99,988.00</u>	<u>1,716.89</u>	<u>-9,173.64</u>	<u>17,940.07</u>

At month end the Authority had cash on hand of \$5,727,945.08. The checking account balance was \$2,832,180.02, the savings account was \$746,101.01, and cash being held by Zions Trust amounted to \$2,149,664.05.

Pocatello Development Authority recognized normal financial activity during the month of June. The Authority received revenues totaling \$140,069.72 of which \$1,676.89 was interest earnings on cash invested. The \$2,000.00 received on the note receivable applied \$367.63 towards the principal of the note. There were 2 payments made for May and June this month. Property tax revenue totaled \$138,025.20 for the North Yellowstone District and North Portneuf District.

Expenses for the month totaled \$122,129.65. The expenses included the payment of \$99,988.00 for the Gateway West economic grant. The payment to T-O Engineering totaled \$9,173.64 for the cat ex work on the airport property related to project pipe. The Legislative Fund contribution of \$8,500.00 paid to the Redevelopment Association of ID. The remaining administrative expenses are \$4,468.01 for lunch, meeting supplies, and the annual audit (4,180.00).

Year to date revenues of \$4,074,977.30 (see page 3) are not greater than expenses of \$4,557,574.72. The General Fund District has a net income YTD of \$2,888,075.00.

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>4-Naval Ordinance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
Ordinary Income/Expense							
Income							
Interest Income	131.20	7,369.48	2,611.54	2,227.74	1,173.86	0.60	13,514.42
Miscellaneous Income	2,904,520.93	0.00	0.00	0.00	0.00	0.00	2,904,520.93
Principal received on notes	0.00	1,630.52	0.00	0.00	0.00	0.00	1,630.52
Property Taxes	0.00	0.00	939,923.38	90,788.28	69,241.92	55,357.85	1,155,311.43
Total Income	<u>2,904,652.13</u>	<u>9,000.00</u>	<u>942,534.92</u>	<u>93,016.02</u>	<u>70,415.78</u>	<u>55,358.45</u>	<u>4,074,977.30</u>
Gross Profit	2,904,652.13	9,000.00	942,534.92	93,016.02	70,415.78	55,358.45	4,074,977.30
Expense							
Administrative	5,827.13	1,904,612.06	889,213.68	96,015.35	14,679.84	0.00	2,910,348.06
Debt Service							
Interest	0.00	0.00	81,096.75	0.00	0.00	0.00	81,096.75
Total Debt Service	<u>0.00</u>	<u>0.00</u>	<u>81,096.75</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>81,096.75</u>
Dues and Memberships	10,750.00	0.00	0.00	0.00	0.00	0.00	10,750.00
Economic Grants Issued	0.00	1,065,421.46	122,014.96	342,255.00	0.00	9,314.85	1,539,006.27
Professional Services							
Engineering Services	0.00	0.00	0.00	0.00	0.00	9,173.64	9,173.64
Other Professional Services	0.00	0.00	3,250.00	0.00	0.00	3,950.00	7,200.00
Total Professional Services	<u>0.00</u>	<u>0.00</u>	<u>3,250.00</u>	<u>0.00</u>	<u>0.00</u>	<u>13,123.64</u>	<u>16,373.64</u>
Total Expense	<u>16,577.13</u>	<u>2,970,033.52</u>	<u>1,095,575.39</u>	<u>438,270.35</u>	<u>14,679.84</u>	<u>22,438.49</u>	<u>4,557,574.72</u>
Net Ordinary Income	<u>2,888,075.00</u>	<u>-2,961,033.52</u>	<u>-153,040.47</u>	<u>-345,254.33</u>	<u>55,735.94</u>	<u>32,919.96</u>	<u>-482,597.42</u>
Net Income	<u>2,888,075.00</u>	<u>-2,961,033.52</u>	<u>-153,040.47</u>	<u>-345,254.33</u>	<u>55,735.94</u>	<u>32,919.96</u>	<u>-482,597.42</u>

AGENDA ITEM NO. 3

Idaho Power Site Readiness Evaluation Program Terms and Conditions

The objective of the Site Readiness Evaluation Program (the "Site Readiness Program") is to increase both the available inventory and readiness of sites for industrial development, and to further support the economic development efforts underway by Idaho and Oregon communities and economic development organizations ("EDO(s)") in communities served by Idaho Power Company ("Idaho Power").

The Site Readiness Program and all associated programs are subject to all federal, state, local and municipal laws and regulations and are void where prohibited by law.

In these Terms and Conditions, the term "Participant" means a city, county, municipality, EDO or a Site (as defined below) owner meeting the eligibility criteria described in these Terms and Conditions that submits an application on the form approved by Idaho Power (the "Qualification Application"). A Qualification Application must be submitted by a city, county, municipality, or an EDO on behalf of the owner of a Site.

Eligibility.

Participation in the Site Readiness Program is open only to cities, municipalities, counties or EDOs on behalf of a Site owner and who provide a Qualification Application for a site as described in the Qualification Application (the "Site"). The Site must be located within Idaho Power's authorized service area (encompassing a designated area of southern Idaho and eastern Oregon) and must currently accept, or be eligible to accept, electric service from Idaho Power. Eligibility of Participants and the Site is subject to verification by Idaho Power.

Further, the Site must satisfy the following criteria:

- be a minimum of 50 acres;
- currently zoned for industrial use, or capable of being rezoned for industrial use;
- developable acreage should be located outside of the 100-year flood zone;
- owned by a recognized industrial investor/developer, or available for sale or lease (with a documented price and terms) to prospective industrial investors/developers;
- if the Site is only available for lease, the lease term should be a minimum of 25 years;
- the surrounding properties should also be compatible with industrial uses; and
- the Site must be owned in fee by the Participant or the Site Owner.

Eligibility for participation in the Site Readiness Program and submission of a Qualification Application does not guarantee that the Participant will be selected to receive funding for the Site Evaluation phase of the Site Readiness Program (as described below). Only a limited number of Participants will be selected for the Site Evaluation phase and, accordingly, only a small number of prospective Participants who submit a Qualification Application may ultimately receive funding.

Stage 1: Site Qualification. Participants will prepare and submit Qualification Applications to McCallum Sweeney Consulting ("MSC") for their Site. Participants wishing to have more than one site considered during Stage 1 – Site Qualification may submit additional Qualification Applications at the Participant's own expense. Payment of \$500 per Site, made payable to Idaho Power, must accompany each additional Qualification Application. Idaho Power will hold these funds for payment to MSC to be applied toward the Site Qualification. The funds held by Idaho Power will not bear interest. MSC will provide the Idaho Department of Commerce ("IDOC") and Idaho Power information based on the Qualification Application. Idaho Power will pay MSC for one Qualification Application for each Participant, for one Site.

Completed Qualification Applications are due by June 10, 2015.

Participant Selection and Stage 2 Financial Obligations. Idaho Power and the IDOC will select, in their sole discretion, Sites to receive Stage 2 funding for the Site Evaluation phase of the Site Readiness Program. Idaho Power and the IDOC do not intend to select more than 10 Sites for Stage 2. Participants will be notified of the selection status of the Site in the Qualified Application regarding potential receipt of Stage 2 Site Evaluation funding the week of July 5, 2015. Selected Participants desiring to proceed to Stage 2 Site Evaluation must confirm their ability to meet the financial requirements associated with continued participation in the Site Readiness Program and make a payment of \$6,250 to Idaho Power on or before July 12, 2015. Idaho Power will hold these funds for payment to MSC to be applied toward the Site Evaluation. The funds held by Idaho Power will not bear interest.

Idaho Power and IDOC have sole discretion in selecting Sites to advance to Stage 2 of the Site Readiness Program and shall have no liability to any Participant for non-selection.

It is the responsibility of the Participant to provide accurate and complete information regarding the Site in the Qualification Application, the Evaluation Application (for Stage 2), and in all other materials submitted by Participant or its agents to Idaho Power and MSC.

Stage 2: Site Evaluation. If a Participant is selected to continue to Stage 2 of the Site Readiness Program, it must provide additional Site information requested by MSC and submit a completed Evaluation Application, as detailed in the program materials.

Completed Evaluation Applications are due by August 12, 2015.

After receipt of a completed Evaluation Application and payment for Stage 2 Site Evaluation, MSC will perform an evaluation of the Site and conduct a Site visit. MSC will prepare an assessment of the Site, which will be provided to the IDOC, Idaho Power, and the Participant.

Site Certification.

The Site Readiness Program does not include a Site certification issued by Idaho Power or MSC. If a Participant wishes to have a Site certified as to its readiness for development, the Participant may contract with MSC directly for such services.

Changes to These Terms and Conditions.

Idaho Power reserves the right to modify, suspend, discontinue, or permanently cancel the Site Readiness Program for any reason, and without notice, without liability to Participants or any third party, other than a refund of unused Participant contributions, without interest thereon.

Idaho Power reserves the right to modify these Terms and Conditions from time to time without notice.

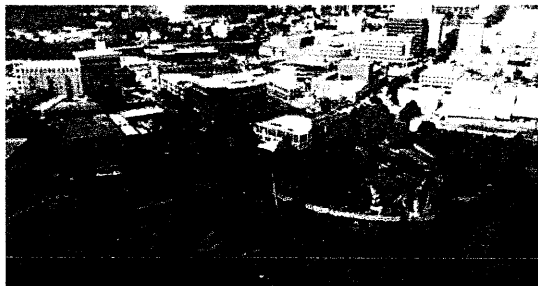
Use of Information.

Participants agree that all information communicated by Idaho Power to a Participant shall be used by the Participant for the sole and exclusive purpose of Participant's participation in the Site Readiness Program and will not be communicated to any third party other than employees and agents of Idaho Power, MSC, or others approved in writing in advance by Idaho Power.

Idaho Power, MSC, and IDOC will not be responsible for archiving or storing any Qualification Applications or Evaluation Application, and thus Participants should retain a copy of the Qualification Applications and Evaluation Applications for Participant's own records.

Overview and History of MSC

- MSC was established in July 2000 by Ed McCallum & Mark Sweeney
- MSC specializes in site selection and incentive negotiation services
- MSC brings 60+ years of combined senior staff location consulting experience to our clients worldwide
- MSC has announced over \$6 billion in investment and 20,000+ jobs
- MSC has certified 100 sites with approximately 100 active properties in either evaluation or certification phases

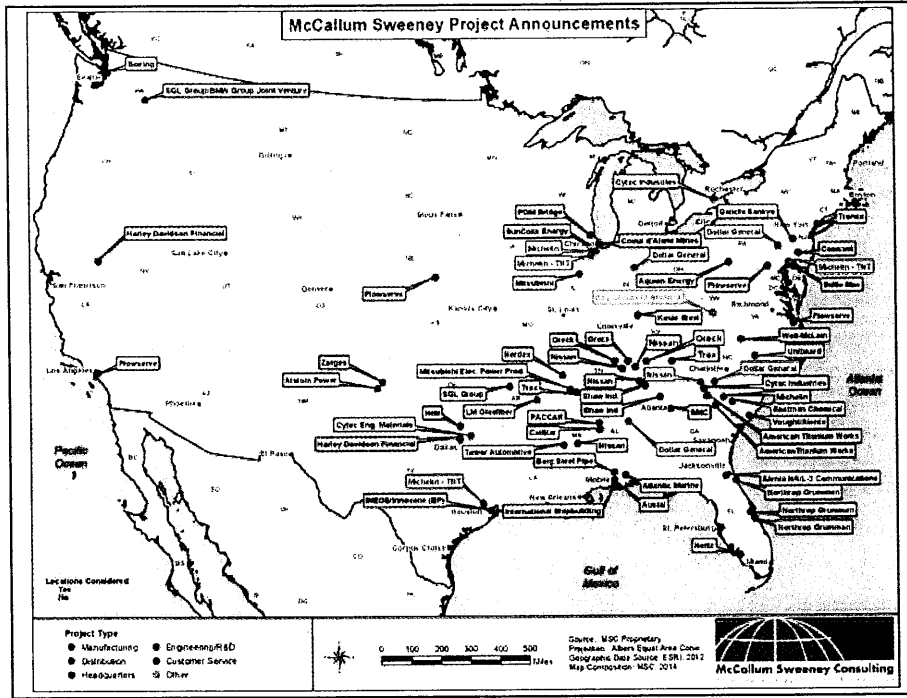


McCallum Sweeney Consulting

MSC Clients – Site Selection

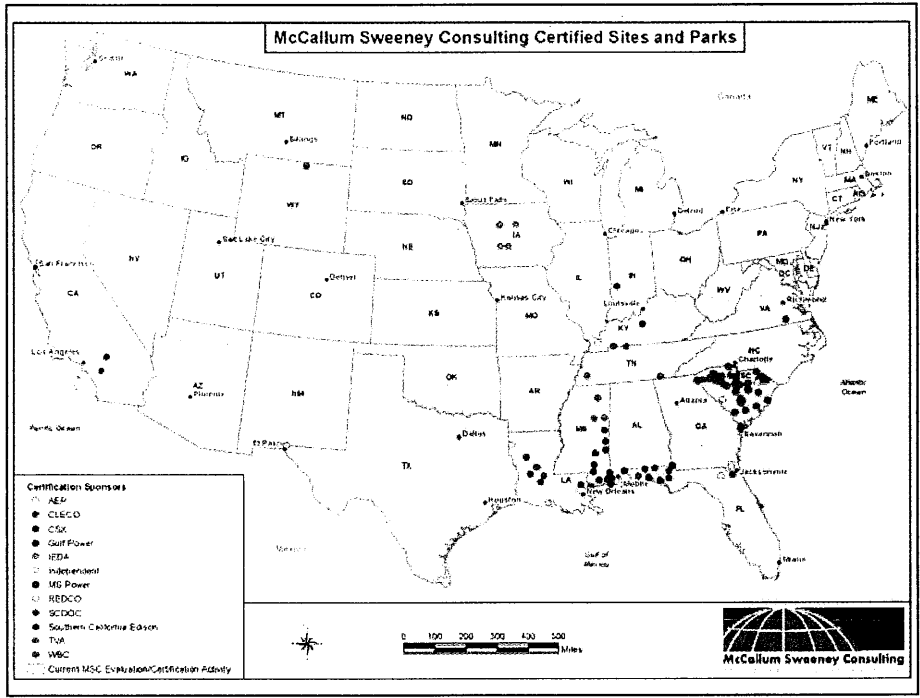


McCallum Sweeney Consulting



MSC Clients – Site Evaluation and Certification

McCallum Sweeney Consulting



Overview of the Site Selection Process

Site Readiness vs. Site Certification

- Site Readiness Programs
 - Identify property strengths and weaknesses
 - Determine path forward for improving “readiness” of site
 - High level review of property

- Site Certification Programs
 - Provide documentation that assures the property has:
 - Availability (ownership, control)
 - Servability (can be served by utilities)
 - Developability (natural features, environmental risks)
 - Offers minimal development and schedule risk – wealth of knowledge on property

Why Ready Sites?

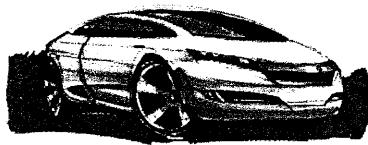
- Companies are Very Deadline Driven
 - Once a market opportunity is identified, company does not want to take much time
 - In selecting location
 - In getting up and running
 - Looking for sites ready for quick development
 - Has influenced the process of site selection
 - Communities with ready or certified sites have competitive advantage

Benefits of Ready and Certified Sites

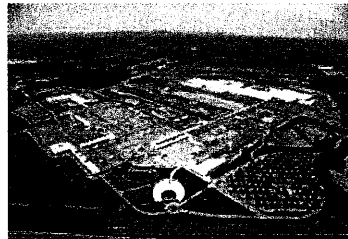
- Allows for effective pro-active marketing
- Prepares you for better re-active marketing
- Educates you on the site's strengths and weaknesses
- Prepares you to offer development assistance as may be needed
- Speeds up development schedule by having due diligence completed
- Present properties that offer a company a minimum development schedule and minimal risks

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How Site Readiness Impacts a Company Financially



\$35,000



100,000 vehicles annually
(~8,000 per month)

Sales by Having a Ready Site:

- Sales Per Month: \$280,000,000
- Three Months: \$840,000,000
- Six Months: \$1,680,000,000
- Twelve Months: \$3,360,000,000

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Program Overview

- Objective
 - To increase both the available inventory and readiness of sites for industrial development, and to further support the economic development efforts underway in Idaho and Oregon communities served by Idaho Power.

- Phases
 - Kick-off and Qualification
 - Site Evaluation
 - No outside engineering assistance required
 - High level evaluation to determine strength and weaknesses
 - Site Evaluation **does not equal** Site Certification

- Categories
 - Four site categories (General Industrial, Large, Super, Mega)
 - Three park categories (General Industrial, Large, Super)
 - Utility requirements scaled to fit each category

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Site versus Park

- Site (4 categories: General Industrial, Large, Super, and Mega)
 - An industrial site is defined as a property that is appropriate for a single industrial user, meaning there are no impediments to development or mitigation for any known impediments can be accomplished in less than 90 days.

- Park (3 categories: General Industrial, Large, and Super)
 - A park is defined as property that is appropriate for multiple industrial users, meaning that the total acreage is subdividable into multiple parcels. While there may be impediments to developability within the park (streams, roads, utility easements, etc), the park will have multiple developable, contiguous acreages identified and will have the assets necessary to support industrial facilities.

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Site versus Park – Example



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Process and Schedule

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Site Qualification

1. Attend kick-off event or review kick-off presentation.
 - This presentation and the Qualification Application will be distributed following this presentation.
2. Complete and submit the Qualification Application including the required attachments (9).
 - MSC is available to answer any questions or help you determine which category is best for your property.
 - Completed applications must be submitted by **June 10, 2015**.
 - Applications should be submitted via email to McCallum Sweeney Consulting, Idaho Power Company, and Idaho Department of Commerce.
3. Applicants will be notified of their selection status the **week of July 5, 2015**.

Site Evaluation

4. If invited to participate in the Site Evaluation Phase, you will receive the Program Materials and the Questionnaire.
5. Complete and submit an Evaluation Application
 - Fill out the Questionnaire and complete the items in the Items Requested for Evaluation found in the Program Materials.
 - Completed applications must be submitted by **August 12, 2015**.
 - Proposals must be submitted to McCallum Sweeney Consulting, Idaho Power, and Idaho Department of Commerce. (Instructions will be found in the Program Materials.)
6. MSC reviews the Phase II Evaluation Applications
 - After our review, MSC will provide a letter indicating items that will need to be addressed during the site visit.
 - Letters will be issued approximately two weeks prior to your site visit.

Site Evaluation, continued

7. Site Visit

- The visit will be conducted similar to visits made for site selection projects.
- Site visits are planned for the week of **September 13, 2015**.
- Visits will be scheduled during July once the properties have been selected to participate in the Site Evaluation Phase.
- Site Visit Letter will detail what to cover during the site visit.

8. Evaluation Phase Deliverable

- Deliverable will include an assessment of the Site Evaluation Application and Site Visit and an evaluation of the property including strengths, weaknesses, and recommendations.
- Deliverable will be provided by the **end of October 2015**.

Schedule Overview

Kick-off and Qualification

Kick-off Presentation	May 19-20, 2015
Deadline to Submit a Qualification Application	June 10, 2015
Applicant Receives Selection Status Notification	Week of July 5, 2015

Site Evaluation

Deadline to Submit an Evaluation Application	August 12, 2015
Site Visits	Week of September 13, 2015
Applicant Receives Evaluation Phase Deliverable	Late October 2015

What Will It Cost to Participate?

- Idaho Power will pay for the program design costs, and the cost associated with review and assessment of one Qualification Application per applicant.
- Applicants wishing to have more than one site considered may submit additional Qualification Applications at their own expense. A payment of \$500 to Idaho Power must be submitted with each additional Qualification Application.
- Selected applicants desiring to proceed to the Site Evaluation stage must confirm their ability to meet the financial requirements associated with continued participation in the program, and make a payment of \$6,250 to Idaho Power on or before July 12, 2015. Idaho Power will hold these funds for payment to MSC, to be applied toward the Site Evaluation.

Evaluation Criteria Guidelines

AGENDA ITEM

NO. 4

CRAIG W. CHRISTENSEN, CHARTERED

414 SOUTH GARFIELD
P.O. BOX 130
POCATELLO, IDAHO 83204-0130
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Craig W. Christensen
Attorney at Law

Admitted in Idaho & Utah
Certified by the American
Board of Certification

July 9, 2015

Positron Systems, Inc.
c/o T. Erik Oaas
411 South 6th Street
Boise, ID 83_____

Re: Pocatello Development Authority v. Positron, et al
Case No. CV-2015-1377-OC

THIS SETTLEMENT PROPOSAL IS CONFIDENTIAL AS ARE ALL DOCUMENTS PREPARED BY THE PARTIES PERTAINING THERETO. THE MEETING AND THE EXCHANGE OF DOCUMENTS AND ANY WRITTEN OR ORAL STATEMENTS MADE OR SUBMITTED BY AN ATTORNEY OR A PARTY AT THE JUNE 11, 2015 MEETING, OR AS EMBODIED HEREIN SHALL NOT BE ADMISSIBLE IN EVIDENCE IN ANY JUDICIAL PROCEEDING FOR ANY PURPOSE AND SHALL NOT BE SUBJECT TO DISCOVERY.

Dear Mr. Oaas:

Pursuant to our recent discussions, Pocatello Development Authority has elected to reject the Positron Systems, Inc. settlement proposal communicated to the Pocatello Development Authority at our joint meeting held June 11, 2015.

I have been authorized, however, to submit a counter-proposal to you in an attempt to amicably resolve the disputes between the parties and as embodied in the above referenced civil litigation.

The Positron Systems, Inc. ("Positron") settlement proposal embodied the following:

1. Positron relinquish full control and rights of ownership to PDA
2. Positron relinquish full control and rights of lease to ISU
3. Ask for \$100,000 - based upon value of the building; cost to replace is \$2.1 million and is value
4. Reciprocal releases of parties

Positron Systems, Inc.
c/o T. Erik Oaas
Page 2
July 9, 2015

Those terms, are the basis for the counter-proposal with modification and supplementation. After reviewing the documentation and facts of the case, it appears that:

1. On September 30, 2003, Idaho State University ("ISU"), entered in to a Lease Agreement with Positron;
2. The lease was to continue for a period of fifty (50) years, and through September 30 2053;
3. Positron was to construct an accelerator cell building, with appurtenant utility connections, access ways, parking areas and landscaping;
4. Positron was authorized to, and in fact did, encumber its leasehold interest in the Leased Premises, together with all buildings and improvements constructed by Positron on the Leased Premises to the Pocatello Development Authority ("PDA");
5. ISU subordinated its interest in the Leased Premises to the encumbrance with PDA;
6. On December 16, 2003, Positron entered into an Economic Development Loan Agreement with PDA for a \$400,000.00 loan;
7. Positron used the \$400,000.00 loan for the development and construction of the accelerator cell building at the Accelerator Center;
8. On March 25, 2004, Positron executed and delivered to PDA a Deed of Trust Note in the principal amount of \$400,000.00 with interest thereon at the rate of 0.0% per annum, "payable within seven (7) years from completion of the construction of the building at the Idaho Accelerator Center more particularly described in said Deed of Trust";
9. To secure the payment of said Deed of Trust Note Positron, executed to PDA its Deed of Trust and pledged as collateral "that certain real property interest in the form of leasehold with respect to real property located in Bannock County, Idaho, and more particularly described in Exhibit "A" hereto, together with real property improvements thereon"....;
10. Positron completed development and the physical construction of the new accelerator cell and improvements at the Accelerator Center;
11. Positron failed to pay the Deed of Trust Note upon its maturity, i.e. March 24, 2011, or upon the two (2) year extension date, ie. March 15, 2013;

12. On April 17, 2013, the PDA decided not to further extend the maturity deadline past March 15, 2013 and to call the entire indebtedness due and payable in full;
13. Positron, is in default under the terms and conditions of the Economic Development Loan Agreement, Deed of Trust Note, and the Deed of Trust;
14. PDA elected to accelerate the payment of the entire indebtedness due and owing under the Deed of Trust Note;
15. As of April 8, 2015, the balance due and payable on the Deed of Trust Note, was the sum of \$497,841.14, comprised of a principal balance of \$400,000.00; accrued interest of \$97,841.14; late charges of \$ -0-; and advances of \$-0-; plus advances for the Alliance Title & Escrow Corp Litigation Guarantee. Interest accrues at the rate of twelve percent (12.0%) per annum from March 25, 2013 ("money after the same comes due" per I.C. § 28-22-104(1)(2)) until paid in full (i.e. \$131.51 per day);
16. PDA is entitled to a deficiency judgment against Positron, to the extent that the proceeds from the sale of the real property leasehold interest are insufficient to pay the total indebtedness, costs and attorney fees.

COUNTERPROPOSAL BY POCATELLO DEVELOPMENT AUTHORITY

The counterproposal to resolve all issues includes the following terms and provisions:

1. Positron and ISU shall acknowledge the validity and enforceability of the Deed of Trust Note and Deed of Trust, Lease Agreement, Economic Development Loan Agreement and underlying documentation.
2. Positron and ISU acknowledge the default under the terms of Deed of Trust Note and Deed of Trust, Lease Agreement, Economic Development Loan Agreement and underlying documentation.
 - A. Positron and ISU acknowledge the default by Positron in the payment of monies due and owing to PDA.
 - B. Positron and ISU shall acknowledge the amount of total debt as of April 8, 2015, the balance due and payable on the Deed of Trust Note, was the sum of \$497,841.14, comprised of a principal balance of \$400,000.00; accrued interest of \$97,841.14; late charges of \$ -0-; and advances of \$-0-; plus advances for the Alliance Title & Escrow Corp

Litigation Guarantee. Interest accrues at the rate of twelve percent (12.0%) per annum from March 25, 2013 ("money after the same comes due" per I.C. § 28-22-104(1)(2)) until paid in full (i.e. \$131.51 per day).

- C. Positron acknowledge the default by Positron in the payment of utilities due ISU in the approximate amount of \$40,000.00.
3. Positron and ISU acknowledge the 1st lien priority of the PDA mortgage and security interest by "Deed of Trust encumbering the Positron interest of the long-term lease with Idaho State University, together with the improvements (research and test facility) to be constructed thereon."
4. Positron and ISU acknowledge the right of PDA to foreclose on the collateral (i.e. "long-term lease with Idaho State University, together with the improvements (research and test facility) to be constructed thereon."
5. Positron and ISU acknowledge the right of PDA to conduct a sheriff's sale as part of foreclosure of the D/T interest in the long term lease with ISU and improvements constructed on the facility.
 - A. Alternatively to have Positron execute a Deed in Lieu of Foreclosure and attendant documentation (if acceptable to Alliance Title Company in lieu of conducting a sheriff's sale).
6. Positron and ISU relinquish full control and rights of ownership to PDA of the "long-term lease with Idaho State University, together with the improvements (research and test facility) to be constructed thereon."
 - A. ISU shall retain its "Lessor interests" in the real property pursuant to the underlying documentation.
 - B. ISU acknowledge the "Subordination" agreement from ISU to PDA.
7. Positron shall remove at its sole cost and expense from the "Leased Premises" all personal property owned by Positron, including specifically the accelerator cell, its component parts and accessories associated therewith located at the Accelerator Center or located on the "Leased Premises".
 - A. Removal of the personal property and the accelerator cell, its component parts and accessories associated therewith located at the Accelerator Center or on the "Leased Premises" shall occur within thirty (30) days of the date hereof.

- B. Positron personnel and ISU personnel shall meet within seven (7) days of the date hereof to inventory the personal property and reach an agreement with regard to ownership and removal of said personal property owned by Positron, including specifically the accelerator cell, its component parts and accessories associated therewith.
- C. Any personal property owned by ISU shall remain the property of ISU and shall remain at the facility.
- D. In the event Positron and ISU cannot amicably resolve the dispute as to ownership and/or removal of the personal property, or any other issues related thereto, those issue(s) shall be submitted to the Idaho State Courts for resolution.
 - (1) The prevailing party shall be entitled to an award of its costs and reasonable attorney fees incurred in proceeding with such dispute resolution, including those costs and attorney fees incurred in any administrative proceeding, the state courts, any federal court, bankruptcy court, or any appellate court proceedings.
- E. In the event Positron shall fail to remove the said personal property owned by Positron, including specifically the accelerator cell, its component parts and accessories associated therewith within thirty (30) days from date hereof, then ISU shall be authorized to take any and all steps it deems necessary to physically remove and dispose of the personal property, accelerator cell, its component parts and accessories associated therewith located at the Accelerator Center, including hiring third parties to remove and dispose of the accelerator cell, its component parts and accessories.
 - (1) ISU shall be entitled to an award of damages in the amount of the costs expended by ISU to consummate such removal and disposition, or in the amount of the costs which are expended by the independent third parties to consummate such removal and disposition of the personal property, as well as any and all other damages which might arise in connection therewith.
- F. Positron shall restore the Accelerator Center and facility to the same condition and specifications which existed prior to the installation of the

accelerator cell, its component parts and accessories associated therewith, reasonable wear and tear accepted.

- (1) In the event Positron shall fail to restore the Accelerator Center to the same condition and specifications, then ISU shall be authorized to take any and all steps deemed necessary to make such restoration, including hiring third parties to complete the restoration.
 - (2) ISU shall be entitled to an award of damages in the amount of the costs expended by ISU to restore the premises, or in the amount of the costs which are expended by the independent third parties to restore the premises.
8. Any rights of Positron under the Lease Agreement with ISU shall be terminated.
 9. Positron shall relinquish to ISU full control and of any rights under the Lease Agreement.
 - A. ISU shall terminate Lease Agreement with Positron.
 - B. ISU shall forgive the utility obligations of Positron to ISU.
 10. PDA will offset the unpaid interest on the Deed of Trust Note (of approx. \$100,000) against the \$100,000 Positron requested repayment.
 11. PDA shall accept the surrender and delivery of the security interest and mortgage granted to PDA in full and complete settlement of the Deed of Trust Note.
 12. Each party shall release any and all claims which it had, has, or may have against any or all of the other parties.
 - A. Positron shall indemnify and hold harmless PDA and ISU from any and all environmental or hazardous materials or radiation sources located at the facility or used in conjunction with the accelerator and properties located therein or with any remediation hereafter associated therewith.
 13. Positron shall submit to PDA and ISU a statement which provides in part that no hazardous materials, environmentally hazardous properties, or radiation sources are stored or located at the facility.
 - A. Positron shall indemnify and hold harmless ISU and PDA of any claims arising thereunder or pertaining thereto.
 14. The Settlement Agreement must be reduced to writing.
 - A. The Settlement Agreement must be reviewed and approved by ISU, PDA and Positron.

- B. The Settlement Agreement must be "insurable" by Alliance Title so that Alliance Title will issue an owners title policy to ISU and an Owner's title policy to PDA of the "Deed of Trust encumbering the Positron interest of the long-term lease with Idaho State University, together with the improvements (research and test facility) to be constructed thereon."
- 15. Each party shall be responsible for its own costs and attorney fees.
- 16. In the event a deed in lieu of foreclosure procedure is acceptable to Alliance Title Company then dismissal of the lawsuit shall be dependent upon execution of the Settlement Agreement and attendant documentation and pleadings.
 - A. Dismissal of the lawsuit shall be with prejudice but the terms of the Settlement Agreement shall continue to be binding on the parties.
- 17. In the event a deed in lieu of foreclosure is **not** acceptable to Alliance Title Company then the case shall not be dismissed and the parties shall execute a Stipulation and a Judgment which embodies the terms of the Settlement Agreement.
 - A. PDA shall proceed with a sheriff's sale of the mortgage and security interest.
 - B. Positron shall waive any "statutory right of redemption".
- 18. ISU shall agree to amicably work with PDA for a new tenant to occupy the facility for the balance of the remaining lease term.
 - A. The lease payments received from the new tenant for the remaining lease term shall be applied to the outstanding judgment amount.
 - B. PDA shall begin receiving monthly/annual payments from the new tenant to reduce its \$400,000 loan - as agreed upon between ISU, PDA and the new tenant.
- 19. ISU shall work with PDA to conduct a survey and prepare a legal description of the easement/right of way/access to the building structure.
 - A. Positron, ISU and PDA shall include the "survey" description in the Settlement Agreement.
 - B. The survey description shall be in a form satisfactory to Alliance Title so that the legal description can be included in the title insurance ownership policies).

Positron Systems, Inc.
c/o T. Erik Oaas
Page 8
July 9, 2015

20. In the event of a dispute between the parties with regard to the Settlement Agreement, those issue(s) shall be submitted to the Idaho State Courts for resolution.

(1) The prevailing party shall be entitled to an award of its costs and reasonable attorney fees incurred in proceeding with such dispute resolution, including those costs and attorney fees incurred in any administrative proceeding, the state courts, any federal court, bankruptcy court, or any appellate court proceedings.

This counterproposal shall remain available for acceptance for a period of _____ (____) days from today. At 5:00 p.m. on July _____, 2015, the counterproposal shall terminate.

In the event the counterproposal is unacceptable to Positron then the Answer to the Complaint shall be filed by Positron on or before July 17, 2015.

Sincerely,

Craig W. Christensen

jh

cc: Mike Orr
Dean Tranmer
Kirk Bybee
David Alexander

Olsen, Tiffany

From: Olsen, Tiffany
Sent: Monday, June 22, 2015 10:55 AM
To: 'Craig W Christensen'
Cc: Orr, Michael; Bybee, Kirk; Tranmer, Dean
Subject: Positron Systems, Inc. Counter-Offer by PDA

Good Morning Craig:

At the PDA meeting today, the vote for approval of the following counter-proposal passed:

1. Acceptance and possession of the Positron building and all improvements thereon via Deed in Lieu of Foreclosure.
2. Positron rights under the long-term lease with ISU is terminated.
3. PDA will offset unpaid interest on the Deed of Trust Note (of approx. \$100,000) against the requested \$100,000 Positron requested payment (based upon Positron's valuation of the building).
4. Reciprocal releases of claims for all parties – including an exception for hazardous materials
5. Disclosure by Positron that nothing hazardous is stored at the facility and Positron will hold PDA and ISU harmless with regard to any such materials and/or reclamation.
6. Settlement Agreement must be insurable by Alliance Title so it can issue a Owners Title Policy to the PDA of the "Deed of Trust encumbering the Positron interest of the long-term lease with ISU, together with improvements (research and test facility) to be constructed thereon."
7. Dismissal of lawsuit dependent upon execution of Settlement Agreement.

If you have any questions, please do not hesitate to ask. Mr. Orr will not have email access from tomorrow to July 1. If you should need to reach him directly, please contact him at 251-7662.

Thank you,

Tiffany G. Olsen
Paralegal/Assistant to the City Attorney
City of Pocatello
911 North 7th, P.O. Box 4169
Pocatello, ID 83205
Telephone: (208) 234-6149
Facsimile: (208) 239-6986

votes in favor include:

*Orr
Carr
Ottaway
Fisher
Hill
Tigert
Meyers*

Olsen, Tiffany

From: Linda Tigert <lindat@bannockcounty.us>
Sent: Monday, June 22, 2015 8:28 AM
To: Olsen, Tiffany
Subject: RE: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Thanks for the clarification Tiffany.
I vote yes.

Linda Tigert

Bannock County
208-236-7215

From: Olsen, Tiffany [mailto:tolsen@pocatello.us]
Sent: Wednesday, June 17, 2015 4:10 PM
To: Chad Carr; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert; Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merril; Orr, Michael; Russ Meyers; Steve Smith; Stroschein, Joyce; Thomas Ottaway; Olsen, Tiffany
Subject: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)
Importance: High

Board Members:

The PDA Meeting today adjourned at 12:15pm when we lost our quorum. The only item on the Agenda we were not able to complete with a vote was an update on Positron Systems, Inc.

Agenda Item No. 8: Positron Systems, Inc. Litigation Update.

The PDA's attorney Craig Christensen, Chair Orr, Dave Bagley (ISU), Erik Oaas (Positron President and CEO) and myself met on June 11, 2015 to discuss the pending lawsuit and potential settlement options. We all agreed the settlement negotiations were not binding.

Positron's settlement proposal consisted of:

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2. PDA will pay Positron \$100,000 as consideration of the building and improvements.
3. PDA and the City will forever release Positron from any past, present or future liability related to the facility.
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THE EMAIL VOTE NEEDED IS FOR PERMISSION TO SEND THE FOLLOWING COUNTER SETTLEMENT PROPOSAL:

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Mr. Christensen and Chair Orr would like to propose this offer and resolve the litigation by June 30th. Your immediate attention is appreciated.

PLEASE RETURN THIS EMAIL WITH YOUR VOTE OF "YES" OR "NO" TO THE ABOVE PROPOSAL.

The vote will be ratified at the next regularly scheduled PDA Meeting on July 15, 2015.

Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

911 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

Facsimile: (208) 239-6986

Olsen, Tiffany

From: Cynthia Hill <hillcynt@isu.edu>
Sent: Sunday, June 21, 2015 6:26 PM
To: Larry Fisher
Cc: Olsen, Tiffany; Chad Carr; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill; Orr, Michael; Russ Meyers; Steve Smith; Stroschein, Joyce; Thomas Ottaway
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Yes.

Best,

Cindy

On Sat, Jun 20, 2015 at 12:18 PM, Larry Fisher <larry@blackswaninn.com> wrote:

Yes vote.

Larry

On Wed, Jun 17, 2015 at 4:09 PM, Olsen, Tiffany <tolsen@pocatello.us> wrote:

PDA Board Members:

The PDA Meeting today adjourned at 12:15pm when we lost our quorum. The only item on the Agenda we were not able to complete with a vote was an update on Positron Systems, Inc.

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PLEASE RETURN THIS EMAIL WITH YOUR VOTE OF “YES” OR “NO” TO THE ABOVE PROPOSAL.

The vote will be ratified at the next regularly scheduled PDA Meeting on July 15, 2015.

Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

911 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

Facsimile: (208) 239-6986

--
ynthia D. Hill, PhD
Professor, Economics
Executive Director, Student Success Center
Stop 8010
Idaho State University
Pocatello, ID 83209
208.282.3662
208.282.4945

Olsen, Tiffany

From: Larry Fisher <larry@blackswaninn.com>
Sent: Saturday, June 20, 2015 12:18 PM
To: Olsen, Tiffany
Cc: Chad Carr; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill; Orr, Michael; Russ Meyers; Steve Smith; Stroschein, Joyce; Thomas Ottaway
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Yes vote.
Larry

On Wed, Jun 17, 2015 at 4:09 PM, Olsen, Tiffany <tolsen@pocatello.us> wrote:

PDA Board Members:

The PDA Meeting today adjourned at 12:15pm when we lost our quorum. The only item on the Agenda we were not able to complete with a vote was an update on Positron Systems, Inc.

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Positron will provide a reciprocal release to the PDA and the City.

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- .. Dismissal of lawsuit dependent upon execution of Settlement Agreement.

Mr. Christensen and Chair Orr would like to propose this offer and resolve the litigation by June 30th. Your immediate attention is appreciated.

PLEASE RETURN THIS EMAIL WITH YOUR VOTE OF "YES" OR "NO" TO THE ABOVE PROPOSAL.

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Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

911 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

Facsimile: (208) 239-6986

Olsen, Tiffany

From: Thomas Ottaway <ottathom@isu.edu>
Sent: Thursday, June 18, 2015 12:55 PM
To: Carr, Chad
Cc: Orr, Michael; Olsen, Tiffany; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill; Russ Meyers; Steve Smith; Stroschein, Joyce
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Yes.

Thanks,

Tom

On Thu, Jun 18, 2015 at 7:31 AM, Carr, Chad <Chad.Carr@centurylink.com> wrote:

Vote yes

Thanks

Chad Carr

208-589-7500



From: Michael Orr [mailto:spcllc@cableone.net]
Sent: Wednesday, June 17, 2015 5:21 PM
To: Olsen, Tiffany
Cc: Carr, Chad; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill ; Russ Meyers; Steve Smith; Stroschein, Joyce ; Thomas Ottaway
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Vote yes

Sent from my Verizon Wireless 4G LTE DROID

Olsen, Tiffany" <tolsen@pocatello.us> wrote:

PDA Board Members:

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Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

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This communication is the property of CenturyLink and may contain confidential or privileged information. Unauthorized use of this communication is strictly prohibited and may be unlawful. If you have received this communication in error, please immediately notify the sender by reply e-mail and destroy all copies of the communication and any attachments.

--

Thomas A. Ottaway, Ph.D.
Dean and Professor of Informatics
College of Business
Idaho State University
921 South 8th Street
Pocatello, ID 83209-8020
(208) 282-2601

discover OPPORTUNITY

Olsen, Tiffany

From: Carr, Chad <Chad.Carr@CenturyLink.com>
Sent: Thursday, June 18, 2015 7:31 AM
To: Orr, Michael; Olsen, Tiffany
Cc: 'Cynthia Hill'; Tranmer, Dean; 'Doran Lambson'; Jaglowski, Michael; 'John Regetz'; 'Larry Fisher'; 'Linda Tigert (lindat@bannockcounty.us)'; Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill; 'Russ Meyers'; 'Steve Smith'; Stroschein, Joyce; 'Thomas Ottaway'
Subject: RE: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Vote yes

Thanks

Chad Carr
208-589-7500



From: Michael Orr [mailto:spcllc@cableone.net]
Sent: Wednesday, June 17, 2015 5:21 PM
To: Olsen, Tiffany
Cc: Carr, Chad; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill ; Russ Meyers; Steve Smith; Stroschein, Joyce ; Thomas Ottaway
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Vote yes

Sent from my Verizon Wireless 4G LTE DROID

"Olsen, Tiffany" <tolsen@pocatello.us> wrote:

PDA Board Members:

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PLEASE RETURN THIS EMAIL WITH YOUR VOTE OF "YES" OR "NO" TO THE ABOVE PROPOSAL.

he vote will be ratified at the next regularly scheduled PDA Meeting on July 15, 2015.

Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

911 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

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Olsen, Tiffany

From: Russ Meyers <russmeyers@gmail.com>
Sent: Thursday, June 18, 2015 2:51 AM
To: Olsen, Tiffany; Orr, Michael
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Why are we paying them 100,000? Don't they owe us much more than that? Can we recoup the money through selling or re leasing the property?

On Jun 18, 2015, at 12:09 AM, Olsen, Tiffany <tolsen@pocatello.us> wrote:

PDA Board Members:

The PDA Meeting today adjourned at 12:15pm when we lost our quorum. The only item on the Agenda we were not able to complete with a vote was an update on Positron Systems, Inc.

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PLEASE RETURN THIS EMAIL WITH YOUR VOTE OF “YES” OR “NO” TO THE ABOVE PROPOSAL.

The vote will be ratified at the next regularly scheduled PDA Meeting on July 15, 2015.

Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

911 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

Facsimile: (208) 239-6986

Olsen, Tiffany

From: Michael Orr <spcllc@cableone.net>
Sent: Wednesday, June 17, 2015 5:21 PM
To: Olsen, Tiffany
Cc: Chad Carr; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill; Russ Meyers; Steve Smith; Stroschein, Joyce; Thomas Ottaway
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Vote yes

Sent from my Verizon Wireless 4G LTE DROID

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1. Relinquishment of full control and rights of ownership to the Positron building (via execution of a Deed in Lieu of Foreclosure). This would include Positron's leasehold interest and all improvements.
2. PDA will pay Positron \$100,000 as consideration of the building and improvements.
3. PDA and the City will forever release Positron from any past, present or future liability related to the facility.
4. Positron will provide a reciprocal release to the PDA and the City.

THE EMAIL VOTE NEEDED IS FOR PERMISSION TO SEND THE FOLLOWING COUNTER SETTLEMENT PROPOSAL:

PDA's counter settlement proposal (in-concept – not finalized):

1. Acceptance and possession of the Positron building and all improvements thereon via Deed in Lieu of Foreclosure.
2. Positron rights under the long-term lease with ISU is terminated.
3. PDA will offset unpaid interest on the Deed of Trust Note (of approx. \$100,000) against the requested \$100,000 Positron requested payment (based upon Positron's valuation of the building).
4. Reciprocal releases of claims for all parties – including an exception for hazardous materials
5. Disclosure by Positron that nothing hazardous is stored at the facility and Positron will hold PDA and ISU harmless with regard to any such materials and/or reclamation.
6. Settlement Agreement must be insurable by Alliance Title so it can issue a Owners Title Policy to the PDA of the "Deed of Trust encumbering the Positron interest of the long-term lease with ISU, together with improvements (research and test facility) to be constructed thereon."
7. Dismissal of lawsuit dependent upon execution of Settlement Agreement.

Mr. Christensen and Chair Orr would like to propose this offer and resolve the litigation by June 30th. Your immediate attention is appreciated.

PLEASE RETURN THIS EMAIL WITH YOUR VOTE OF "YES" OR "NO" TO THE ABOVE PROPOSAL.

The vote will be ratified at the next regularly scheduled PDA Meeting on July 15, 2015.

Thank you,

Tiffany G. Olsen

Paralegal/Assistant to the City Attorney

City of Pocatello

11 North 7th, P.O. Box 4169

Pocatello, ID 83205

Telephone: (208) 234-6149

Facsimile: (208) 239-6986

Olsen, Tiffany

From: Thomas Ottaway <ottathom@isu.edu>
Sent: Thursday, June 18, 2015 12:55 PM
To: Carr, Chad
Cc: Orr, Michael; Olsen, Tiffany; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill; Russ Meyers; Steve Smith; Stroschein, Joyce
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Yes.

Thanks,

Tom

On Thu, Jun 18, 2015 at 7:31 AM, Carr, Chad <Chad.Carr@centurylink.com> wrote:

Vote yes

Thanks

Chad Carr

208-589-7500



From: Michael Orr [mailto:spcllc@cableone.net]
Sent: Wednesday, June 17, 2015 5:21 PM
To: Olsen, Tiffany
Cc: Carr, Chad; Cynthia Hill; Tranmer, Dean; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Crowell, Lonnie; Kendell, Konni; McCulla, Aceline; Quayle, Merrill ; Russ Meyers; Steve Smith; Stroschein, Joyce ; Thomas Ottaway
Subject: Re: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)

Vote yes

Sent from my Verizon Wireless 4G LTE DROID

Olsen, Tiffany" <tolsen@pocatello.us> wrote:

PDA Board Members:

The PDA Meeting today adjourned at 12:15pm when we lost our quorum. The only item on the Agenda we were not able to complete with a vote was an update on Positron Systems, Inc.

Agenda Item No. 8: Positron Systems, Inc. Litigation Update.

The PDA's attorney Craig Christensen, Chair Orr, Dave Bagley (ISU), Erik Oaas (Positron President and CEO) and myself met on June 11, 2015 to discuss the pending lawsuit and potential settlement options.

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Thomas A. Ottaway, Ph.D.
Dean and Professor of Informatics
College of Business
Idaho State University
921 South 8th Street
Pocatello, ID 83209-8020
(208) 282-2601

discover OPPORTUNITY

Olsen, Tiffany

From: Olsen, Tiffany
Sent: Wednesday, June 17, 2015 4:10 PM
To: Chad Carr; Cynthia Hill; Dean Tranmer; Doran Lambson; Jaglowski, Michael; John Regetz; Larry Fisher; Linda Tigert (lindat@bannockcounty.us); Lon Crowell; Mayor Blad; McCulla, Aceline; Merrill Quayle; Michael Orr; Russ Meyers; Steve Smith; Stroschein, Joyce; Thomas Ottaway; Tiffany Olsen
Subject: EMAIL VOTE: Positron Systems, Inc. Litigation Update (Agenda Item No. 8)
Importance: High

PDA Board Members:

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AGENDA ITEM

NO. 5

**AGREEMENT PROVIDING FOR REPAYMENT AND
CONVEYANCE OF REAL PROPERTY**

This Agreement is made and entered into this ____ day of _____ 2015, between the City of Pocatello, a municipal corporation (hereinafter referred to as the "City") whose address is 911 North 7th Avenue, Pocatello, Idaho, 83201, and the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho (hereinafter referred to as "PDA") whose address is 911 North 7th Avenue, Pocatello, Idaho, 83201.

WITNESSETH:

1. The City of Pocatello acquired the property more particularly described in the attached and incorporated herein Exhibit "A", and most commonly and hereinafter referred to as the "Hoku Site" on February 8, 2007 via Bannock County Recording No. 20705326, in the amount of \$912,571.82.
2. The City of Pocatello acquired the property more particularly described in the attached and incorporated herein Exhibit "B", and most commonly and hereinafter referred to as the "Kraft Road Access" on June 13, 2008 via Bannock County Recording No. 20901600, the amount of \$147,562.11.
3. On March 22, 2007, the City leased the property to Hoku Materials, Inc., a Delaware Corporation, who engaged in the construction and development of the property.
4. In May 2007, the Pocatello Development Authority created the North Portneuf Urban Renewal Area and Revenue Allocation District ("NP Plan") which encompasses the properties referenced in Exhibits "A" and "B." A copy of the NP Plan is attached hereto and incorporated herein as Exhibit "C."
5. Within said NP Plan, the City sought reimbursement from the tax increment flow expected to be generated by increased valuation from the North Portneuf Revenue Allocation District funds for its capital contributions (property purchase and other expenditures) in the anticipated amount of \$1,361,528.00.
6. On May 20, 2009, an Economic Development Grant Agreement was entered into between the Pocatello Development Authority and Hoku Materials, Inc. A copy of said Agreement is attached hereto and incorporated herein as Exhibit "D."
7. As a provision for PDA's payment of economic development funds under the Economic Development Grant Agreement, the PDA was to reimburse the City up to two million dollars (\$2,000,000.00) for capital reimbursement costs by making annual payments of 5% of the Revenue Allocation District funds. It is unclear how this two million dollar figure was derived.

8. In July 2013, Hoku Materials, Inc. filed for bankruptcy protection in the United States Bankruptcy Court in the District of Idaho under Case No. 13-40837 and thereby is not able to meet its obligations under said Economic Development Grant Agreement.
9. Despite Hoku's lack of fruition and subsequent inability to meet the prior payment schedule set forth in the Economic Development Grant Agreement, it is the intent of the PDA for the PDA to maintain its commitment to reimburse the City for its capital contributions.
10. Therefore, in July 2014, the PDA approved payment of \$450,000.00 from the North Portneuf Revenue Allocation District funds to the City of Pocatello's General Fund to be applied towards the City's capital contributions at its July 16, 2014 regular meeting. The payment was applied in two parts (1) \$195,555.89 to the City's General Fund; and (2) \$253,444.11 to the City's Sanitation Department to pay an internal loan it made to the City's Fund 71 for the acquisition of the Great Western Malting Co-Access Road.
11. The City and the PDA hereby agree that the correct City's capital contribution to this economic development project and request for reimbursement shall be \$ _____, as provided for in Exhibit "E", a summary of expenditures, costs and reimbursements, attached hereto and incorporated herein.
12. The PDA requests and the City agrees to proceed with the legal process necessary in order to convey the Hoku Site property to the PDA pursuant to the provisions of Idaho Code §50-1403(4). The Hoku Site property holds no benefit or gain to the City or its taxpayers unoccupied. The PDA has the ability and intent to redevelop, lease, or sell said property for the maximum benefit of economic development and therefore the proposed conveyance is in the best interests of the tax payers and citizens of Pocatello.
13. Based upon the newly agreed upon capital contribution value of \$ _____, the PDA hereby commits to the following payment schedule to reimburse the City in exchange for the conveyance of the Hoku Site property as soon as is reasonably possible. It is further agreed that:
 - (a) The PDA shall receive credit for the \$450,000.00 payment made to the City in July 2014.
 - (b) The PDA shall make a payment of \$ _____ on October 1, 2015 from the PDA's 2016 fiscal year budget to be comprised of the remainder of the North Portneuf Revenue Allocation District funds and the difference to be paid from the PDA General Fund.
 - (c) OPTION 1: The balance of \$ _____ shall be paid in 15 annual installments of \$23,566.84 by October 31st of each year, over the life of the North Portneuf Urban Renewal Area and Revenue Allocation District or until December 31, 2031 from said District's tax increment funds.

OPTION 2: The balance of \$353,502.57 shall be paid in 7 annual installments of \$50,500.37 by October 31st of each year, beginning in Fiscal Year 2017 and continuing until Fiscal Year 2014.

OPTION 3: The balance of \$353,502.57 shall be paid in 2 annual installments of \$176,751.29 by October 31st of each year, beginning in Fiscal Year 2017 and continuing until Fiscal Year 2018.

OPTION 4: The balance of \$353,502.57 shall be paid in full no later than October 31, 2016.

(d) (If option 4 is selected, remove this section) In the event the PDA is successful in leasing the Hoku Site and is generating rental income, the PDA shall make every effort to pay additional monies to the City to be applied towards the balance owed for its capital contribution.

(e) (If option 4 is selected, remove this section) In the event the PDA is successful in selling the Hoku Site, the PDA shall immediately make a full reimbursement payment to the City to completely satisfy the City's capital contribution to the Hoku economic development project.

14. Notice: Any notices which either PDA or the City desires to serve upon the other shall be in writing and shall be deemed served when delivered personally, or when deposited in the United States mail with adequate postage, to the following addresses:

Pocatello Development Authority:	Attn: Lon Crowell, Executive Director 911 North 7 th Avenue P.O. Box 4169 Pocatello, Idaho 83205
----------------------------------	--

City of Pocatello:	Attn: Brian C. Blad, Mayor 911 North 7 th Avenue P.O. Box 4169 Pocatello, Idaho 83205
--------------------	---

15. Agreement Binding: This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

16. Entire Agreement: It is expressly understood and agreed that this Agreement states the entire agreement between the parties with regard to this Agreement Providing for Repayment and Conveyance of Real Property.

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

POCATELLO DEVELOPMENT AUTHORITY
An Idaho Urban Renewal Agency

CITY OF POCATELLO, a municipal
corporation of Idaho

By: _____
Michael Orr, Chairman

By: _____
Brian C. Blad, Mayor

Attest:

Attest:

By: _____
Tiffany G. Olsen, Secretary

By: _____
Ruth E. Whitworth, City Clerk

PARCEL	DEED_OWNER	DEED	OLD_DEED	SHAPE.STArea()	SHAPE.STLength()	PERIMETER	ACRES			
1	RPCPP044844	CITY OF POCATELLO	20705326 438900	548147.5415	3502.333507	3502.33133	12.58373603			
2	RPCPP044809	CITY OF POCATELLO	20705326 438900	509156.3102	3533.365913	3533.36409	11.68862053			
3	RPCPP044853	CITY OF POCATELLO	20705326 20708497	1813517.324	7129.680423	0	41.63262911	\$912,571.82	\$0.50	67.208984
4	R3853019502	CITY OF POCATELLO	20909438 CV-2003-2297-I	36489.11			0.84	\$73,127.65	\$2.00	2927522
5	RPCPP044809	CITY OF POCATELLO	20705326 438900	18702.78636	684.627863		0.429356895			67.20666
6	HH DIVE	CITY OF POCATELLO		1509			0.034641873	\$11,365.14	\$7.53	
7	RPCPP044838	CITY OF POCATELLO	20710563- 20019123	68020.43279	1365.603403	1365.60243	1.56153427	\$147,562.11	\$2.17	7.5952047
8	RPCPP044837	CITY OF POCATELLO	20710563- 20019123	26462.43413	673.585651	673.58547	0.607493896			
9	RPCPP044716	CITY OF POCATELLO	20901600	225468.2206	2884.254317	4366.71271	5.176038122	\$174,000.00	\$0.77	
10	RPCPP044852	CITY OF POCATELLO	20710563 20019123	10896.02974	558.593516		0.250138424	\$12,400.00	\$1.14	\$1.32

FUTURE ROW EASEMENT										
11	ROW EASEMENT ACROSS HOKU PROPERTY			407940			9.365013774	\$268,687.09	\$0.66	9.3650138

TOTALS \$277,468.11 balance per PDA meeting

1.5
0.9
0.3

	SQ FEET	ACRES
1	548,147.541534	12.583736
2	509,156.310150	11.688621
3	1,813,517.324142	41.632629
4	36,489.110000	0.837675
5	18,702.786362	0.429357
6	1,509.000000	0.034642
SUBTOTAL	2,927,522.072188	67.206659
7	68,020.432785	1.561534
8	26,462.434128	0.607494
9	225,468.220612	5.176038
10	10,896.029739	0.250138
SUBTOTAL	330,847.117264	7.595205
TOTAL	3,258,369.189452	74.801864
11	407,940.000000	9.365014
	2,519,582.072188	57.841645 net acreage

Proposed Purchase Agreement

Pocatello Development Authority

Hoku Property

July 2015

Pocatello Urban Renewal Districts

URA/TIF DISTRICT	EXPIRATION	REMAINING
North Yellowstone	2028	12.5
Naval Ordnance Plant	2026	10.5
Pocatello Airport	2033	17.5
North Portneuf	2031	15.5

Background

North Portneuf TIF District

1. Established in 2007
2. Expiration in 2031
3. **CITY** to Convey Land to **PDA** upon receipt of \$300,000.00 and **PDA** agreement to reimburse negotiated balance to **CITY**.
 - a. 15 Years in TIF to repay debt to **CITY**
4. **HOKU** Land vs. **CITY** Rights-of-Way?

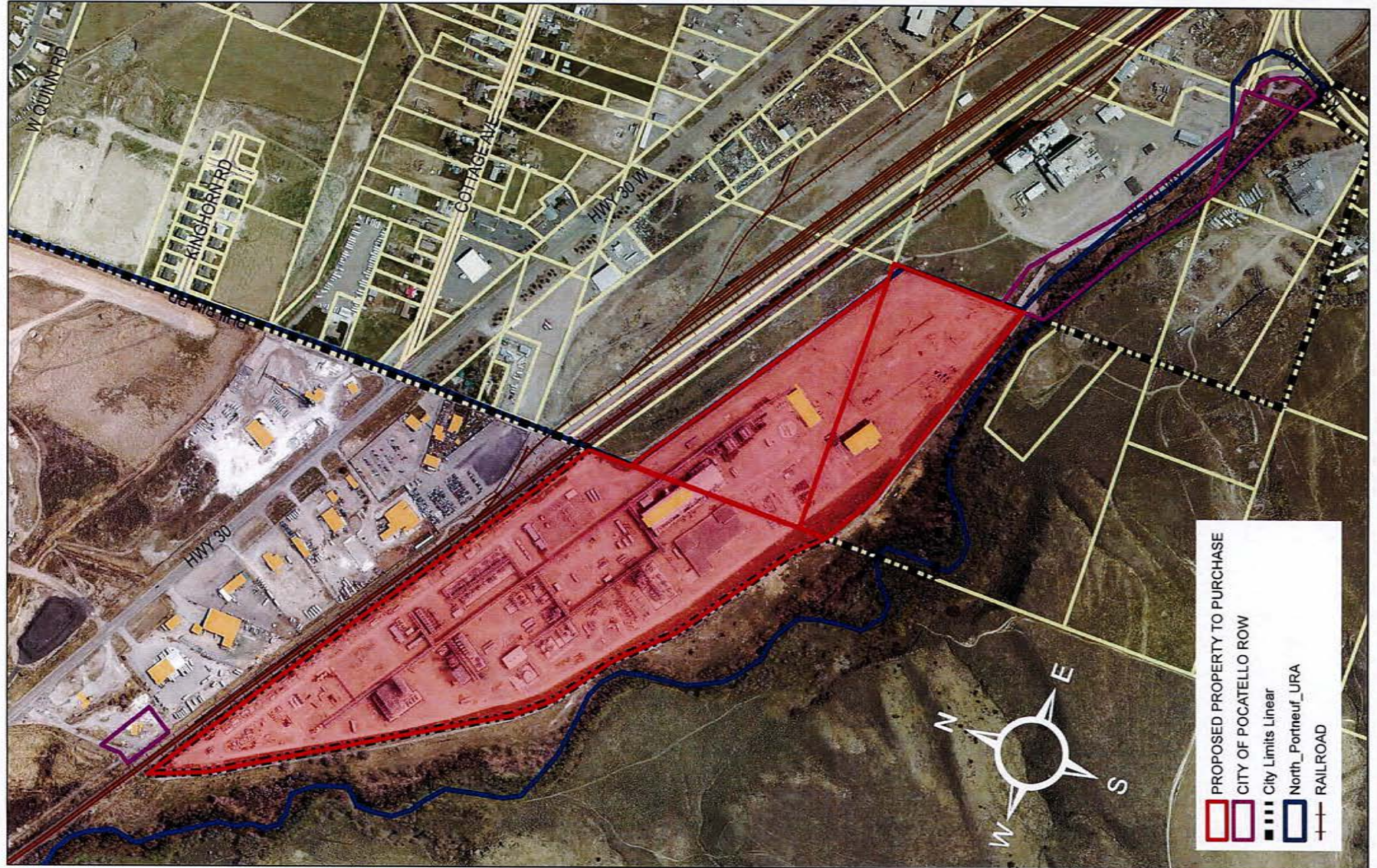
Background

Why?

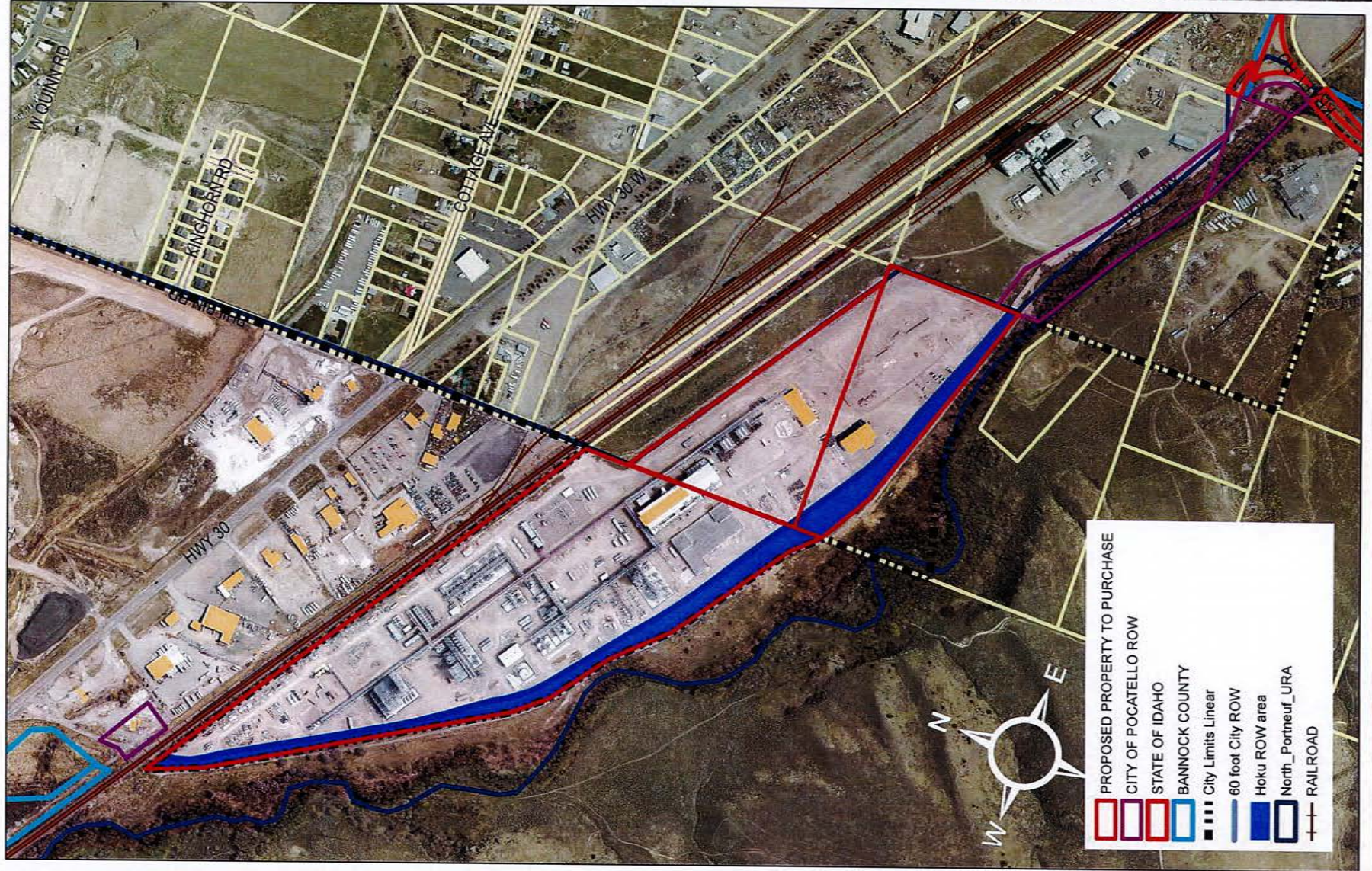
1. **PDA** will fully reimburse **CITY** for purchase per new agreement.
2. Land can be marketed as;
 - **Leasable** space through **PDA** or **CITY**, or
 - **Property For Sale** under **PDA** ownership
 - Property can be **Sold** directly through **PDA**
 - **CITY** required to **Auction** to dispose.

Background

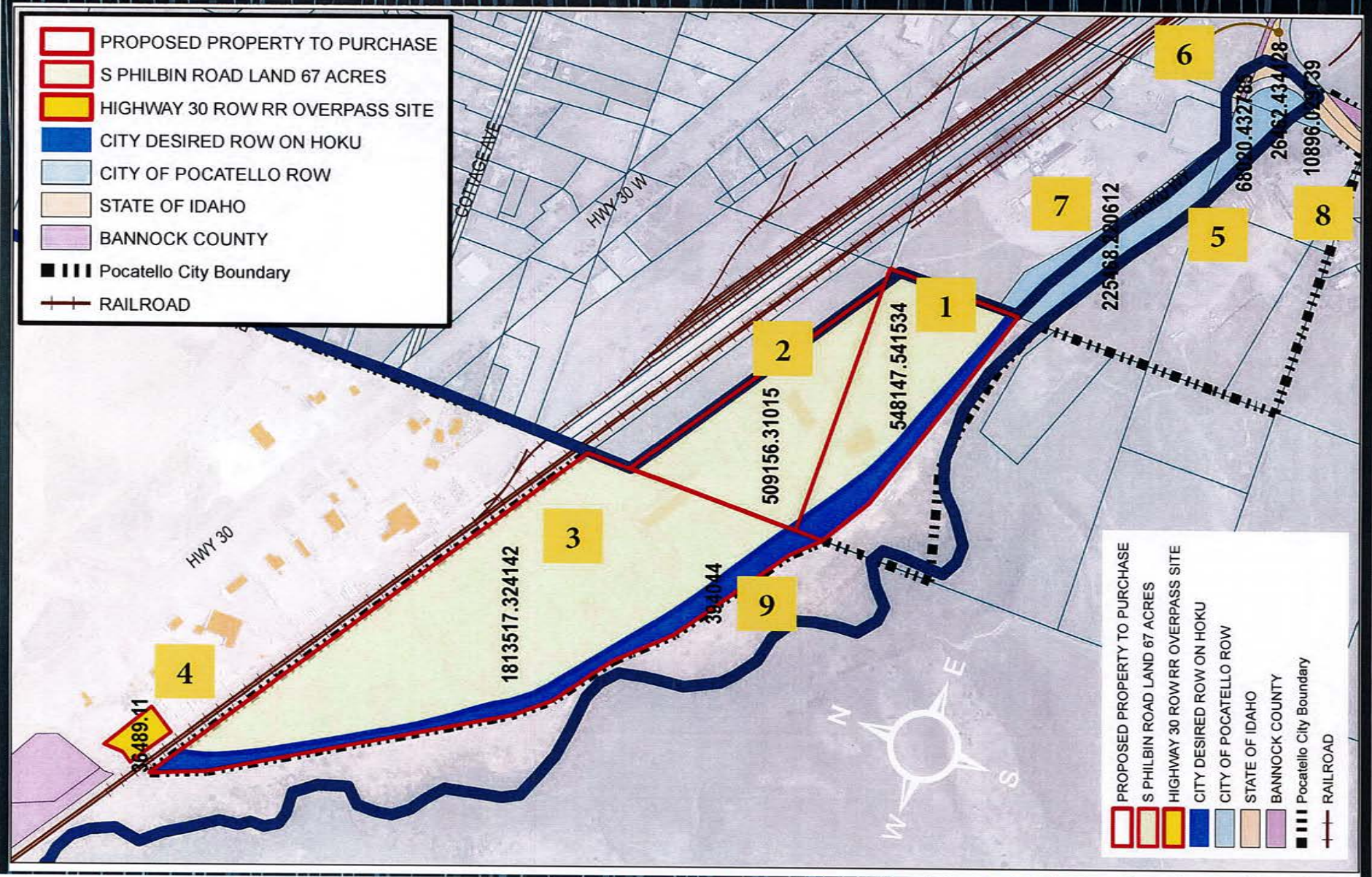
Hoku Property in Question



Rights-of-Way in Question



Parcel Descriptions



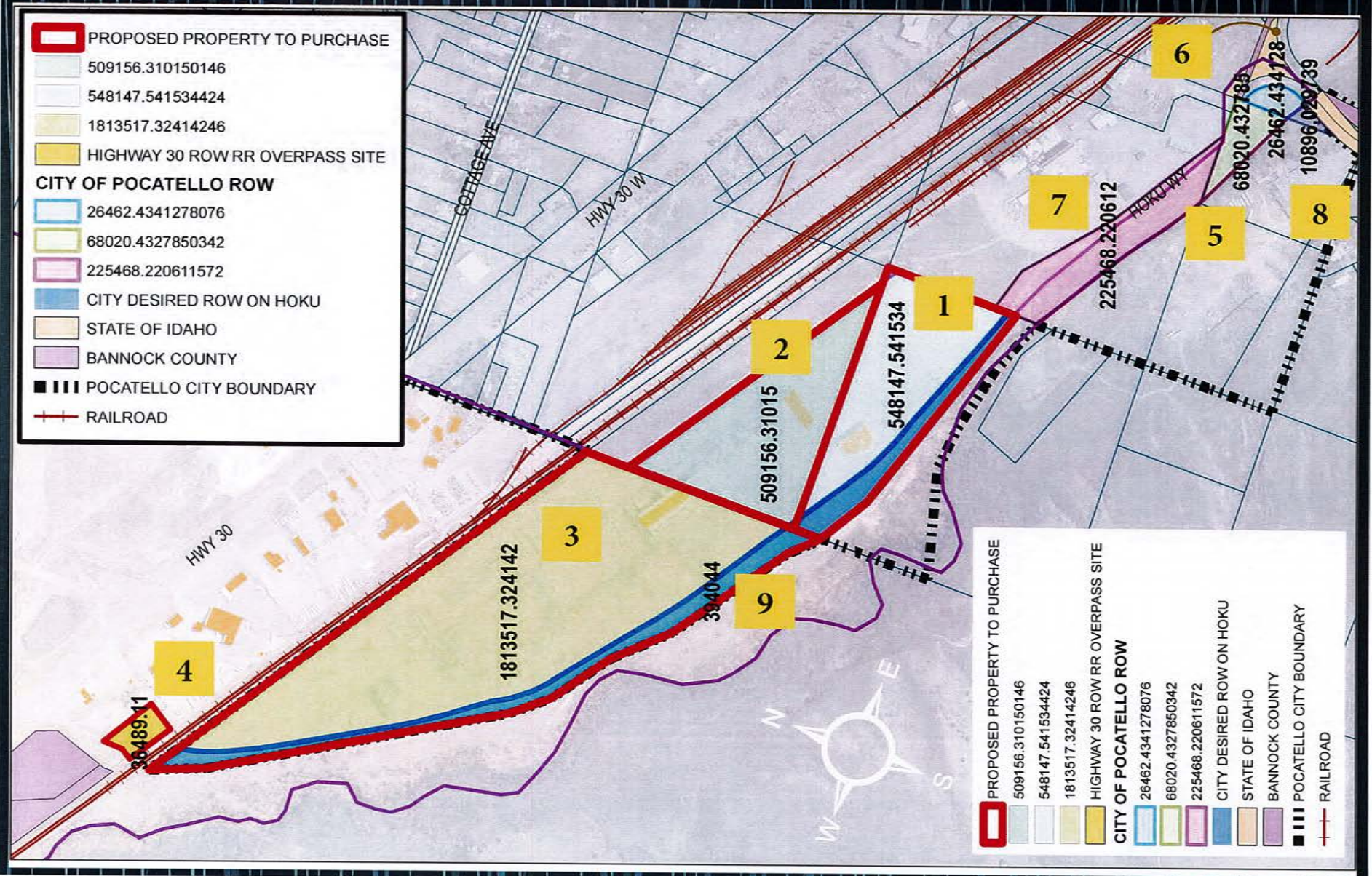
- PROPOSED PROPERTY TO PURCHASE
- S PHILBIN ROAD LAND 67 ACRES
- HIGHWAY 30 ROW RR OVERPASS SITE
- CITY DESIRED ROW ON HOKU
- CITY OF POCATELLO ROW
- STATE OF IDAHO
- BANNOCK COUNTY
- Pocatello City Boundary
- RAILROAD

- PROPOSED PROPERTY TO PURCHASE
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- CITY DESIRED ROW ON HOKU
- CITY OF POCATELLO ROW
- STATE OF IDAHO
- BANNOCK COUNTY
- Pocatello City Boundary
- RAILROAD

Parcel numbers and acreage values are labeled on the map:

- Parcel 1: 548147.541534
- Parcel 2: 509156.31015
- Parcel 3: 1813517.324142
- Parcel 4: 36489.11
- Parcel 5: 22568.290612
- Parcel 6: 6800.432783
- Parcel 7: 2662.43428
- Parcel 8: 10896.0739
- Parcel 9: 306044

Parcel Descriptions



**City of Pocatello Hoku Land Purchase
Review of Expenditures for Purchase**

Property	Packet #1 Year	Line		Property - S. Philbin Road 67 acres Decription	Amount
1-3	4/26/2007	001-0801-416-40-99	UPRR	Railroad engineering review on HOKU land	500.00
	3/28/2007	001-0801-500-82-01	A & E Engineering	Additional survey services for HOKU land	2,903.50
	3/6/2007	001-0801-500-82-01	First American Title Co.	S. Philbin Road land 67 acres	912,571.82
	3/6/2007	001-0801-500.82-01	Premier Properties	Broker Fees for S. Philbin Road purchase	27,000.00
Total					942,975.32
4	4/30/2009	071-6002-500-80-01	First American Title Co	Highway 30 ROW RR overpass site	73,127.65
Total					73,127.65
Total cost of land					1,016,102.97
					Payment 11/2014 (450,000.00)
					Payment 11/2015 (300,000.00)
Balance Due					266,102.97
PDA Purchase of Hoku Land					

Finances

Review of Expenditures for ROW Purchases

Property	Year	Line	Grant Reimbursement/ROW purchases	Description	Amount
	1/24/2008	031-3008-500-80-05	Hoku Scientific	Water Line relocation	122,600.00
	1/31/2008	003-2001-500-80-02	C.R. Fence Company	Fence and slats for Fence access road GW Malting	24,963.15
4	4/15/2009	001-0801-500-80-01	Premier Properties	Earnest monies for Highway 30 ROW RR overpass site	3,900.00
7	4/30/2009	071-6002-500-80-01	First American Title Co	Highway 30 ROW RR overpass site	55,614.85
	9/30/2008	071-6002-500-80-01	Alliance Title & Escrow	Land Purchase Great Western Malting Co Access Road	174,000.00
				Interest	2,416.46
				Less Grant Reimbursement	(203,178.00)
				Total	180,316.46
					203,178.00

Packet #2	Year	Line	Property - Parrish Property by Kraft Road	Description	Amount
	4/24/2007	001-0801-416.40-01	Bowman Appraisal	Appraisal, North Kraft Road property	1,600.00
5/6	5/3/2007	001-0801-500-82-01	Alliance Title & Escrow	Parrish Property by Kraft Road	147,562.11
				Total	149,162.11

Packet #3	Year	Line	Property - Purchase of H & H Dive property	Description	Amount
8	3/27/2009	001-0801-500-82-01	Alliance Title & Escrow	Purchase of H&H Dive property	11,365.14
				Total	11,365.14

Totals	340,843.71
---------------	-------------------

Finances

North Portneuf TIF District

Payment option #1	Minimum Annual Pymt	$\$266,102.97/15 = \$17,740.20$
Payment option #2	Minimum Annual Pymt	$\$266,102.97/7 = \$38,014.71$
Payment option #3	Minimum Annual Pymt	$\$266,102.97/2 = \$133,051.49$
Payment option #4	Minimum Annual Pymt	$\$266,102.97$

- Opt 1: 15 years \$17,740.20 /year**
- Opt 2: 7 years \$38,014.71 /year**
- Opt 3: 2 years \$133,051.49 /year**
- Opt 4: 1 year \$266,102.97 /year**
- Opt 5: 12 years \$22,175.25 /year**

Finances

**City of Pocatello Hoku Land Purchase
Review of Expenditures for Purchase**

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Total					942,975.32
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Total					73,127.65
Total cost of land					1,016,102.97
Payment 11/2014					(450,000.00)
Payment 11/2015					(300,000.00)
Balance Due					266,102.97
PDA Purchase of Hoku Land					
Payment option #1	Minimum Annual Pymt			\$266,102.97/15= \$17,740.20	
Payment option #2	Minimum Annual Pymt			\$266,102.97/7=\$38,014.71	
Payment option #3	Minimum Annual Pymt			\$266,102.97/2=133,051.49	
Payment option #4	Minimum Annual Pymt			\$266,102.97	

City of Pocatello Review of Expenditures for ROW Purchases

Property	Year	Line	Grant Reimbursement/ROW purchases	Description	Amount
	1/24/2008	031-3008-500-80-05	Hoku Scientific	Water Line relocation	122,600.00
	1/31/2008	003-2001-500-80-02	C.R. Fence Company	Fence and slats for Fence access road GW Malting	24,963.15
4	4/15/2009	001-0801-500-80-01	Premier Properties	Earnest monies for Highway 30 ROW RR overpass site	3,900.00
7	4/30/2009	071-6002-500-80-01	First American Title Co	Highway 30 ROW RR overpass site	55,614.85
	9/30/2008	071-6002-500-80-01	Alliance Title & Escrow	Land Purchase Great Western Malting Co Access Road	174,000.00
				Interest	2,416.46
				Less Grant Reimbursement	(203,178.00) 203,178.00
Total					180,316.46

Packet #2			Property - Parrish Property by Kraft Road		
Year	Line		Description	Amount	
4/24/2007	001-0801-416.40-01	Bowman Appraisal	Appraisal, North Kraft Road property	1,600.00	
5/3/2007	001-0801-500-82-01	Alliance Title & Escrow	Parrish Property by Kraft Road	147,562.11	
Total				149,162.11	

Packet #3			Property - Purchase of H & H Dive property		
Year	Line		Description	Amount	
3/27/2009	001-0801-500-82-01	Alliance Title & Escrow	Purchase of H&H Dive property	11,365.14	
Total				11,365.14	

Totals				340,843.71
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**City of Pocatello Hoku Land Purchase
Review of Expenditures for Purchase**

Property	Packet #1 Year	Line		Property - S. Philbin Road 67 acres Description	Amount
1-3	4/26/2007	001-0801-416-40-99	UPRR	Railroad engineering review on HOKU land	500.00
	3/28/2007	001-0801-500-82-01	A & E Engineering	Additional survey services for HOKU land	2,903.50
	3/6/2007	001-0801-500-82-01	First American Title Co.	S. Philbin Road land 67 acres	912,571.82
	3/6/2007	001-0801-500.82-01	Premier Properties	Broker Fees for S. Philbin Road purchase	27,000.00
Total					942,975.32
4	4/30/2009	071-6002-500-80-01	First American Title Co	Highway 30 ROW RR overpass site	* 73,127.65
Total					73,127.65
Total cost of land					1,016,102.97

Payment 11/2014 (450,000.00)
 Payment 11/2015 (300,000.00)

Balance Due PDA Purchase of Hoku Land 266,102.97

Payment option #1	Minimum Annual Pymt	15 years	\$266,102.97/15= \$17,740.20
Payment option #2	Minimum Annual Pymt		\$266,102.97/7=\$38,014.71
Payment option #3	Minimum Annual Pymt		\$266,102.97/2=133,051.49
Payment option #4	Minimum Annual Pymt	1 year	\$266,102.97

5

12 years

22,175.25/0

City of Pocatello
Review of Expenditures for ROW Purchases

Property	Year	Line	Grant Reimbursement/ROW purchases	Description	Amount
	1/24/2008	031-3008-500-80-05	Hoku Scientific	Water Line relocation	122,600.00 ✓
	1/31/2008	003-2001-500-80-02	C.R. Fence Company	Fence and slats for Fence access road GW Malting	24,963.15 ✓
4	4/15/2009	001-0801-500-80-01	Premier Properties	Earnest monies for Highway 30 ROW RR overpass site	3,900.00 ✓
7	4/30/2009	071-6002-500-80-01	First American Title Co	Highway 30 ROW RR overpass site	55,614.85 ✓
	9/30/2008	071-6002-500-80-01	Alliance Title & Escrow	Land Purchase Great Western Malting Co Access Road	174,000.00
				Interest	2,416.46
				Less Grant Reimbursement	(203,178.00) 203,178.00
Total					180,316.46

✓ Do Comm reimb already

Packet #2

Property	Year	Line	Property - Parrish Property by Kraft Road	Description	Amount
	4/24/2007	001-0801-416.40-01	Bowman Appraisal	Appraisal, North Kraft Road property	1,600.00
5/6	5/3/2007	001-0801-500-82-01	Alliance Title & Escrow	Parrish Property by Kraft Road	147,562.11
Total					149,162.11

Packet #3

Property	Year	Line	Property - Purchase of H & H Dive property	Description	Amount
8	3/27/2009	001-0801-500-82-01	Alliance Title & Escrow	Purchase of H&H Dive property	11,365.14
Total					11,365.14

Totals 340,843.71

*365,
~~294,800~~*

Sal Due Col #2-77, 468.11

Exhibit A

Hoko Property

41

①

RECORDING REQUESTED BY
First American Title Company

OFFICIAL RECORD BK# 813
BANNOCK COUNTY IDAHO

RECORDED AT REQUEST OF
FEE 12 DEPUTY PP

AND WHEN RECORDED MAIL TO:
First American Title Company
2240 East Center
Pocatello, ID 83201

FIRST AMERICAN TITLE
20705326

2007 MAR -7 P 4:39

20705326

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: 166368-P (sg)

Date: February 08, 2007

For Value Received, **Michaud Creek Ranches, Inc., an Idaho Corporation**, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **City of Pocatello**, hereinafter called the Grantee, whose current address is P.O. Box 4169 Pocatello ID 83205, the following described premises, situated in **Bannock County, Idaho**, to-wit:

Full

Legal Description attached hereto as Exhibit A, and by this referenced incorporated herein.

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

Michaud Creek Ranches, Inc., an Idaho Corporation

Burt W. Swanson

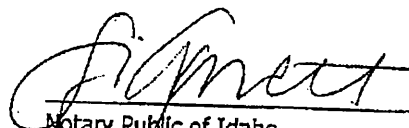
By: Authorized Signor, Title

STATE OF Idaho)
)
COUNTY OF Bannock)
)

4-2

20705326

On this 03/07/2007, before me, a Notary Public in and for said State, personally appeared Robert W. Swanson known or identified to me, to be the President of the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation, and acknowledged to me that such Corporation executed the same.



Notary Public of Idaho
Residing at: Inkom
Commission Expires: 9-17-2011

SHEILA GARRETT
NOTARY PUBLIC
STATE OF IDAHO

4-3

20705326

Date: March 07, 2007

File No.: 166368-P (sg)

EXHIBIT 'A'

LEGAL DESCRIPTION:

PARCEL 1:

A PARCEL OF LAND LOCATED IN THE EAST 1/2 OF SECTION 17, AND IN THE WEST 1/2 OF THE WEST 1/2 OF SECTION 16, T 6 S, R 34 E, B.M., BANNOCK COUNTY, IDAHO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS (ALL ANGLE POINTS BEING MARKED BY A 1/2-INCH DIAMETER REBAR WITH A YELLOW PLASTIC CAP STAMPED "PE/LS 4440", UNLESS OTHERWISE NOTED):

COMMENCING AT THE WEST 1/4 CORNER OF SAID SECTION 16, SAID CORNER BEING MARKED BY A FOUND 5/8-INCH DIAMETER REBAR WITH NO MARKINGS, SAID REBAR BEING REFERENCED BY A BANNOCK COUNTY BRASS CAP MONUMENT 25 FEET EAST OF THE CORNER;

THENCE S 0°11'07" W ALONG THE WEST LINE OF SECTION 16, 280.55 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD (NOW OPERATING AS THE UNION PACIFIC RAILROAD), SAID POINT BEING 50 FEET DISTANT, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF THE NO. 1 MAINLINE TRACK (FORMERLY THE WEST BOUND MAINLINE), AND SAID POINT BEING MARKED BY A SET 5/8-INCH REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075", SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE N 56°36'03" W ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD, 2557.86 FEET TO AN ANGLE POINT ON THE NORTHEASTERLY DEED LINE DESCRIBED IN CORPORATION WARRANTY DEED INSTRUMENT NO. 96009187;

THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY DEED LINE THE FOLLOWING 10 COURSES AND DISTANCES:

S 21°52'28" E, 267.87 FEET TO AN ANGLE POINT; THENCE S 30°43'41" E, 1457.94 FEET TO AN ANGLE POINT; THENCE S 40°27'08" E, 201.74 FEET TO AN ANGLE POINT; THENCE S 54°06'17" E, 336.24 FEET TO AN ANGLE POINT; THENCE S 43°50'53" E, 313.03 FEET TO AN ANGLE POINT; THENCE S 55°07'18" E, 664.68 FEET TO AN ANGLE POINT; THENCE S 42°27'08" E, 177.06 FEET TO AN ANGLE POINT; THENCE S 59°48'13" E, 280.11 FEET TO AN ANGLE POINT; THENCE S 71°50'27" E, 699.97 FEET TO AN ANGLE POINT; THENCE S 72°36'36" E, 428.65 FEET TO AN ANGLE POINT ON THE WEST 1/16 LINE OF SECTION 16; THENCE N 0°03'36" E ALONG THE WEST 1/16 LINE OF SECTION 16, 653.00 FEET TO THE SOUTHWEST 1/16 CORNER OF SAID SECTION 16, SAID CORNER BEING MARKED BY A 6-INCH DIAMETER STEEL FENCE CORNER POST;

44

20705326

First American Title Company

File No.: 166368-P (sg)

Date: March 07, 2007

THENCE S 89°05'05" W ALONG THE SOUTH 1/16 LINE OF SECTION 16, 43.11 FEET TO A POINT ON THE SOUTHWESTERLY DEED LINE DESCRIBED IN INSTRUMENT NO. 27678, SAID POINT BEING MARKED BY A SET 5/8-INCH DIAMETER REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075";

THENCE N 56°36'03" W ALONG SAID SOUTHWESTERLY DEED LINE, 1519.62 FEET TO A POINT ON THE WEST DEED DESCRIBED IN SAID INSTRUMENT NO. 27678, SAID POINT ALSO BEING ON THE WEST LINE OF SECTION 16, AND SAID POINT BEING MARKED BY A SET 5/8-INCH DIAMETER REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075";

THENCE N 0°11'17" E ALONG THE WEST LINE OF SAID SECTION 16, 179.29 FEET TO THE TRUE POINT OF BEGINNING.

Handwritten signature and initials, possibly 'R.P.' or similar, located to the right of the main text block.

PARCEL 2:

A TRIANGULAR-SHAPED PARCEL OF LAND LOCATED IN THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF SECTION 16, T 6 S, R 34 E, B.M., BANNOCK COUNTY, IDAHO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST 1/16 CORNER OF SAID SECTION 16, SAID CORNER BEING MARKED BY A 6-INCH DIAMETER STEEL FENCE CORNER POST;

THENCE N 0°41'13" E ALONG THE WEST 1/16 LINE OF SECTION 16, 149.39 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD (NOW OPERATING AS THE UNION PACIFIC RAILROAD), SAID POINT BEING 50 FEET DISTANT, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF THE NO. 1 MAINLINE TRACK (FORMERLY THE WEST BOUND MAINLINE), AND SAID POINT BEING MARKED BY A SET 5/8-INCH REBAR WITH AN ALUMINUM CAP STAMPED "PLS 8075";

THENCE S 56°36'03" E ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE OREGON SHORT LINE RAILROAD, 265.12 FEET TO A POINT ON THE SOUTH 1/16 LINE OF SAID SECTION 16, SAID POINT ALSO BEING ON THE NORTH DEED LINE OF CORPORATE WARRANTY DEED INSTRUMENT NO. 892995, AND SAID POINT BEING MARKED BY A FOUND BANNOCK COUNTY BRASS CAP MONUMENT;

THENCE S 89°06'59" W ALONG THE SOUTH 1/16 LINE OF SAID SECTION 16, 223.15 FEET TO THE TRUE POINT OF BEGINNING.

Exhibit B

2+ 4-1

20901600

RE-RECORDED TO CORRECT LEGAL DESCRIPTION

20814447

AFTER RECORDING, RETURN TO:

Christopher C. Criglow
c/o Perkins Coie LLP
1120 NW Couch St., 10th Floor
Portland, OR 97209-4128

OFFICIAL RECORDS ⁹⁰⁸
BANNOCK COUNTY IDAHO
RECORDED AT REQUEST OF
DEPUTY ¹²

ALLIANCE TITLE & ESCROW

20814447

2000 JUN 30 A 11:37

pd ✓

THIS INSTRUMENT FILED FOR
RECORD BY ALLIANCE TITLE AND
ESCROW AS AN ACCOMMODATION
ONLY. IT HAS NOT BEEN EXAMINED
AS TO ITS EXECUTION OR AS TO ITS
EFFECT UPON THE TITLE.

Deed

FOR VALUE RECEIVED, **Great Western Malting Co., a Delaware corporation**, Grantor,
does hereby convey to **City of Pocatello, Idaho, an Idaho municipality**, Grantee, whose address is P. O.
Box 4169, Pocatello, Idaho 83205-4169, the following described property situated in Bannock County,
Idaho:

SEE EXHIBITS A and B ATTACHED HERETO AND INCORPORATED HEREIN.

~~A parcel of land in the SW1/4 of Section 16, Township 6 South, Range 34 East,
Boise Meridian, Bannock County, Idaho, being a portion of the tract described
in instrument number 892995 as recorded in the records of Bannock County,
Idaho, more particularly described as follows:~~

~~Commencing at the S.1/4 corner of Section 16, T.6S., R.34 E., B.M.; thence
S.88°30'15"W. (basis of bearing per Northwest Engineering datum from 1981
survey for Idaho Malting company recorded under instrument #666581 in the
records of Bannock County, Idaho) along the south 1/16th line of said Section
16 a distance of 69.98 feet to a point marked with a 1/2 inch iron pin tagged LS-
968; thence continuing S.88°30'15"W. along the south 1/16 line a distance of
116.42 feet to the TRUE POINT OF BEGINNING;~~

~~thence N.58°12'32"W. a distance of 659.93 feet; thence N.49°43'52"W. a
distance of 492.78 feet; thence N.73°38'48"W. a distance of 208.67 feet, more
or less, to a point of intersection with the west 1/16 line of Section 16, T.6S.,
R.34E., B.M.; thence S.00°15'47"W. along the west 1/16th line of Section 16 a
distance of 200 feet, more or less, to the centerline of the Portneuf River; thence
southeasterly following the centerline of the Portneuf River 980 feet, more or
less, to a point of intersection with the south 1/16th line of Section 16; thence
N.88°30'15"E. along the south 1/16 line a distance of 338.98 feet, more or less,
to the TRUE POINT OF BEGINNING.~~

TOGETHER WITH all and singular the tenements, hereditament, and appurtenances thereunto
belonging, or otherwise appertaining, and all estate, right, title and interest in and to the said property.

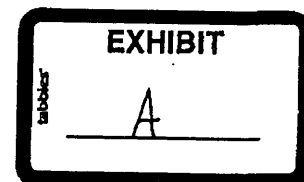
SUBJECT TO: Taxes and assessments for the current year and future years, reservations in
patents, if any, and all matters of record.

4-3

20901600

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN; BEING A PORTION OF THE LAND DESCRIBED IN WARRANTY DEED INSTRUMENT NO. 892995 OF THE RECORDS OF BANNOCK COUNTY, IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

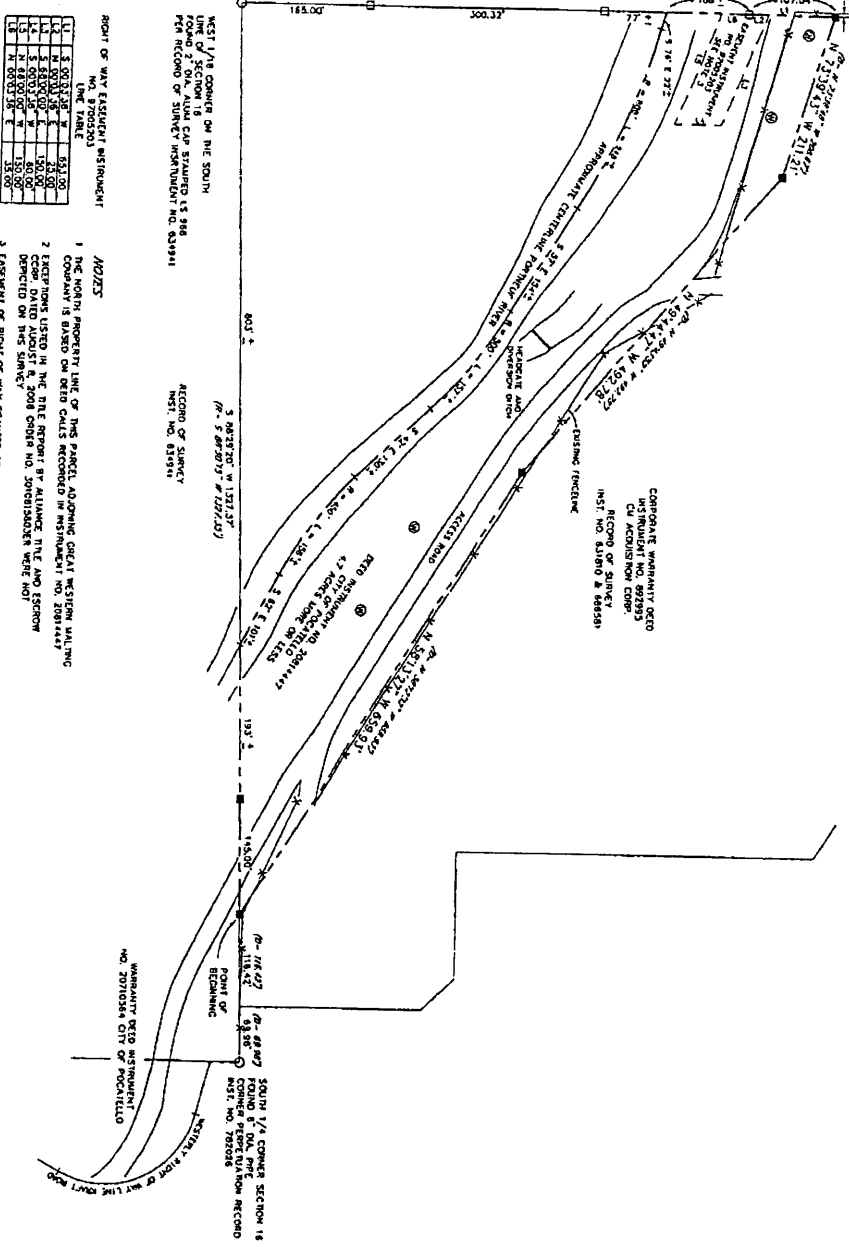
COMMENCING AT THE SOUTH 1/4 CORNER OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BOISE MERIDIAN; THENCE SOUTH 88°29'20" WEST ALONG THE SOUTH LINE OF SAID SECTION 16, RECORDED AS SOUTH 88°30'15" WEST (BASIS OF BEARING PER THE CENTRAL MERIDIAN OF THE EAST ZONE OF THE IDAHO STATE PLANE COORDINATE SYSTEM) A DISTANCE OF 69.98 FEET TO THE SOUTH EAST CORNER OF A PARCEL OF LAND DESCRIBED IN WARRANTY DEED INSTRUMENT NO. 892995 OF THE RECORDS OF BANNOCK COUNTY, IDAHO ; THENCE CONTINUING SOUTH 88°29'20" WEST ALONG THE SOUTH LINE OF SAID SECTION 16 A DISTANCE OF 116.42 FEET TO **THE TRUE POINT OF BEGINNING**; THENCE NORTH 58°13'27" WEST A DISTANCE OF 659.93 FEET; THENCE NORTH 49°44'47" WEST A DISTANCE OF 492.78 FEET; THENCE NORTH 73°39'43" WEST A DISTANCE OF 211.21 FEET TO A POINT ON THE WEST 1/16 LINE OF SAID SECTION 16; THENCE SOUTH 00°03'36" WEST ALONG SAID WEST 1/16 LINE A DISTANCE OF 213 FEET MORE OR LESS TO A POINT ON THE CENTERLINE OF THE PORTNEUF RIVER; THENCE SOUTHEASTERLY FOLLOWING THE CENTERLINE OF THE PORTNEUF RIVER A DISTANCE OF 968 FEET MORE OR LESS TO A POINT ON THE SOUTH LINE OF SAID SECTION 16; THENCE NORTH 88°29'20" EAST ALONG SAID SOUTH LINE A DISTANCE OF 338 FEET MORE OR LESS TO **THE TRUE POINT OF BEGINNING**.
COMPRISED OF 4.7 ACRES MORE OR LESS



20901600

SOUTHWEST 1/4 CORNER SECTION 16
 CORNER PERMANENT RECORD
 INST. NO. 90008932

RECORD OF SURVEY
 LOCATED IN THE
 SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 16
 TOWNSHIP 6 SOUTH RANGE 34 EAST, BOISE MERIDIAN
 BANNOCK COUNTY, IDAHO



POINT OF WAY EASEMENT INSTRUMENT

LINE	BEARING	DISTANCE	AREA
1	N 89° 20' 15" W	1387.37	1.00
2	S 89° 20' 15" W	1387.37	1.00
3	N 89° 20' 15" W	1387.37	1.00
4	S 89° 20' 15" W	1387.37	1.00
5	N 89° 20' 15" W	1387.37	1.00
6	S 89° 20' 15" W	1387.37	1.00
7	N 89° 20' 15" W	1387.37	1.00
8	S 89° 20' 15" W	1387.37	1.00
9	N 89° 20' 15" W	1387.37	1.00
10	S 89° 20' 15" W	1387.37	1.00
11	N 89° 20' 15" W	1387.37	1.00
12	S 89° 20' 15" W	1387.37	1.00
13	N 89° 20' 15" W	1387.37	1.00
14	S 89° 20' 15" W	1387.37	1.00
15	N 89° 20' 15" W	1387.37	1.00
16	S 89° 20' 15" W	1387.37	1.00
17	N 89° 20' 15" W	1387.37	1.00
18	S 89° 20' 15" W	1387.37	1.00
19	N 89° 20' 15" W	1387.37	1.00
20	S 89° 20' 15" W	1387.37	1.00

NOTES

1. THE NORTH PROPERTY LINE OF THIS PARCEL ADJOINING GREAT WESTERN MAILING COMPANY IS BASED ON DEED CALLS RECORDED INSTRUMENT NO. 20814447.
2. EXCEPTIONS LISTED IN THE TITLE REPORT BY ALLIANCE TITLE AND ESCROW COOP. DATED AUGUST 8, 2008 CHISEL NO. 2008032818 WERE NOT DEPICTED ON THIS SURVEY.
3. EASEMENT OF RIGHT OF WAY GRANTED TO JR. SMITH COMPANY BY DEED INSTRUMENT NO. 97003021, NO OTHER CLAIMANTS WERE LOCATED ON THIS SURVEY.

BASES OF BEARING
 ALL BEARINGS AND BEARING
 BASED ON THE NATIONAL
 GRID OF THE STATE OF
 IDAHO, 1983, NAD 83,
 PLANE COORDINATE SYSTEM.

SCALE 1" = 100'

LEGEND

- FOUND MONUMENT AS NOTED
- FOUND 1/2" IRON PIN W/YELLOW PLASTIC CAP STAMPER "R/S 4440" PER RECORD OF SURVEY INSTRUMENT NO. 20707393
- SET 1/2" x 3/4" IRON PIN W/YELLOW PLASTIC CAP STAMPER "S 10413"
- ⊗ MONITORING WELL
- BOUNDARY LINE
- - - - - EXISTING FENCELINE
- - - - - EXISTING SHEDLINE SEE 107 3
- BEARING AND DISTANCE PER DEED INSTRUMENT NO. 20814447
- BEARING AND DISTANCE PER DEED INSTRUMENT NO. 20814447

SURVEYOR'S CERTIFICATE

I, MARK ANDERSON, AS 10443 BOUND, HEREBY CERTIFY THAT THIS SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYORS AND LAND SURVEYORS OF THE STATE OF IDAHO, AND THAT I AM A LICENSED SURVEYOR IN THE STATE OF IDAHO.



RECORD OF SURVEY

LOCATED IN THE
 SOUTHWEST 1/4 OF THE SOUTHWEST 1/4
 SECTION 16, TOWNSHIP 6 SOUTH, RANGE 34 EAST, BM

COUNTY RECORDER'S CERTIFICATE
 INSTRUMENT NO. 20821193 FILED IN BOOK 91 PAGE 112
 DATE 01/25/10
 BY: [Signature]

PROJECT NUMBER	
APPROVED BY:	DEED INSTRUMENT NO. 20814447
CITY ENGINEER, OR	CITY OF POCAHELLO
APPROVED BY:	
TITLE	
DATE	

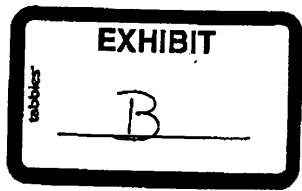


Exhibit C

ORDINANCE NO. 2814

AN ORDINANCE OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, MAKING FINDINGS PURSUANT TO IDAHO CODE §§50-2008 and 50-2906 REQUISITE TO APPROVE A REVENUE ALLOCATION AREA AND URBAN RENEWAL PLAN AND PROJECTS WITHIN THE URBAN RENEWAL AREA, TO BE KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL PLAN; ADOPTING REVENUE ALLOCATION FINANCING PROVISIONS AS PART OF THE URBAN RENEWAL PLAN PURSUANT TO IDAHO CODE §50-2906; PROVIDING THAT THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW, THE RULE REQUIRING AN ORDINANCE TO BE READ ON THREE SEPARATE OCCASIONS HAVING BEEN DISPENSED WITH.

WHEREAS, on July 14, 1988, the Pocatello City Council created by Resolution No. 1988-13 an urban renewal agency pursuant to Idaho Code §50-2005, to be known as the Pocatello Development Authority; and

WHEREAS, on April 19, 2007, the Pocatello City Council approved the formation of an urban renewal area by Resolution No. 2007-07; and

WHEREAS, the Pocatello Development Authority proposed an urban renewal plan with revenue allocation financing provisions to the Community Development Commission for its review and recommendation, and then to the Pocatello City Council for its approval, all pursuant to Idaho Code §§50-2008, 50-2904 through 50-2906; and

WHEREAS, a public hearing on the plan for projects within the area, to be known as the North Portneuf Urban Renewal Plan, was scheduled before the Pocatello City Council at its regular meeting on April 19, 2007, and notice of said meeting was published in the Idaho State Journal on March 27, 2007, and was, at the same time, transmitted to the governing body of each taxing district which levies taxes on property in the urban renewal area, pursuant to Idaho Code §50-2008 and §50-2906; and

WHEREAS, said public hearing was in fact held before the City Council on April 19, 2007; and

WHEREAS, after said hearing, the Council authorized the drafting of an ordinance approving the urban renewal plan and projects and adopting revenue allocation financing provisions therein; and

WHEREAS, copies of the urban renewal plan and projects, with the plan's revenue allocation financing provisions, along with a recommendation from the Pocatello Development Authority and notice of the date of the public hearing regarding adoption of the plan and projects were delivered to the governing body of each taxing district which levies taxes on property in the urban renewal area, pursuant to Idaho Code §50-2906;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

Section 1. That, pursuant to Idaho Code §50-2008, the Mayor and Council of the City of Pocatello, after due presentation of relevant information by City staff members and after the holding of a public hearing pursuant to statute on April 19, 2007, do hereby find:

- A. That no families will be displaced from the proposed North Portneuf Urban Renewal Area and Revenue Allocation Area;
- B. That, as indicated by the review of the Urban Renewal Plan by the Community Development Commission, the North Portneuf Urban Renewal Plan conforms to the Comprehensive Plan (general plan) of the municipality as a whole;
- C. That adequate parks and recreational facilities already exist in close proximity to the Urban Renewal Area and the nature of the use of the real property within the Urban Renewal Area and Revenue Allocation Area will be Industrial in nature; and
- D. That the North Portneuf Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for

the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise.

Section 2: That, in light of the above findings, the Mayor and Council of the City of Pocatello hereby approve the Urban Renewal Projects and Plan for the North Portneuf Urban Renewal Area described as follows:

A tract of land located in the NE 1/4 of the SE 1/4 of Section 7, the S 1/2 of Section 8, the E 1/2 of Section 16, the NE 1/4 of the NW 1/4 and the E 1/2 of Section 17, the NE 1/4 of the NW 1/4, and the NW 1/4 of the NE 1/4 of Section 21, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right-of-way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300 feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320 feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25 feet to a point on the easterly right-of-way line of Philbin Road; (4) thence in a southerly direction along the easterly right-of-way line of Philbin Road approximately 600 feet to a point of intersection with the northerly right-of-way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right-of-way line of Highway 30 West approximately 30 feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 700 feet to the west 1/4 corner of Section 16 marked by a 5/8-inch iron pin; thence continuing in a southerly direction along the west line of Section 16 approximately 160 feet to a point of intersection with the original northerly right-of-way line of the Oregon Short Line Railroad (OSLRR); thence S 56°36'03" E along the northerly right-of-way line of the OSLRR approximately 1570 feet to a point of intersection with the west 1/16 line of Section 16; thence S 00°41'13" E along the west 1/16 line approximately 120 feet to a point of intersection with the southerly right-of-way line of the OSLRR, said point marked by a 5/8-inch iron pin stamped PLS 8075; thence S 56°36'03" E along the


southerly right of way of the OSLRR 265.12-feet to a Bannock County brass cap monument on the south 1/16 line of Section 16; thence S 89°06'59" W along the south 1/16 line of Section 16 a distance of 223.15 feet to the southwest 1/16 corner of Section 16 marked by a 6-inch diameter steel post; thence southerly along the west 1/16 line of Section 16 approximately 740 feet to a point of intersection with the centerline of the Portneuf River; thence in a southeasterly direction upstream to a point of intersection with the south line of Section 16; thence N 89°59' E approximately 551.60 feet to the south 1/4 corner of Section 16, said point also being the north 1/4 corner of Section 21, Township 6 South, Range 34 East, Boise Meridian; thence in a southerly direction along the meridional centerline of Section 21 a distance of 40 feet to a point on the southwesterly right-of-way of Kraft Road; thence S 77°34' E along said southwesterly right-of-way line of Kraft Road described in Instrument #224872 recorded in the official records of Bannock County, Idaho, 57.00 feet, more or less, to the beginning of a 118.5 foot radius curve concave to the southwest; thence continuing along said westerly right-of-way line of Kraft Road southeasterly and southwesterly along said 118.50 foot radius curve through a central angle of 105°15'35" a distance of 217.70 feet; thence S 27°40' W continuing along said right-of-way line approximately 108 feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, going downstream along the centerline of the Portneuf River approximately 13,000 feet to a point of intersection with the southerly right-of-way line of Interstate 86; thence in an easterly direction along said southerly right-of-way line of Interstate 86 approximately 6700 feet to the TRUE POINT OF BEGINNING.

Section 3: That in light of the proposed revenue allocation financing provision's compliance with the requirements of Idaho Code §§50-2904 through 50-2906, the Mayor and Council of the City of Pocatello hereby expressly adopt revenue allocation financing provisions for the North Portneuf Urban Renewal Area Plan and Projects as herein described. These revenue allocation provisions shall be in effect through the year 2030, unless retired sooner.


Section 4: That this ordinance shall be in full force and effect from and after its passage, approval, and publication according to law, the rule requiring that an ordinance be read on three separate occasions having been dispensed with.

PASSED AND APPROVED this 3rd day of May, 2007.

CITY OF POCA TELLO, a municipal corporation of Idaho


ROGER CHASE, Mayor

ATTEST:

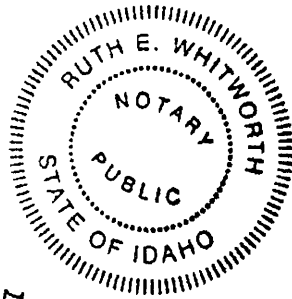

RHONDA L. JOHNSON, City Clerk


PUBLISHED:

STATE OF IDAHO)
County of Bannock)
ss:

On this 3rd day of May, 2007, before me, the undersigned, a Notary Public for the State, personally appeared Roger W. Chase and Rhonda L. Johnson, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, and acknowledged to me that they executed the foregoing instrument for and on behalf of said municipal corporation and that said municipal corporation executed the same.

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




NOTARY PUBLIC FOR IDAHO
Residing in Pocatello, Idaho
My commission expires: 4/16/2013

PUBLISH:
5-9-2007

**North Portneuf Urban
Renewal Area and Revenue
Allocation District
Improvement Plan**

May 2007

CITY OF POCATELLO**North Portneuf Urban Renewal Area Improvement Plan
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Acknowledgements**Pocatello City Council:**

Roger Chase	Mayor
Roger Bray	Council Member
Ron Frasure	Council Member
Gary Moore	Council Member
Eva Nye	Council Member
Richard Stallings	Council Member
Brian Underwood	Council Member

Pocatello Development Authority:

Steve Brown	Chair Person/Commissioner
Terry Brower	Commissioner
Mayor Roger Chase	Commissioner
Darsi Foster-Johnson	Commissioner
Larry Ghan	Commissioner
Ken Monroe	Commissioner
John Ricks	Commissioner
Dan Schroeder	Commissioner
Richard Stallings	Commissioner
Dean Tranmer	Attorney to the Commission
Darcy Taylor	Secretary to the Commission

City of Pocatello Staff:

Robert Chambers	Director, Planning and Development Services
Tim Tingey	Division Manager, Neighborhood & Community Services
Melanie Gygli	Associate Planner
Dave Swindell	Chief Financial Officer

Bannock Development Corporation:

Gynii Gilliam	Executive Director
Sari David	Administrative Assistant

I. INTRODUCTION

The Pocatello Development Authority (PDA) was created by the City of Pocatello on July 14, 1988, and was granted authority by the City of Pocatello to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The PDA helps to ensure that appropriate development takes place in areas of greatest need.

Planning is essential to ensure that development efforts create both an environment of convenience and safety for neighborhood residents, and increased opportunities for businesses to succeed. This North Portneuf Urban Renewal Plan, once implemented, will be the vehicle to provide a more conducive atmosphere for business operation in the City, and enhance opportunities for businesses wishing to relocate to Pocatello.

This plan identifies projects and describes the process for enhancing this area in the City through efforts of the Pocatello Development Authority and the City of Pocatello.

Background

The Pocatello Development Authority (PDA), in the meeting of March 21, 2007 made the following recommendation (SEE ATTACHMENT 1):

- The PDA recommended the creation of a Revenue Allocation District for the area adjacent to the Portneuf River to Interstate 86 and running east to Philbin Road and then in a southerly direction to the Portneuf River. The area also includes properties south and southwest of and adjacent to the Great Western Malting Plant. Underdevelopment of this area necessitates the creation of an improvement plan. This recommendation initiated the creation of the improvement plan contained herein.

The recommendation of the PDA, as outlined, is consistent with the goals of the City and is allowed by the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code). Accordingly, this North Portneuf Urban Renewal Area Improvement Plan directs use of revenue allocation financing to accomplish the following:

- To eliminate underutilized areas which are causing economic under-development in the designated area, substantially impairing the sound growth of Pocatello in general.
- To encourage both private and public development in the Urban Renewal Area in order to diversify and improve the local economy by providing adequate public facilities.
- To encourage cooperation among taxing districts in the Pocatello community regarding the use of funds.
- To accomplish plan goals in accordance with all appropriate federal, state, and local laws.

Purpose of the Plan

The purpose of this plan is to create a proactive approach to development/redevelopment projects by the PDA in Pocatello by focusing efforts in five areas:

1. Leveling or reducing the City's levy rate by increasing the tax base through more aggressive engagement in redeveloping underutilized areas;
2. Partnering with the private sector to enhance development and to attract new or to expand businesses to improve the Pocatello economy;
3. Targeting areas in need of building and site improvements;
4. Utilizing more effectively the powers granted to the PDA in the pursuit of redevelopment activities. Such powers include:
 - a. carrying out urban renewal projects;
 - b. making and executing contracts and other instruments;
 - c. disseminating slum clearance and urban renewal information;
 - d. repairing streets, roads, public utilities or other facilities;
 - e. installing streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, or other facilities;
 - f. entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - g. acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal property for its administrative purposes;
 - h. holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - i. mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - j. insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - k. demolishing and removing structures on property;
 - l. investing urban renewal funds;
 - m. borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
 - n. creating, modifying and executing plans which may include programs of voluntary compulsory repair and rehabilitation of buildings and improvements;
 - o. conducting appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
 - p. developing, testing, and reporting methods and techniques, and carrying out demonstrations for the prevention and elimination of slums and urban blight;
 - q. developing new or improved means of providing housing;
 - r. accepting and utilizing grants of funds from the federal government;
 - s. assisting in the relocation of persons displaced from an urban renewal area;
 - t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated North Portneuf Urban Renewal Area and enhance the economic viability of the area.

II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 2. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why this North Portneuf area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines requirements for a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, Idaho Code 50-2903 states areas in which there is a predominance of buildings or improvements...which by reason of dilapidation, deterioration, age or obsolescence...contributes to the economic underdevelopment of an area qualify for assistance.

The properties associated with these areas are in need of improvements to facilitate building and infrastructure enhancements and these needs have contributed to underutilization of the site for businesses and industry for several years. This area includes several site issues that impede redevelopment including:

- Under-development of land which has detracted from the economic viability of the area;
- Inadequate transportation access points and infrastructure limiting development of this site;
- Any combination of the above factors which has reduced the feasibility of full development of this area.

Without addressing these conditions, the feasibility of additional development in this area in the near future would be limited. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the additional need to establish the North Portneuf Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or in part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:

TABLE 1. Project Costs

PROJECT EXPENSE ITEM	COST	Total
Main Water Re-use Line (4,500/ft x \$100/Ft)	\$450,000	
Main and Lateral Water Line (\$3,500/ft x \$50/ft)	\$175,000	
Main and Lateral Sewer Line (1,000/ ft x \$50/ft)	\$50,000	
Rail Spur, Dbl. Track (4,000/ft x \$220/ft)	\$880,000	
Rail Switch	\$2,000,000	
Roadway Construction (5,000/ft x \$150/ft)	\$750,000	
Property Access (Acquisition and Construction)	\$3,215,000	
Environmental Remediation and Site Preparation	\$250,000	
Power	\$8,500,000	
Natural Gas	\$1,000,000	
Cable/Fiber Optics	\$1,000,000	
Subtotal		\$18,270,000
Water/Sewer Connect Fees	\$291,029	
Contingency @ 20%	\$3,654,000	
Engineering/Administration @ 20%	\$3,654,000	
Total		\$25,869,029
Taxing Entity Operational Costs		\$16,029,830
City Capital Cost Reimbursement		\$1,361,528
PDA Administration		\$1,393,898
Company Employment Reimbursement		\$17,423,728
FINAL PROJECT COST TOTAL		\$62,078,013

Project Description

- **Infrastructure, Access, and Site Work**—any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, and other associated work to facilitate development;
- **Contingency costs**--additional cost calculated for work related to other administrative or construction related costs associated with the project;
- **Taxing Entity Operational Costs**—taxing entities will receive a reimbursement percentage to occur in the tenth year of the district to cover administrative and operational costs thereby lessening the burden of service delivery for the entities associated with this urban renewal area. Funding may also be used for property acquisition for economic development purposes;
- **City Capital Cost Reimbursement**—City of Pocatello costs incurred for acquisition of property for location of HOKU Scientific.
- **PDA Administration**—An administrative cost will be allocated to the PDA for ongoing operational needs;

- **Company Employment Reimbursement**—In year 2016, provided that tax increment financing revenue is collected as projected, HOKU Scientific will be reimbursed funding percentages if they obtain and maintain at minimum 200 new jobs in the community. If they do not have 200 or maintain that number of jobs, then the amount of the reimbursement will be proportionately reduced downward on a prorated sliding scale. There is no increase in reimbursement for jobs in excess of 200.

The following table outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

ITEM	AMOUNT	TOTAL
REVENUES		
Revenue Allocation Proceeds	\$62,078,013	
Sub-Total		\$62,078,013
COSTS		
Infrastructure Costs	\$25,869,029	
Taxing Entity Operational Costs	\$16,029,830	
City Capital Cost Reimbursement	\$1,361,528	
PDA Administration	\$1,393,898	
Company Employment Reimbursement	\$17,423,728	
Subtotal		\$62,078,013
Ending District Balance		\$0

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a projection of base-assessed valuations for the proposed revenue allocation district for the North Portneuf Urban Renewal Area. An analysis of the tax levy rates applied in calculating tax collection for taxing entities and the North Portneuf Revenue Allocation District is described below. The 2006 tax levies for each of the five taxing jurisdictions are as follows:

<u>Taxing Jurisdictions</u>	<u>Tax levy¹</u>
City of Pocatello	.010385066
Bannock County	.005278294
School District # 25	.004556190
County Road & Bridge	.000591630
Ambulance	.000278340
Total	.021089520

¹ Obtained from Bannock County Auditor's Office

TABLE 3

Taxing Entity	² Tax Levy	North Portneuf Area Valuation	Revenue
City of Pocatello	0.010385066	\$4,409,661	\$45,794.62
Bannock County	0.005278294	\$4,409,661	\$23,275.49
School District #25	0.004556190	\$4,409,661	\$20,091.25
County Road & Bridge	0.000591630	\$4,409,661	\$2,608.89
Ambulance	0.000278340	\$4,409,661	\$1,227.39
Total	0.021089520		\$92,997.64

As the above table shows, \$ 92,997.63 of tax revenue is presently produced in the revenue allocation district for the North Portneuf Urban Renewal Plan. The remainder of the property is currently tax exempt. Taxable value will be added by real improvements to the land scheduled to begin summer of 2007.

Table 4 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a nineteen year period.

TABLE 4

Value of Taxable Property in Revenue Allocation Area			
Property	2007 Base Value	Estimated Post Construction and Base Value	Net Increase
Proposed North Portneuf Improvement Site	\$4,409,661 ³	\$200,409,661	\$196,000,000

Table 5 provides an analysis of the estimated revenue to the PDA from new construction value within the North Portneuf Revenue Allocation District. Levy rates based on current rate determinations are applied to determine net revenue to be collected and distributed to the PDA.

² 2006 tax levy rate obtained from Bannock County Auditor's office

³ Includes a 3% estimated amount for utilities which are included as base value.

TABLE 5

Year 12 months ending	TIF Tax Value ⁴	Tax Levy Rate ⁵	Revenue to PDA
2007	-----	0.021089520	-----
2008	-----	0.021089520	-----
2009	\$196,000,000	0.021089520	\$4,133,546
2010	\$190,120,000	0.018980568	\$3,608,586
2011	\$184,416,400	0.018980568	\$3,500,328
2012	\$178,883,908	0.018980568	\$3,395,318
2013	\$173,517,391	0.018980568	\$3,293,459
2014	\$168,311,869	0.018980568	\$3,194,655
2015	\$163,262,513	0.018980568	\$3,098,815
2016	\$158,364,638	0.018980568	\$3,005,851
2017	\$153,613,698	0.018980568	\$2,915,675
2018	\$149,005,287	0.018980568	\$2,828,205
2019	\$144,535,129	0.018980568	\$2,743,359
2020	\$140,199,075	0.018411151	\$2,581,226
2021	\$135,993,103	0.018411151	\$2,503,790
2022	\$131,913,310	0.018411151	\$2,428,676
2023	\$127,955,910	0.018411151	\$2,355,816
2024	\$127,955,910	0.018411151	\$2,355,816
2025	\$127,955,910	0.018411151	\$2,355,816
2026	\$127,955,910	0.018411151	\$2,355,816
2027	\$127,955,910	0.018411151	\$2,355,816
2028	\$127,955,910	0.018411151	\$2,355,816
2029	\$127,955,910	0.018411151	\$2,355,816
2030	\$127,955,910	0.018411151	\$2,355,816
Total	\$2,907,915,873		\$62,078,013

The total revenue amount that may be received by the PDA over twenty four years is estimated at approximately \$62,078,013. This amount will be used to finance all projected costs within the North Portneuf Urban Renewal Area.

Table 6 outlines reimbursement and payment amounts, with percentage allocations for all costs to be distributed to both the public and private entities. There are no guarantees of the revenue amounts listed in this plan. Revenue distributions listed in the plan will be based on actual proceeds received. If for whatever reason, net revenue to PDA is less than that projected in the plan, then the listed percentages will govern how the proceeds are to be allocated. There is no adjustment in distribution for net revenue to PDA in excess of that listed in the plan.

⁴ Proposed new construction is anticipated to be completed at the end of 2008. Full tax value will be collected for 2009.

⁵ Calculations include holding the levy rate constant through 2009. In 2010, it is reduced by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate. It is also reduced an additional 3% in 2020 to account for the future expiration of the North Yellowstone Urban Renewal Area.

The company is paying the costs of infrastructure, access and site work and will therefore be reimbursed for the actual costs of these items, currently estimated to be \$25,869,029. The company will also receive an employment reimbursement for jobs created. The full amount listed in the table under Company Employment Reimbursement will be distributed to the company if employment is achieved and maintained at 200 FTE's. For the purposes of this plan, Bureau of Labor Statistics standards are used to define full time equivalent employment. This definition is 35 hours per week. The distribution amount will be adjusted downward if the job creation is less than the 200 FTE's and will be proportionally reduced on a prorated sliding scale. There is no increase in distribution for jobs in excess of 200 FTE's.

Public entities will receive reimbursement of costs associated with land acquisition and operations/administration. This will help to pay the costs associated with service delivery by these entities in this area.

TABLE 6

Tax Collection Year	Net Revenue to PDA	Company Infrastructure Reimbursement 95%	Company Employment Reimbursement 50%	City Capital Cost Reimbursement 5%	Taxing Entity Operational Costs 46%	PDA Admin 4%
2007	-----	-----	-----	-----	-----	-----
2008	-----	-----	-----	-----	-----	-----
2009	-----	-----	-----	-----	-----	-----
2010	\$4,133,546	\$3,926,869		\$206,677		
2011	\$3,608,586	\$3,428,156		\$180,429		
2012	\$3,500,328	\$3,325,312		\$175,016		
2013	\$3,395,318	\$3,225,552		\$169,766		
2014	\$3,293,459	\$3,128,786		\$164,673		
2015	\$3,194,655	\$3,034,922		\$159,733		
2016	\$3,098,815	\$2,943,874		\$154,941		
2017	\$3,005,851	\$2,855,558		\$150,293		
2018	\$2,915,675		\$1,457,838		\$1,341,211	\$116,627
2019	\$2,828,205		\$1,414,102		\$1,300,974	\$113,128
2020	\$2,743,359		\$1,371,679		\$1,261,945	\$109,734
2021	\$2,581,226		\$1,290,613		\$1,187,364	\$103,249
2022	\$2,503,790		\$1,251,895		\$1,151,743	\$100,152
2023	\$2,428,676		\$1,214,338		\$1,117,191	\$97,147
2024	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2025	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2026	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2027	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2028	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2029	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2030	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2031	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
Total	\$62,078,013	\$25,869,029	\$17,423,728	\$1,361,528	\$16,029,830	\$1,393,898

As outlined in Table 6, when revenue is received by the PDA (projected to begin in 2010), the costs for public infrastructure will be reimbursed over eight years provided that revenue is collected at the projected rate. City capital costs for acquisition will also be funded within the same time frame. After those items are compensated, a reimbursement for job creation, taxing entity operational costs and PDA administration and acquisition costs will also be funded.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the North Portneuf Urban Renewal Area are governed by two applicable sections of Idaho Code: the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) and the Idaho Local Economic Development Act (Chapter 29, Title 50, Idaho Code).

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public's health, safety, morals or welfare (Idaho Code 50-2008). The Urban Renewal Law also states that an area of a city that "constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities..." may be designated an urban renewal area.

The Idaho Legislature passed the Local Economic Development Act in 1988. This act states: "An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area." (Idaho Code 50-2904)

In addition to this, Idaho Code 50-2906 states: "The local governing body of an authorized municipality must enact an ordinance in accordance with Chapter 9, Title 50, Idaho Code, and Section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance...and conduct a public hearing." (Idaho Code 50-2906) This part of the Idaho Code specifically implies that a local municipality must enact an ordinance before redevelopment can take place.

The North Portneuf Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocation Districts.

VI. PLAN DURATION

The plan shall be in effect and enforceable for a period of time necessary to finance all designated improvements and all debt obligations the PDA may incur in connection with such improvements. This term may be amended as allowed by law.

VII. AMENDMENT PROCEDURES

The plan may be amended by the PDA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Pocatello City Council.

VIII. SEVERABILITY

If any part of the plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

The North Portneuf Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and site construction work.

Implementation of the plan will provide the capacity necessary to foster sound growth of the municipality, increase the tax base and tax revenues, encourage economic stability of the community, increase job creation, and improve the health, safety, and welfare of the community.

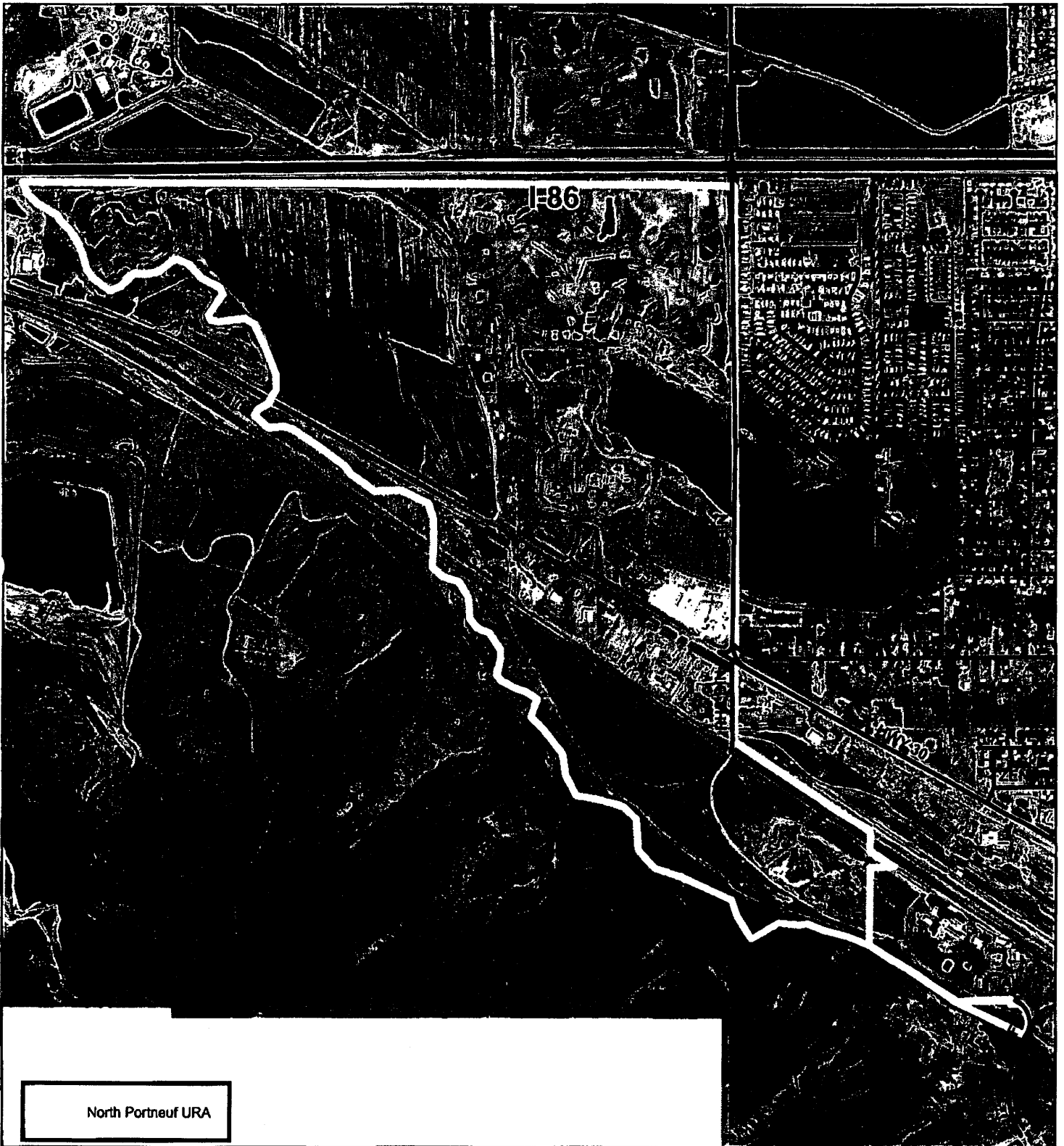
The Pocatello Development Authority recommends that the City approve and cooperate in carrying out the purposes of this Plan.

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ATTACHMENT 1
North Portneuf Revenue Allocation
Map

Proposed North Portneuf Urban Renewal Area & Revenue Allocation District



North Portneuf URA



1 inch equals 1,250 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.

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ATTACHMENT 2

North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description

NORTH PORTNEUF URBAN RENEWAL AREA
AND REVENUE ALLOCATION DISTRICT

A tract of land located in the NE 1/4 of the SE 1/4 of Section 7, the S 1/2 of Section 8, the E 1/2 of Section 16, the NE1/4 of the NW 1/4 and the E 1/2 of Section 17, the NE 1/4 of the NW 1/4, and the NW 1/4 of the NE 1/4 of Section 21, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 700-feet to the west 1/4 corner of Section 16 marked by a 5/8-inch iron pin; thence continuing in a southerly direction along the west line of Section 16 approximately 160-feet to a point of intersection with the original northerly right of way line of the Oregon Short Line Railroad (OSLRR); thence S56°36'03"E along the northerly right of way line of the OSLRR approximately 1570-feet to a point of intersection with the west 1/16 line of Section 16; thence S.00°41'13"E along the west 1/16 line approximately 120-feet to a point of intersection with the southerly right of way line of the OSLRR, said point marked by a 5/8" iron pin stamped PLS 8075; thence S56°36'03"E along the southerly right of way of the OSLRR 265.12-feet to a Bannock County brass cap monument on the south 1/16 line of Section 16; thence S89°06'59"W along the south 1/16 line of Section 16 a distance of 223.15-feet to the southwest 1/16 corner of Section 16 marked by a 6-inch diameter steel post; thence southerly along the west 1/16 line of Section 16 approximately 740-feet to a point of intersection with the centerline of the Portneuf River; thence in a southeasterly direction upstream to a point of intersection with the south line of Section 16; thence N89°59'E approximately 551.60-feet to the S1/4 corner of Section 16, said point also being the N1/4 corner of Section 21, Township 6 South, Range 34 East, Boise Meridian; thence in a southerly direction along the meridional centerline of Section 21 a distance of 40-feet to a point on the southwesterly right of way of Kraft Road; thence S77°34'E along said southwesterly right of way line of Kraft Road

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described in instrument #224872 recorded in the Bannock County, Idaho, Courthouse 57.00-feet more or less, to the beginning of a 118.5-foot radius curve concave to the southwest; thence continuing along said westerly right of way line of Kraft Road southeasterly and southwesterly along said 118.50-foot radius curve through a central angle of $105^{\circ}15'35''$ a distance of 217.70-feet; thence $S27^{\circ}40'W$ continuing along said right of way line approximately 108-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, going downstream along the centerline of the Portneuf River approximately 13,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

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ATTACHMENT 3

Bannock County Transfer of Powers Ordinance

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BANNOCK COUNTY, IDAHO
ORDINANCE NO. 2007-1
TRANSFER OF POWER ORDINANCE

BE IT ORDAINED by the Bannock County Commissioners, State of Idaho, that an agreement with the City of Pocatello and the County of Bannock has been negotiated concerning the said property described below pursuant to Idaho Code Section 50-2906 (3) (b) concerning transfer of powers over said property for the purpose of a urban renewal area for the purpose of financing public improvements to facilitate economic development including construction of manufacturing facilities.

A parcel of land located in the NE1/4 of the SE1/4 of Section 7, the S1/2 of Section 8, the W1/2 of the NW1/4 of Section 16, and Section 17, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 2800-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, leaving said city limits line, going downstream along the centerline of the Portneuf River approximately 10,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

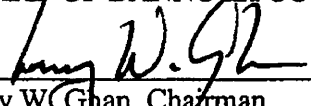
This Ordinance shall be in full force and effect upon its passage, approval and publication.

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Adopted this 12th day of March, 2007.

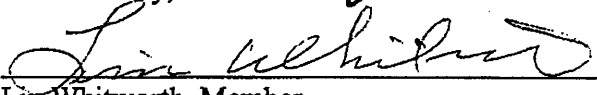
BOARD OF BANNOCK COUNTY COMMISSIONERS



Larry W. Ghan, Chairman



Steve Hadley, Member



Lin Whitworth, Member

ATTEST: **DALE HATCH**
Dale Hatch, Clerk
By Cindy Hapworth, Deputy Clerk

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ATTACHMENT 4

Recommendation of the PDA

RESOLUTION 2007-1

A RESOLUTION OF THE POCATELLO DEVELOPMENT AUTHORITY APPROVING THE DEVELOPMENT PLAN AND PROJECT FOR A REVENUE ALLOCATION AREA KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL AREA AND REVENUE ALLOCATION DISTRICT, AND RECOMMENDING THAT THE CITY COUNCIL APPROVE THE PLAN AND PROJECT AND ESTABLISH THE REVENUE ALLOCATION PROVISIONS FOR A PERIOD OF TIME NECESSARY TO FINANCE ALL DESIGNATED IMPROVEMENTS, NOT TO EXCEED TWENTY-FOUR YEARS.

WHEREAS, the Pocatello Development Authority has been presented with plans for infrastructure enhancement, construction of facilities, upgrade of utilities, site preparation work and other associated work to facilitate industrial development within the proposed North Portneuf Urban Renewal Area; and

WHEREAS, the Pocatello Development Authority has reviewed the projects and determined that they are suitable for tax revenue allocation limited to no longer than a twenty-four year collection period, subject to other restrictions as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE POCATELLO DEVELOPMENT AUTHORITY AS FOLLOWS:

1. That the Pocatello Development Authority hereby approves the establishment of an urban renewal area and revenue allocation area district to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area and authorizes its presentation to the City Council for approval and passage of an ordinance to establish said Urban Renewal Area and Revenue Allocation Area. The Plan does not include bond financing, and the term is limited to no longer than twenty-four years, terminating at 11:59 p.m. on December 31, 2030.

2. That, regardless of the total revenue stream, in the event the Urban Renewal Area and Revenue Allocation Area is formed, reimbursement of land acquisition costs

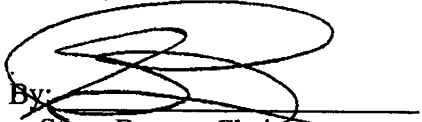
expended by the City of Pocatello for real property designated for the location of the Hoku Materials, Inc. manufacturing plant and access thereto shall be made to the City of Pocatello. Additionally, verified, eligible costs for infrastructure, access and site work incurred by Hoku Materials, Inc., in the development of its manufacturing plant shall be reimbursed from tax increment financing funds as they become available to the Pocatello Development Authority Board. The Plan includes a provision for eligible taxing entities to receive a fixed percentage of the revenue allocation (tax increment) revenues beginning with the tenth year of the Urban Renewal Area and Revenue Allocation Area.

3. That the base year of the District will be 2007, and that the Revenue Allocation Area shall last as long as through taxing year 2030, with collection of tax increment monies lasting through calendar year 2031.

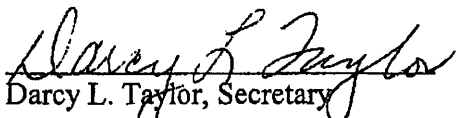
4. That this Resolution shall be effective the 21st day of March, 2007, the date of the meeting at which the unanimous vote approving said project was held.

RESOLVED this 21st day of March, 2007.

POCATELLO DEVELOPMENT
AUTHORITY

By: 
Steve Brown, Chair

ATTEST:


Darcy L. Taylor, Secretary

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ATTACHMENT 5

Recommendation of the CDC

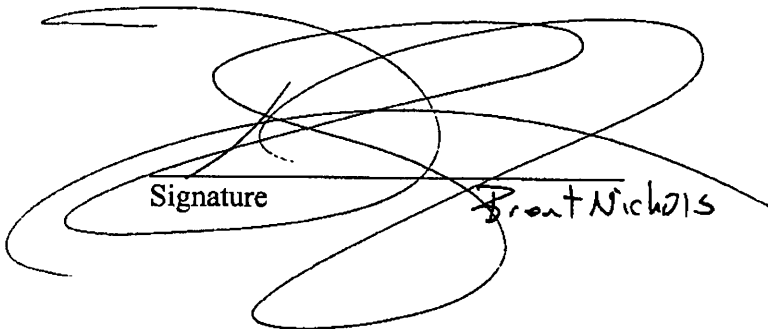
TO: Mayor Roger Chase
City Council

FROM: Brent Nichols, Vice Chair
Community Development Commission

DATE: March 28, 2007

RE: North Portneuf Urban Renewal Area Improvement Plan

Following review at the March 28, 2007 meeting, In accordance with Idaho Code 50-2008(b), the Community Development Commission finds the proposed North Portneuf Urban Renewal Area Improvement Plan to be in conformance with the City's Comprehensive Plan.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and lines, covering the signature line and extending upwards.

Signature Brent Nichols

3/28/07
Date

ATTACHMENT 6

Resolution of the City Council designating the Urban Renewal Area

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RESOLUTION NO. 2007-07

A RESOLUTION OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, DESIGNATING AN URBAN RENEWAL AREA WITHIN THE CITY OF POCATELLO AND BANNOCK COUNTY TO BE KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA DISTRICT; APPROVING THE PLANS REVIEWED AND RECOMMENDED BY THE POCATELLO DEVELOPMENT AUTHORITY AND THE COMMUNITY DEVELOPMENT COMMISSION FOR CONSIDERATION AT A PUBLIC HEARING HELD BEFORE THE CITY COUNCIL ON APRIL 19, 2007; PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE UPON ITS PASSAGE.

WHEREAS, pursuant to Idaho Code §§50-2005-2008, the Mayor and Council of the City of Pocatello have heretofore made findings of fact sufficient to establish certain urban renewal areas within the City and to cause an urban renewal agency known as the Pocatello Development Authority to function within the City as set forth in Resolution No. 1988-13; and

WHEREAS, the City Council has since that time reviewed certain other areas within the city limits and declared them to be appropriate for urban renewal projects by Resolution as required by Idaho Code §50-2008; and

WHEREAS, the City Council has since then considered the issue of development of the area consisting generally of real property parcels in the Philbin Road and Highway 30 West area, bounded by Interstate 86 on the north, the Portneuf River on the west/southwest, and Philbin Road on the east, up to the Great Western Malting Plant property, and properties south/southwest of and adjacent to the Great Western Malting Plant which are determined to be deteriorated or deteriorating parcels in need of rehabilitation and infrastructure improvements which heretofore have prevented development; and

WHEREAS, the City Council, having reviewed the proposal for the above-described area, deems it in the best interest of the citizens of the City of Pocatello to

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incorporate said area into an Urban Renewal Area to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pocatello as follows:

1. That the area depicted on Exhibit A attached hereto and made a part hereof, to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area, is hereby declared and determined to be a deteriorating area, as defined by Idaho Code §50-2018(9) and §50-2903(8)(b) and (c), by reason of the existence of inadequate street layout, accessibility or usefulness, and a lack of adequate infrastructure or development, all of which substantially impairs the sound growth within the City and results in economic underdevelopment of the area and is detrimental to the public health, safety, or welfare.

2. That the above-described area is therefore declared appropriate for, and is hereby designated as, an Urban Renewal Area and Revenue Allocation Area suitable for urban renewal projects.

3. That the City Council hereby acknowledges the adoption by the Board of Commissioners for Bannock County, Idaho, of a Transfer of Powers Ordinance for those areas within the Urban Renewal Area and Revenue Allocation Area not yet annexed into the corporate City limits.

4. That the City Council also hereby acknowledges the recommendation of the Community Development Commission that the plan submitted for this area conforms to the Comprehensive Plan of the City.

5. That the City Council hereby acknowledges the recommendation of the Pocatello Development Authority regarding the urban renewal area and revenue allocation area and the Plan for improving said area, including infrastructure improvements, public

RESOLUTION

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utility improvements and the like, which Plan shall encompass improvements to the area for the maximum time allowed by law or a period of up to twenty-four (24) years, and that the Plan be appropriately modified to reflect this change.

5. That the City Council hereby approves of the Pocatello Development Authority proceeding with the preparation of plans for urban renewal projects to be performed in the above named urban renewal area and revenue allocation area in conformity with the Plan submitted to the Community Development Commission in accordance with Idaho Code §50-2008(b).

6. That the City Council hereby makes the following findings after a public hearing held on April 19, 2007, conducted in accordance with Idaho Code §50-2008(c) and (d) and §50-2906(3) regarding the above named urban renewal plan and project:

A. That no families will be displaced from the proposed North Portneuf Urban Renewal Area and Revenue Allocation Area;

B. That the North Portneuf Urban Renewal Plan conforms to the general plan of the municipality as a whole;

C. That adequate parks and recreational facilities already exist in close proximity to the Urban Renewal Area and the nature of the use of the real property within the Urban Renewal Area and Revenue Allocation Area will be Industrial in nature; and

D. That the North Portneuf Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise.

7. That the City council hereby directs the City Legal Department to prepare an Ordinance for one reading at the May 3, 2007 regular City Council Meeting and authorizing the City Clerk to prepare and publish proper Notice and provide proper Notice to the various taxing entities so entitled, all in conformance with Idaho Code §50-2906(3).

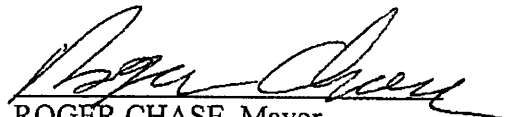
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RESOLVED AND EFFECTIVE this nineteenth day of April, 2007.

CITY OF POCA TELLO, a municipal
corporation of Idaho


ROGER CHASE, Mayor

ATTEST:


RHONDA L. JOHNSON, City Clerk

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OFFICIAL RECORD BK# 895
BANHOCK COUNTY IDAHO

RECORDED AT REQUEST OF
FEE DEPUTY [Signature]

CITY OF POCAHELLO

~~20711154~~

2007 MAY 11 P 3:44

OFFICIAL RECORD BK# 895
BANHOCK COUNTY IDAHO

RECORDED AT REQUEST OF
FEE DEPUTY [Signature]

CITY OF POCAHELLO

20711155

2007 MAY 11 P 3:50

Original
Stamp on
back of original
Resolutions

Exhibit D

ECONOMIC DEVELOPMENT AGREEMENT

This Agreement is made this 27th day of May, 2009 (the "Effective Date"), by and between the Pocatello Development Authority, an urban renewal agency formed under the laws of the State of Idaho, hereinafter referred to as "PDA," and Hoku Materials, Inc., a Delaware corporation registered to do business within the State of Idaho, hereinafter referred to as "Hoku".

1. Recitals

1.1 Hoku is engaged in the construction and development of approximately sixty-seven acres of previously undeveloped land located between the Union Pacific Railroad tracks which run parallel to Highway 30 and the Portneuf River, near Highway 30's intersection with Philbin Road, hereinafter the "Hoku Site". The development will consist of a manufacturing plant which will produce polysilicon, together with related support and maintenance buildings within the North Portneuf Urban Renewal Area that, when completed, will have an estimated value of not less than \$196,000,000, and an estimated adjusted value of not less than \$127,955,910 when depreciated over twenty years.

1.2 PDA is a public body created as an urban renewal agency pursuant to Idaho Code §50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency, PDA is charged with aiding and assisting economic development in Pocatello, Idaho (hereinafter at times "the community"), including assisting developments that will retain and increase available jobs in the community; and is further charged with encouraging such development by private enterprise; all as more specifically provided in Idaho Code §§50-2002 and 50-2003, being part of the Idaho Urban Renewal Law, and Idaho Code §50-2902, being part of the Local Economic Development Act (collectively, the "Idaho Urban Renewal Law").

FILE COPY

1.3 Hoku and PDA agree that the installation of basic infrastructure was necessary for the commercial development of the Hoku Site, which infrastructure included, but was not limited to, water and sewer lines, roadways, access improvements, and development of an electric substation and related power lines.

1.4 PDA has determined that the establishment of a new manufacturing plant in the community will create new employment opportunities not currently available, and contribute to the overall economic health of the Community.

1.5 PDA has determined that the above-described development project represents the type of urban area development to which it may apply revenue allocation funds (tax increment financing) under the applicable statutes; and that the same will promote economic development of the area and creation of jobs and increased tax base consistent with the North Portneuf Urban Renewal Area and Revenue Allocation District Improvement Plan dated May 2007, and attached hereto as Exhibit A, and incorporated herein (the "Plan"). For that reason, as described in more detail in Section 2 hereof, "Provisions for PDA's Payment of Economic Development Funds", PDA has committed to provide to Hoku:

A. An amount that is equal to ninety-five percent (95%) of the RAD Revenue (as defined herein) , but not to exceed twenty-five million, eight hundred sixty-nine thousand and twenty-nine dollars (\$25,869,029), less the amount of the Bond Costs or, alternatively, the Road Costs (each as defined herein), as the case may be, for reimbursement of actual costs incurred and paid by Hoku (the "Infrastructure Reimbursement") that are, or are in a nature that is substantially similar to those items, set forth in Exhibit B, or similar such work as approved by the PDA Board of Directors and consistent with the Plan and Idaho Urban Renewal Law, and pursuant to the terms of this Agreement (the "Site Costs"); and

B. An additional amount that is equal to fifty percent (50%) of the RAD Revenue, but not to exceed seventeen million, four hundred twenty-three thousand, seven hundred twenty-eight dollars (\$17,423,728) (the "Employment Reimbursement") in employment reimbursement as an incentive for creating new jobs in the community.

For purposes of this Agreement, "RAD Revenue" shall mean the gross amount of tax increment funds collected on the North Portneuf Tax Increment Financing District with respect to the Hoku Site. For purposes of this Agreement, "Bond Costs" shall mean the aggregate cost, including payments of principal and interest and reasonably necessary fees, costs and expenses of any bond financing conducted for the benefit of the North Portneuf Urban Renewal Area, the proceeds of which are used to fund the construction of the public access road to the Hoku Site (the "Access Road"); in an amount not to exceed eleven million dollars (\$11,000,000). For purposes of this Agreement, "Road Costs" shall mean the actual cost to design, construct and acquire any real property as may be necessary to complete the Access Road, in an amount not to exceed eleven million dollars (\$11,000,000). These funds are being provided to ensure the project is feasible for Hoku from a budgetary standpoint and because of the resulting public benefits described above.

1.6 By this Agreement, PDA and Hoku wish to memorialize their mutual undertakings and commitments with respect to the project described herein.

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

2. Provisions for PDA's Payment of Economic Development Funds

2.1 To further the proposed development, the increased tax base expected therefrom, and the accompanying employment opportunities, PDA agrees to pay to Hoku an amount not to exceed the Infrastructure Reimbursement as reimbursement for Site Costs.

2.2 The amount provided for in Paragraph 2.1, above, shall be paid through the special internal construction account (“Special Construction Account”) into which PDA shall deposit the funds to be used to make payments of the Infrastructure Reimbursement. The Special Construction Account shall be an account held and maintained by PDA for the purpose of identifying and segregating the funds to be used to make payments of the Infrastructure Reimbursement to Hoku as reimbursement for Site Costs.

2.3 From the Special Construction Account, PDA shall make payments of the Infrastructure Reimbursement to Hoku in reimbursement of Hoku’s Site Costs, which Site Costs shall be itemized on invoices including adequate detail of the charges represented thereby (each, a “Qualified Invoice”). No more than the amount of the Infrastructure Reimbursement set forth herein shall be paid by PDA to Hoku in reimbursement for Site Costs, as identified by Hoku in Qualified Invoices.

2.4 In addition to the Infrastructure Reimbursement provided for in Paragraph 2.1 above, up to the full Employment Reimbursement may be paid to Hoku by PDA as employment reimbursement, pursuant to the terms of this Agreement and the provisions of the Plan.

2.5 In order to qualify for Employment Reimbursement payments, Hoku shall submit to PDA verification that Hoku has achieved and maintained employment of a minimum of two hundred (200) (the “FTE Minimum”) Full Time Equivalent (“FTE”) positions at the Hoku Site during the most recent fifty-two (52) week period running concurrently with Hoku’s fiscal year (the “FTE Period”). The Parties understand and agree that the number of FTEs for purposes of this Agreement shall be calculated pursuant to the methodology used by the United States Bureau of Labor Statistics, as it exists as of the date hereof, and that each full-time exempt employee shall be counted as one FTE.

2.6 Hoku agrees to submit verification that it has met the threshold of employing and maintaining the FTE Minimum during the applicable FTE Period with its request to PDA for any payment of the Employment Reimbursement. PDA reserves the right to conduct or cause to be conducted an independent verification study to be at the direction of PDA upon reasonable notice to Hoku. Hoku and PDA agree to cooperate in the exchange of information for said independent verification study which may be conducted no more than once every six months, and no less than once per calendar year.

2.7 Employment reimbursement payments shall be made by PDA to Hoku on an annual basis, based on Hoku's fiscal year and on the amount of RAD Revenue received. In the event the verification process reveals that Hoku did not maintain the FTE Minimum during a given FTE Period, then the applicable Employment Reimbursement payment made to Hoku with respect to such period shall be adjusted downward pro rata on a sliding scale, based on the number of qualified FTE positions which could be verified during that FTE Period.

2.8 No payments of either the Infrastructure Reimbursement or the Employment Reimbursement shall be made by PDA to Hoku until the repayment of the Bond Costs is complete, or in the event bonding is not accomplished, until sufficient RAD Revenues are received as are needed to fund Road Costs. Upon completion of repayment of any Bond Costs or, in the alternative, funding of the Road Costs, payments of the Infrastructure Reimbursement shall begin to be made to Hoku upon its submission of Qualified Invoices. Concurrently, five per cent (5%) of the RAD Revenues will be used to repay the City of Pocatello for capital reimbursement costs. Upon completion of the repayment of (a) the Infrastructure Reimbursement, and (b) two million dollars (\$2,000,000.00) to the City of Pocatello for capital reimbursement costs (the "City Reimbursement"), payment of the Employment Reimbursement shall begin as provided herein.

2.9 In the event PDA does not initiate a bonding action for the benefit of the North Portneuf Urban Renewal Area, or in the event PDA is unable to obtain said bonding due to economic factors, PDA shall collect and hold RAD Revenues for the benefit of said Urban Renewal Area.

2.10 The North Portneuf Urban Renewal Area and Revenue Allocation District is scheduled to close at the end of the tax year 2031, at which time the property within said District shall return to the Bannock County tax rolls. In the event that RAD Revenues are greater than expected, and the maximum payment amounts provided for in this Agreement are paid prior to the end of tax year 2031, it is the expectation and intent of PDA to close the North Portneuf Tax Increment Financing District upon completion of said payments, the City Reimbursement and the PDA Administrative Fee, as set forth in Table 6 of the Plan (the "PDA Administrative Fee"), any excess revenue shall be returned to the taxing entities, and the property within said District shall be returned to the Bannock County tax rolls.

3. Provisions for Hoku's Required Performance for Payment

3.1 Hoku shall provide to PDA such additional information respecting the work and payments as PDA may reasonably request in order to determine whether submitted invoices qualify for reimbursement under the terms of this Agreement. The Parties agree that any Qualified Invoice for reimbursement of a Site Cost, that conforms to the requirements provided herein, shall be presumed to qualify for reimbursement under the terms of this Agreement.

3.2 The annual payment by PDA to Hoku of the Employment Reimbursement from RAD Revenue shall be processed upon receipt of Hoku's annual verification that it has met the FTE Minimum during the applicable FTE Period at the Hoku Site.

3.3 Hoku understands and agrees that it is the intent of PDA to close the North Portneuf Tax Increment Financing District as soon as the Infrastructure Reimbursement, Employment Reimbursement, the City Reimbursement and PDA Administrative Fee have been paid in full.

Thereafter the District shall be closed and the availability of tax increment finance funds used to reimburse Hoku will cease.

3.4 If Hoku appeals any real property tax assessment by the Bannock County Assessor and/or Commissioners with respect to the Hoku Site that results in an assessed valuation of less than \$196,000,000 at a time when less than all of (a) the Bond Costs or, alternatively, the Road Costs, as the case may be, have been paid from RAD Revenue, and/or (b) the City Reimbursement has been paid from RAD Revenue, then Hoku shall be liable for payment of the remaining balance of (x) the Bond Costs or, alternatively, Road Costs, as the case may be, (y) the City Reimbursement and/or (z) the PDA Administrative Fee, such that the applicable cost, reimbursement or fee is paid in full.

4. Insurance

During the construction of the project Hoku shall maintain or cause the contractor(s) to maintain general liability insurance with PDA as an additional insured during the period of construction in the following minimum limits and conditions:

- A. General Aggregate \$2,000,000.00.
- B. Each occurrence (bodily injury and property damage) \$1,000,000.00.
- C. Bodily injury and property damage liability insurance must provide broad-form property damage coverage, including explosion, collapse, and underground coverages.
- D. Automobile liability coverage for owned, non-owned, rented, or hired vehicles and equipment in the minimum amount of \$1,000,000.00.
- E. Excess liability or umbrella insurance in the amount of \$2,000,000.00.

5. Effect of Agreement

5.1 It is further intended by the Parties to this Agreement that the Infrastructure Reimbursement payments and/or Employment Reimbursement Payments to be made by PDA

to Hoku hereunder are to assist Hoku in connection with the full development of the Hoku Site, and the Parties shall take all actions necessary to carry out that intent.

5.2 The parties acknowledge that the effect of the payments by PDA required hereunder will inure to the benefit of Hoku to a certain extent, while having the corresponding benefit to the public purposes of PDA described above.

6. Miscellaneous

6.1 The effective date of this Agreement shall be the Effective Date, as defined in the opening paragraph of this Agreement.

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

6.3 In any litigation arising out of this Agreement, the proper venue shall be the Sixth Judicial District Court of the State of Idaho, Bannock County, Idaho, and the prevailing law shall be the laws of the State of Idaho.

6.4 This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors; but neither party may assign this Agreement without the express written consent of the other party, which consent may not be unreasonably withheld. It is expressly understood and agreed that any assignment of this Agreement that may be deemed to result from a change of control of either party or by operation of law shall not require the consent of the other party.

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

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

6.7 Notices by either party to the other shall be made in writing and delivered by first class mail, postage prepaid, to the parties as follows:

HOKU: Hoku Materials, Inc.
 Attn: Chairman
 One Hoku Way
 Pocatello, ID 83204

PDA: Pocatello Development Authority
 Attn: Executive Director
 911 North Seventh Ave.
 Pocatello, ID 83201


6.8 This document constitutes the entire agreement of the parties.

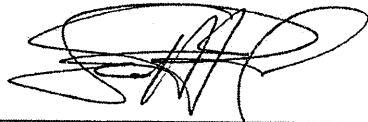
[Signature page follows]

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

POCATELLO DEVELOPMENT AUTHORITY
An urban renewal agency under the law of the
State of Idaho

HOKU MATERIALS, INC., a Delaware
corporation authorized to do business in
the State of Idaho

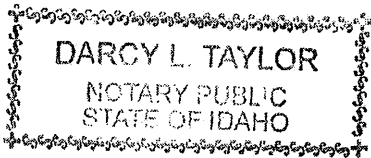
By: 
Steve Brown, Chairman

By: 
Scott Paul, Chief Operating Officer

STATE OF IDAHO)
)
 ss:
)
County of Bannock)

On this 27th day of May, 2009, before me, the undersigned, a Notary Public in and for the State, personally appeared Steve Brown, known to me to be the Chairman of the "PDA", of the City of Pocatello, and acknowledged to me that he executed the foregoing instrument for and on behalf of said agency and that said agency executed the same.

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

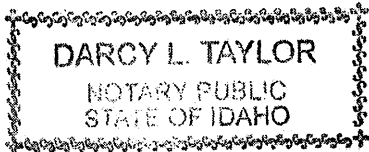


Darcy L. Taylor
NOTARY PUBLIC FOR IDAHO
Residing in Pocatello
My commission expires:

STATE OF IDAHO)
)
 ss:
)
County of Bannock)

On this 27th day of May, 2009, before me, the undersigned, a Notary Public in and for the State, personally appeared Scott Paul, known to me or proved to me to be the Chief Operating Officer of Hoku Materials, Inc., who executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

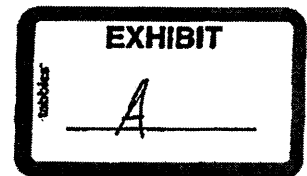
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Darcy L. Taylor
NOTARY PUBLIC FOR IDAHO
Residing in Pocatello, Id.
My commission expires:

**North Portneuf Urban
Renewal Area and Revenue
Allocation District
Improvement Plan**

May 2007



CITY OF POCATELLO**North Portneuf Urban Renewal Area Improvement Plan
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City Officials

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Acknowledgements

Pocatello City Council:

Roger Chase	Mayor
Roger Bray	Council Member
Ron Frasure	Council Member
Gary Moore	Council Member
Eva Nye	Council Member
Richard Stallings	Council Member
Brian Underwood	Council Member

Pocatello Development Authority:

Steve Brown	Chair Person/Commissioner
Terry Brower	Commissioner
Mayor Roger Chase	Commissioner
Darsi Foster-Johnson	Commissioner
Larry Ghan	Commissioner
Ken Monroe	Commissioner
John Ricks	Commissioner
Dan Schroeder	Commissioner
Richard Stallings	Commissioner
Dean Tranmer	Attorney to the Commission
Darcy Taylor	Secretary to the Commission

City of Pocatello Staff:

Robert Chambers	Director, Planning and Development Services
Tim Tingey	Division Manager, Neighborhood & Community Services
Melanie Gygli	Associate Planner
Dave Swindell	Chief Financial Officer

Bannock Development Corporation:

Gynii Gilliam	Executive Director
Sari David	Administrative Assistant

I. INTRODUCTION

The Pocatello Development Authority (PDA) was created by the City of Pocatello on July 14, 1988, and was granted authority by the City of Pocatello to undertake urban renewal projects which may be facilitated through the use of tax increment financing. The PDA helps to ensure that appropriate development takes place in areas of greatest need.

Planning is essential to ensure that development efforts create both an environment of convenience and safety for neighborhood residents, and increased opportunities for businesses to succeed. This North Portneuf Urban Renewal Plan, once implemented, will be the vehicle to provide a more conducive atmosphere for business operation in the City, and enhance opportunities for businesses wishing to relocate to Pocatello.

This plan identifies projects and describes the process for enhancing this area in the City through efforts of the Pocatello Development Authority and the City of Pocatello.

Background

The Pocatello Development Authority (PDA), in the meeting of March 21, 2007 made the following recommendation (SEE ATTACHMENT 1):

- The PDA recommended the creation of a Revenue Allocation District for the area adjacent to the Portneuf River to Interstate 86 and running east to Philbin Road and then in a southerly direction to the Portneuf River. The area also includes properties south and southwest of and adjacent to the Great Western Malting Plant. Underdevelopment of this area necessitates the creation of an improvement plan. This recommendation initiated the creation of the improvement plan contained herein.

The recommendation of the PDA, as outlined, is consistent with the goals of the City and is allowed by the State of Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code). Accordingly, this North Portneuf Urban Renewal Area Improvement Plan directs use of revenue allocation financing to accomplish the following:

- To eliminate underutilized areas which are causing economic under-development in the designated area, substantially impairing the sound growth of Pocatello in general.
- To encourage both private and public development in the Urban Renewal Area in order to diversify and improve the local economy by providing adequate public facilities.
- To encourage cooperation among taxing districts in the Pocatello community regarding the use of funds.
- To accomplish plan goals in accordance with all appropriate federal, state, and local laws.

Purpose of the Plan

The purpose of this plan is to create a proactive approach to development/redevelopment projects by the PDA in Pocatello by focusing efforts in five areas:

1. Leveling or reducing the City's levy rate by increasing the tax base through more aggressive engagement in redeveloping underutilized areas;
2. Partnering with the private sector to enhance development and to attract new or to expand businesses to improve the Pocatello economy;
3. Targeting areas in need of building and site improvements;
4. Utilizing more effectively the powers granted to the PDA in the pursuit of redevelopment activities. Such powers include:
 - a. carrying out urban renewal projects;
 - b. making and executing contracts and other instruments;
 - c. disseminating slum clearance and urban renewal information;
 - d. repairing streets, roads, public utilities or other facilities;
 - e. installing streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, or other facilities;
 - f. entering buildings or property to make inspections, surveys, appraisals, soundings or test borings;
 - g. acquiring by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property or personal property for its administrative purposes;
 - h. holding, improving, renovating, rehabilitating, clearing or preparing for redevelopment any such property or buildings;
 - i. mortgaging, pledging, hypothecating or otherwise encumbering or disposing of any real property;
 - j. insuring or providing for the insurance of any real or personal property or operations of the municipality;
 - k. demolishing and removing structures on property;
 - l. investing urban renewal funds;
 - m. borrowing money and applying for and accepting advances, loans, grants, contributions, and any other form of financial assistance;
 - n. creating, modifying and executing plans which may include programs of voluntary compulsory repair and rehabilitation of buildings and improvements;
 - o. conducting appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects;
 - p. developing, testing, and reporting methods and techniques, and carrying out demonstrations for the prevention and elimination of slums and urban blight;
 - q. developing new or improved means of providing housing;
 - r. accepting and utilizing grants of funds from the federal government;
 - s. assisting in the relocation of persons displaced from an urban renewal area;
 - t. exercising all or any part or combination of powers herein granted.

By adopting this Plan, it is the intention of the PDA to facilitate improvements in the designated North Portneuf Urban Renewal Area and enhance the economic viability of the area.

II. NORTH PORTNEUF URBAN RENEWAL AREA DESCRIPTION AND DETERIORATED OR DETERIORATING CONDITIONS ANALYSIS

The Urban Renewal Area boundary and Revenue Allocation District are identified with the same boundaries. The area is legally described in Attachment 2. State Urban Renewal Law and the Local Economic Development Act identify a number of conditions that qualify an area for urban renewal status. The following presents an analysis and reasoning why this North Portneuf area should be included as part of an Urban Renewal Area.

Idaho Code 50-2002 outlines requirements for a finding and declaration of necessity which states that areas that impose onerous municipal burdens which decrease the tax base, and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities and among other things aggravates traffic problems in an area will qualify to be included in an Urban Renewal Area. Additionally, Idaho Code 50-2903 states areas in which there is a predominance of buildings or improvements...which by reason of dilapidation, deterioration, age or obsolescence...contributes to the economic underdevelopment of an area qualify for assistance.

The properties associated with these areas are in need of improvements to facilitate building and infrastructure enhancements and these needs have contributed to underutilization of the site for businesses and industry for several years. This area includes several site issues that impede redevelopment including:

- Under-development of land which has detracted from the economic viability of the area;
- Inadequate transportation access points and infrastructure limiting development of this site;
- Any combination of the above factors which has reduced the feasibility of full development of this area.

Without addressing these conditions, the feasibility of additional development in this area in the near future would be limited. Additionally, the range of issues and the costs associated with redevelopment contributes to the ongoing underutilization of this area and prompts the additional need to establish the North Portneuf Urban Renewal Area.

III. PROJECT PLAN

The project list outlined in this plan may be funded (all or in part), if the PDA and Council decide to utilize tax increment financing funds as they become available from new construction. A description of the projects with estimated costs are as follows:

TABLE 1. Project Costs

PROJECT EXPENSE ITEM	COST	Total
Main Water Re-use Line (4,500/ft x \$100/Ft)	\$450,000	
Main and Lateral Water Line (\$3,500/ft x \$50/ft)	\$175,000	
Main and Lateral Sewer Line (1,000/ ft x \$50/ft)	\$50,000	
Rail Spur, Dbl. Track (4,000/ft x \$220/ft)	\$880,000	
Rail Switch	\$2,000,000	
Roadway Construction (5,000/ft x \$150/ft)	\$750,000	
Property Access (Acquisition and Construction)	\$3,215,000	
Environmental Remediation and Site Preparation	\$250,000	
Power	\$8,500,000	
Natural Gas	\$1,000,000	
Cable/Fiber Optics	\$1,000,000	
Subtotal		\$18,270,000
Water/Sewer Connect Fees	\$291,029	
Contingency @ 20%	\$3,654,000	
Engineering/Administration @ 20%	\$3,654,000	
Total		\$25,869,029
Taxing Entity Operational Costs		\$16,029,830
City Capital Cost Reimbursement		\$1,361,528
PDA Administration		\$1,393,898
Company Employment Reimbursement		\$17,423,728
FINAL PROJECT COST TOTAL		\$62,078,013

Project Description

- **Infrastructure, Access, and Site Work**—any necessary and eligible costs related to infrastructure enhancement, construction of facilities, upgrades of utilities, site preparation work, and other associated work to facilitate development;
- **Contingency costs**--additional cost calculated for work related to other administrative or construction related costs associated with the project;
- **Taxing Entity Operational Costs**— taxing entities will receive a reimbursement percentage to occur in the tenth year of the district to cover administrative and operational costs thereby lessening the burden of service delivery for the entities associated with this urban renewal area. Funding may also be used for property acquisition for economic development purposes;
- **City Capital Cost Reimbursement**—City of Pocatello costs incurred for acquisition of property for location of HOKU Scientific.
- **PDA Administration**—An administrative cost will be allocated to the PDA for ongoing operational needs;

- **Company Employment Reimbursement**--In year 2016, provided that tax increment financing revenue is collected as projected, HOKU Scientific will be reimbursed funding percentages if they obtain and maintain at minimum 200 new jobs in the community. If they do not have 200 or maintain that number of jobs, then the amount of the reimbursement will be proportionately reduced downward on a prorated sliding scale. There is no increase in reimbursement for jobs in excess of 200.

The following table outlines the total project costs and the projected revenue for the proposed revenue allocation district.

TABLE 2. Project Costs and Revenues

ITEM	AMOUNT	TOTAL
REVENUES		
Revenue Allocation Proceeds	\$62,078,013	
Sub-Total		\$62,078,013
COSTS		
Infrastructure Costs	\$25,869,029	
Taxing Entity Operational Costs	\$16,029,830	
City Capital Cost Reimbursement	\$1,361,528	
PDA Administration	\$1,393,898	
Company Employment Reimbursement	\$17,423,728	
Subtotal		\$62,078,013
Ending District Balance		\$0

IV. ECONOMIC FEASIBILITY STUDY

The following tables provide a projection of base-assessed valuations for the proposed revenue allocation district for the North Portneuf Urban Renewal Area. An analysis of the tax levy rates applied in calculating tax collection for taxing entities and the North Portneuf Revenue Allocation District is described below. The 2006 tax levies for each of the five taxing jurisdictions are as follows:

<u>Taxing Jurisdictions</u>	<u>Tax levy¹</u>
City of Pocatello	.010385066
Bannock County	.005278294
School District # 25	.004556190
County Road & Bridge	.000591630
Ambulance	.000278340
Total	.021089520

¹ Obtained from Bannock County Auditor's Office

TABLE 3

Taxing Entity	² Tax Levy	North Portneuf Area Valuation	Revenue
City of Pocatello	0.010385066	\$4,409,661	\$45,794.62
Bannock County	0.005278294	\$4,409,661	\$23,275.49
School District #25	0.004556190	\$4,409,661	\$20,091.25
County Road & Bridge	0.000591630	\$4,409,661	\$2,608.89
Ambulance	0.000278340	\$4,409,661	\$1,227.39
Total	0.021089520		\$92,997.64

As the above table shows, \$ 92,997.63 of tax revenue is presently produced in the revenue allocation district for the North Portneuf Urban Renewal Plan. The remainder of the property is currently tax exempt. Taxable value will be added by real improvements to the land scheduled to begin summer of 2007.

Table 4 outlines the net increase in tax revenue potential from the estimated post construction value on the property over a nineteen year period.

TABLE 4

Value of Taxable Property in Revenue Allocation Area			
Property	2007 Base Value	Estimated Post Construction and Base Value	Net Increase
Proposed North Portneuf Improvement Site	\$4,409,661 ³	\$200,409,661	\$196,000,000

Table 5 provides an analysis of the estimated revenue to the PDA from new construction value within the North Portneuf Revenue Allocation District. Levy rates based on current rate determinations are applied to determine net revenue to be collected and distributed to the PDA.

² 2006 tax levy rate obtained from Bannock County Auditor's office

³ Includes a 3% estimated amount for utilities which are included as base value.

TABLE 5

Year 12 months ending	TIF Tax Value ⁴	⁵ Tax Levy Rate	Revenue to PDA
2007	-----	0.021089520	-----
2008	-----	0.021089520	-----
2009	\$196,000,000	0.021089520	\$4,133,546
2010	\$190,120,000	0.018980568	\$3,608,586
2011	\$184,416,400	0.018980568	\$3,500,328
2012	\$178,883,908	0.018980568	\$3,395,318
2013	\$173,517,391	0.018980568	\$3,293,459
2014	\$168,311,869	0.018980568	\$3,194,655
2015	\$163,262,513	0.018980568	\$3,098,815
2016	\$158,364,638	0.018980568	\$3,005,851
2017	\$153,613,698	0.018980568	\$2,915,675
2018	\$149,005,287	0.018980568	\$2,828,205
2019	\$144,535,129	0.018980568	\$2,743,359
2020	\$140,199,075	0.018411151	\$2,581,226
2021	\$135,993,103	0.018411151	\$2,503,790
2022	\$131,913,310	0.018411151	\$2,428,676
2023	\$127,955,910	0.018411151	\$2,355,816
2024	\$127,955,910	0.018411151	\$2,355,816
2025	\$127,955,910	0.018411151	\$2,355,816
2026	\$127,955,910	0.018411151	\$2,355,816
2027	\$127,955,910	0.018411151	\$2,355,816
2028	\$127,955,910	0.018411151	\$2,355,816
2029	\$127,955,910	0.018411151	\$2,355,816
2030	\$127,955,910	0.018411151	\$2,355,816
Total	\$2,907,915,873		\$62,078,013

The total revenue amount that may be received by the PDA over twenty four years is estimated at approximately \$62,078,013. This amount will be used to finance all projected costs within the North Portneuf Urban Renewal Area.

Table 6 outlines reimbursement and payment amounts, with percentage allocations for all costs to be distributed to both the public and private entities. There are no guarantees of the revenue amounts listed in this plan. Revenue distributions listed in the plan will be based on actual proceeds received. If for whatever reason, net revenue to PDA is less than that projected in the plan, then the listed percentages will govern how the proceeds are to be allocated. There is no adjustment in distribution for net revenue to PDA in excess of that listed in the plan.

⁴ Proposed new construction is anticipated to be completed at the end of 2008. Full tax value will be collected for 2009.

⁵ Calculations include holding the levy rate constant through 2009. In 2010, it is reduced by 10% due to the anticipated Central Corridor Urban Renewal Area expiration which will generate a broader tax base resulting in a reduction in the levy rate. It is also reduced an additional 3% in 2020 to account for the future expiration of the North Yellowstone Urban Renewal Area.

The company is paying the costs of infrastructure, access and site work and will therefore be reimbursed for the actual costs of these items, currently estimated to be \$25,869,029. The company will also receive an employment reimbursement for jobs created. The full amount listed in the table under Company Employment Reimbursement will be distributed to the company if employment is achieved and maintained at 200 FTE's. For the purposes of this plan, Bureau of Labor Statistics standards are used to define full time equivalent employment. This definition is 35 hours per week. The distribution amount will be adjusted downward if the job creation is less than the 200 FTE's and will be proportionally reduced on a prorated sliding scale. There is no increase in distribution for jobs in excess of 200 FTE's.

Public entities will receive reimbursement of costs associated with land acquisition and operations/administration. This will help to pay the costs associated with service delivery by these entities in this area.

TABLE 6

Tax Collection Year	Net Revenue to PDA	Company Infrastructure Reimbursement 95%	Company Employment Reimbursement 50%	City Capital Cost Reimbursement 5%	Taxing Entity Operational Costs 46%	PDA Admin 4%
2007	-----	-----	-----	-----	-----	-----
2008	-----	-----	-----	-----	-----	-----
2009	-----	-----	-----	-----	-----	-----
2010	\$4,133,546	\$3,926,869		\$206,677		
2011	\$3,608,586	\$3,428,156		\$180,429		
2012	\$3,500,328	\$3,325,312		\$175,016		
2013	\$3,395,318	\$3,225,552		\$169,766		
2014	\$3,293,459	\$3,128,786		\$164,673		
2015	\$3,194,655	\$3,034,922		\$159,733		
2016	\$3,098,815	\$2,943,874		\$154,941		
2017	\$3,005,851	\$2,855,558		\$150,293		
2018	\$2,915,675		\$1,457,838		\$1,341,211	\$116,627
2019	\$2,828,205		\$1,414,102		\$1,300,974	\$113,128
2020	\$2,743,359		\$1,371,679		\$1,261,945	\$109,734
2021	\$2,581,226		\$1,290,613		\$1,187,364	\$103,249
2022	\$2,503,790		\$1,251,895		\$1,151,743	\$100,152
2023	\$2,428,676		\$1,214,338		\$1,117,191	\$97,147
2024	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2025	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2026	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2027	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2028	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2029	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2030	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
2031	\$2,355,816		\$1,177,908		\$1,083,675	\$94,233
Total	\$62,078,013	\$25,869,029	\$17,423,728	\$1,361,528	\$16,029,830	\$1,393,898

As outlined in Table 6, when revenue is received by the PDA (projected to begin in 2010), the costs for public infrastructure will be reimbursed over eight years provided that revenue is collected at the projected rate. City capital costs for acquisition will also be funded within the same time frame. After those items are compensated, a reimbursement for job creation, taxing entity operational costs and PDA administration and acquisition costs will also be funded.

V. CONFORMANCE WITH STATE LAW

Redevelopment activities for the North Portneuf Urban Renewal Area are governed by two applicable sections of Idaho Code: the Idaho Urban Renewal Law (Chapter 20, Title 50, Idaho Code) and the Idaho Local Economic Development Act (Chapter 29, Title 50, Idaho Code).

The Idaho Legislature passed the Urban Renewal Law in 1965. Under this law, a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public's health, safety, morals or welfare (Idaho Code 50-2008). The Urban Renewal Law also states that an area of a city that "constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities..." may be designated an urban renewal area.

The Idaho Legislature passed the Local Economic Development Act in 1988. This act states: "An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area." (Idaho Code 50-2904)

In addition to this, Idaho Code 50-2906 states: "The local governing body of an authorized municipality must enact an ordinance in accordance with Chapter 9, Title 50, Idaho Code, and Section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance...and conduct a public hearing." (Idaho Code 50-2906) This part of the Idaho Code specifically implies that a local municipality must enact an ordinance before redevelopment can take place.

The North Portneuf Urban Renewal Plan proposed within this document follows the guidelines prescribed within Idaho Code for the development of Urban Renewal Areas and Revenue Allocation Districts.

VI. PLAN DURATION

The plan shall be in effect and enforceable for a period of time necessary to finance all designated improvements and all debt obligations the PDA may incur in connection with such improvements. This term may be amended as allowed by law.

VII. AMENDMENT PROCEDURES

The plan may be amended by the PDA after all notice and public hearing requirements as set forth in Idaho Code have been met, and upon formal approval by the Pocatello City Council.

VIII. SEVERABILITY

If any part of the plan is declared contrary to Idaho Code, and any provision or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of any remaining provisions of the Plan.

IX. CONCLUSION

The North Portneuf Urban Renewal Plan is designed to ameliorate deteriorating conditions which are causing economic under-development of the area and substantially impairing the sound and continued growth of Pocatello. The plans call for extensive building and site construction work.

Implementation of the plan will provide the capacity necessary to foster sound growth of the municipality, increase the tax base and tax revenues, encourage economic stability of the community, increase job creation, and improve the health, safety, and welfare of the community.

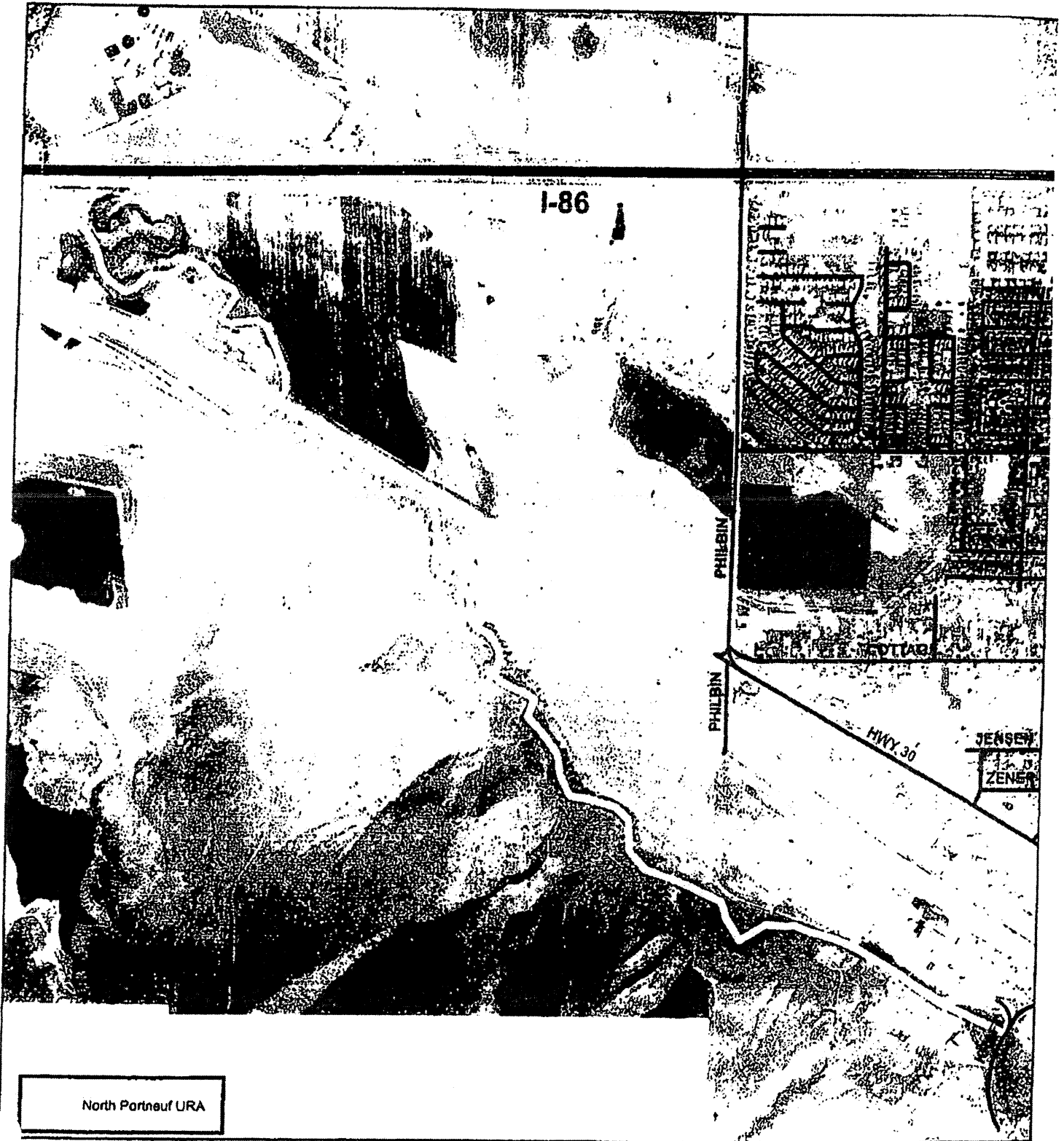
The Pocatello Development Authority recommends that the City approve and cooperate in carrying out the purposes of this Plan.

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ATTACHMENT 1
North Portneuf Revenue Allocation
Map

Proposed North Portneuf Urban Renewal Area & Revenue Allocation District



North Portneuf URA



1 inch equals 1,250 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.

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ATTACHMENT 2

North Portneuf Urban Renewal Area & Revenue Allocation District Legal Description

NORTH PORTNEUF URBAN RENEWAL AREA
AND REVENUE ALLOCATION DISTRICT

A tract of land located in the NE 1/4 of the SE 1/4 of Section 7, the S 1/2 of Section 8, the E 1/2 of Section 16, the NE 1/4 of the NW 1/4 and the E 1/2 of Section 17, the NE 1/4 of the NW 1/4, and the NW 1/4 of the NE 1/4 of Section 21, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

- Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 700-feet to the west 1/4 corner of Section 16 marked by a 5/8-inch iron pin; thence continuing in a southerly direction along the west line of Section 16 approximately 160-feet to a point of intersection with the original northerly right of way line of the Oregon Short Line Railroad (OSLRR); thence S56°36'03"E along the northerly right of way line of the OSLRR approximately 1570-feet to a point of intersection with the west 1/16 line of Section 16; thence S.00°41'13"E along the west 1/16 line approximately 120-feet to a point of intersection with the southerly right of way line of the OSLRR, said point marked by a 5/8" iron pin stamped PLS 8075; thence S56°36'03"E along the southerly right of way of the OSLRR 265.12-feet to a Bannock County brass cap monument on the south 1/16 line of Section 16; thence S89°06'59"W along the south 1/16 line of Section 16 a distance of 223.15-feet to the southwest 1/16 corner of Section 16 marked by a 6-inch diameter steel post; thence southerly along the west 1/16 line of Section 16 approximately 740-feet to a point of intersection with the centerline of the Portneuf River; thence in a southeasterly direction upstream to a point of intersection with the south line of Section 16; thence N89°59'E approximately 551.60-feet to the S1/4 corner of Section 16, said point also being the N1/4 corner of Section 21, Township 6 South, Range 34 East, Boise Meridian; thence in a southerly direction along the meridional centerline of Section 21 a distance of 40-feet to a point on the southwesterly right of way of Kraft Road; thence S77°34'E along said southwesterly right of way line of Kraft Road

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described in instrument #224872 recorded in the Bannock County, Idaho, Courthouse 57.00-feet more or less, to the beginning of a 118.5-foot radius curve concave to the southwest; thence continuing along said westerly right of way line of Kraft Road southeasterly and southwesterly along said 118.50-foot radius curve through a central angle of $105^{\circ}15'35''$ a distance of 217.70-feet; thence $S27^{\circ}40'W$ continuing along said right of way line approximately 108-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, going downstream along the centerline of the Portneuf River approximately 13,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

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ATTACHMENT 3

Bannock County Transfer of Powers Ordinance

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BANNOCK COUNTY, IDAHO
ORDINANCE NO. 2007-1
TRANSFER OF POWER ORDINANCE

BE IT ORDAINED by the Bannock County Commissioners, State of Idaho, that an agreement with the City of Pocatello and the County of Bannock has been negotiated concerning the said property described below pursuant to Idaho Code Section 50-2906 (3) (b) concerning transfer of powers over said property for the purpose of a urban renewal area for the purpose of financing public improvements to facilitate economic development including construction of manufacturing facilities.

A parcel of land located in the NE1/4 of the SE1/4 of Section 7, the S1/2 of Section 8, the W1/2 of the NW1/4 of Section 16, and Section 17, Township 6 South, Range 34 East, Boise Meridian, more particularly described as follows:

Beginning at the intersection of the southerly right of way line of Interstate 86 with the west line of Section 9, T6S, R34E, BM, on the present city limits line described in City of Pocatello Ordinance #1778, said point being on the centerline of Philbin Road in Bannock County, Idaho, the TRUE POINT OF BEGINNING; thence in a southerly direction following the present city limits line the next 6 courses; (1) thence in a southerly direction along the west line of Section 9, T6S, R34E, BM, approximately 2300-feet to the SW corner of Section 9, T6S, R34E, BM, also common with the NW corner of Section 16, T6S, R34E, BM; (2) thence continuing in a southerly direction along the west line of Section 16, T6S, R34E, BM approximately 1320-feet to the north 1/16 corner on the west line of Section 16, T6S, R34E, BM; (3) thence in an easterly direction along the north 1/16 line of said Section 16 a distance of 25-feet to a point on the easterly right of way line of Philbin Road; (4) thence in a southerly direction along the easterly right of way line of Philbin Road approximately 600-feet to a point of intersection with the northerly right of way line of US Highway 30 West; (5) thence in a northwesterly direction along the northerly right of way line of Highway 30 West approximately 30-feet to a point of intersection with the west line of Section 16, T6S, R34E, BM, said point also being on the centerline of Philbin Road; (6) thence in a southerly direction along the west line of said Section 16 approximately 2800-feet to a point of intersection with the centerline of the Portneuf River; thence in a northwesterly direction, leaving said city limits line, going downstream along the centerline of the Portneuf River approximately 10,000-feet to a point of intersection with the southerly right of way line of Interstate 86; thence in an easterly direction along said southerly right of way line of Interstate 86 approximately 6700-feet to the TRUE POINT OF BEGINNING.

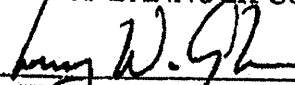
This Ordinance shall be in full force and effect upon its passage, approval and publication.

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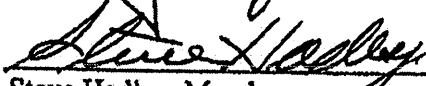
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Adopted this 12th day of March, 2007.

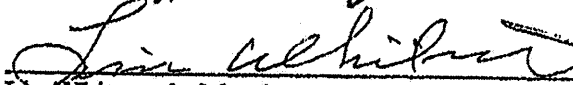
BOARD OF BANNOCK COUNTY COMMISSIONERS



Larry W. Ghan, Chairman



Steve Hadley, Member



Liri Whitworth, Member

ATTEST: **DALE HATCH**
Dale Hatch, Clerk
By Cindy Hapworth, Deputy Clerk

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ATTACHMENT 4

Recommendation of the PDA

RESOLUTION 2007-1

A RESOLUTION OF THE POCATELLO DEVELOPMENT AUTHORITY APPROVING THE DEVELOPMENT PLAN AND PROJECT FOR A REVENUE ALLOCATION AREA KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL AREA AND REVENUE ALLOCATION DISTRICT, AND RECOMMENDING THAT THE CITY COUNCIL APPROVE THE PLAN AND PROJECT AND ESTABLISH THE REVENUE ALLOCATION PROVISIONS FOR A PERIOD OF TIME NECESSARY TO FINANCE ALL DESIGNATED IMPROVEMENTS, NOT TO EXCEED TWENTY-FOUR YEARS.

WHEREAS, the Pocatello Development Authority has been presented with plans for infrastructure enhancement, construction of facilities, upgrade of utilities, site preparation work and other associated work to facilitate industrial development within the proposed North Portneuf Urban Renewal Area; and

WHEREAS, the Pocatello Development Authority has reviewed the projects and determined that they are suitable for tax revenue allocation limited to no longer than a twenty-four year collection period, subject to other restrictions as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE POCATELLO DEVELOPMENT AUTHORITY AS FOLLOWS:

1. That the Pocatello Development Authority hereby approves the establishment of an urban renewal area and revenue allocation area district to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area and authorizes its presentation to the City Council for approval and passage of an ordinance to establish said Urban Renewal Area and Revenue Allocation Area. The Plan does not include bond financing, and the term is limited to no longer than twenty-four years, terminating at 11:59 p.m. on December 31, 2030.

2. That, regardless of the total revenue stream, in the event the Urban Renewal Area and Revenue Allocation Area is formed, reimbursement of land acquisition costs

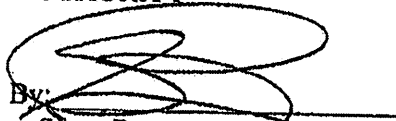
expended by the City of Pocatello for real property designated for the location of the Hoku Materials, Inc. manufacturing plant and access thereto shall be made to the City of Pocatello. Additionally, verified, eligible costs for infrastructure, access and site work incurred by Hoku Materials, Inc., in the development of its manufacturing plant shall be reimbursed from tax increment financing funds as they become available to the Pocatello Development Authority Board. The Plan includes a provision for eligible taxing entities to receive a fixed percentage of the revenue allocation (tax increment) revenues beginning with the tenth year of the Urban Renewal Area and Revenue Allocation Area.

3. That the base year of the District will be 2007, and that the Revenue Allocation Area shall last as long as through taxing year 2030, with collection of tax increment monies lasting through calendar year 2031.

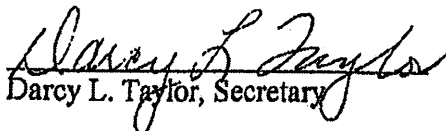
4. That this Resolution shall be effective the 21st day of March, 2007, the date of the meeting at which the unanimous vote approving said project was held.

RESOLVED this 21st day of March, 2007.

POCATELLO DEVELOPMENT
AUTHORITY

By: 
Steve Brown, Chair

ATTEST:


Darcy L. Taylor, Secretary

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ATTACHMENT 5

Recommendation of the CDC

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TO: Mayor Roger Chase
City Council

FROM: Brent Nichols, Vice Chair
Community Development Commission

DATE: March 28, 2007

RE: North Portneuf Urban Renewal Area Improvement Plan

Following review at the March 28, 2007 meeting, In accordance with Idaho Code 50-2008(b), the Community Development Commission finds the proposed North Portneuf Urban Renewal Area Improvement Plan to be in conformance with the City's Comprehensive Plan.

Signature

Brent Nichols

3/28/07
Date

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ATTACHMENT 6

Resolution of the City Council designating the Urban Renewal Area

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RESOLUTION NO. 2007-07

A RESOLUTION OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, DESIGNATING AN URBAN RENEWAL AREA WITHIN THE CITY OF POCATELLO AND BANNOCK COUNTY TO BE KNOWN AS THE NORTH PORTNEUF URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA DISTRICT; APPROVING THE PLANS REVIEWED AND RECOMMENDED BY THE POCATELLO DEVELOPMENT AUTHORITY AND THE COMMUNITY DEVELOPMENT COMMISSION FOR CONSIDERATION AT A PUBLIC HEARING HELD BEFORE THE CITY COUNCIL ON APRIL 19, 2007; PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE UPON ITS PASSAGE.

WHEREAS, pursuant to Idaho Code §§50-2005-2008, the Mayor and Council of the City of Pocatello have heretofore made findings of fact sufficient to establish certain urban renewal areas within the City and to cause an urban renewal agency known as the Pocatello Development Authority to function within the City as set forth in Resolution No. 1988-13; and

WHEREAS, the City Council has since that time reviewed certain other areas within the city limits and declared them to be appropriate for urban renewal projects by Resolution as required by Idaho Code §50-2008; and

WHEREAS, the City Council has since then considered the issue of development of the area consisting generally of real property parcels in the Philbin Road and Highway 30 West area, bounded by Interstate 86 on the north, the Portneuf River on the west/southwest, and Philbin Road on the east, up to the Great Western Malting Plant property, and properties south/southwest of and adjacent to the Great Western Malting Plant which are determined to be deteriorated or deteriorating parcels in need of rehabilitation and infrastructure improvements which heretofore have prevented development; and

WHEREAS, the City Council, having reviewed the proposal for the above-described area, deems it in the best interest of the citizens of the City of Pocatello to

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incorporate said area into an Urban Renewal Area to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pocatello as follows:

1. That the area depicted on Exhibit A attached hereto and made a part hereof, to be known as the North Portneuf Urban Renewal Area and Revenue Allocation Area, is hereby declared and determined to be a deteriorating area, as defined by Idaho Code §50-2018(9) and §50-2903(8)(b) and (c), by reason of the existence of inadequate street layout, accessibility or usefulness, and a lack of adequate infrastructure or development, all of which substantially impairs the sound growth within the City and results in economic underdevelopment of the area and is detrimental to the public health, safety, or welfare.
2. That the above-described area is therefore declared appropriate for, and is hereby designated as, an Urban Renewal Area and Revenue Allocation Area suitable for urban renewal projects.
3. That the City Council hereby acknowledges the adoption by the Board of Commissioners for Bannock County, Idaho, of a Transfer of Powers Ordinance for those areas within the Urban Renewal Area and Revenue Allocation Area not yet annexed into the corporate City limits.
4. That the City Council also hereby acknowledges the recommendation of the Community Development Commission that the plan submitted for this area conforms to the Comprehensive Plan of the City.
5. That the City Council hereby acknowledges the recommendation of the Pocatello Development Authority regarding the urban renewal area and revenue allocation area and the Plan for improving said area, including infrastructure improvements, public

RESOLUTION

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utility improvements and the like, which Plan shall encompass improvements to the area for the maximum time allowed by law or a period of up to twenty-four (24) years, and that the Plan be appropriately modified to reflect this change.

5. That the City Council hereby approves of the Pocatello Development Authority proceeding with the preparation of plans for urban renewal projects to be performed in the above named urban renewal area and revenue allocation area in conformity with the Plan submitted to the Community Development Commission in accordance with Idaho Code §50-2008(b).

6. That the City Council hereby makes the following findings after a public hearing held on April 19, 2007, conducted in accordance with Idaho Code §50-2008(c) and (d) and §50-2906(3) regarding the above named urban renewal plan and project:

- A. That no families will be displaced from the proposed North Portneuf Urban Renewal Area and Revenue Allocation Area;
- B. That the North Portneuf Urban Renewal Plan conforms to the general plan of the municipality as a whole;
- C. That adequate parks and recreational facilities already exist in close proximity to the Urban Renewal Area and the nature of the use of the real property within the Urban Renewal Area and Revenue Allocation Area will be Industrial in nature; and
- D. That the North Portneuf Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise.

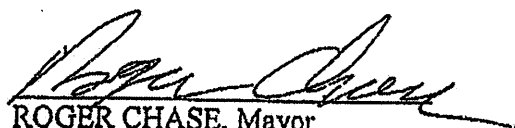
7. That the City council hereby directs the City Legal Department to prepare an Ordinance for one reading at the May 3, 2007 regular City Council Meeting and authorizing the City Clerk to prepare and publish proper Notice and provide proper Notice to the various taxing entities so entitled, all in conformance with Idaho Code §50-2906(3).

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RESOLVED AND EFFECTIVE this nineteenth day of April, 2007.

CITY OF POCA TELLO, a municipal
corporation of Idaho


ROGER CHASE, Mayor

ATTEST:


RHONDA L. JOHNSON, City Clerk

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OFFICIAL RECORD BK# 895
BANNOCK COUNTY IDAHO

RECORDED AT REQUEST OF
FEE DEPUTY mw

~~CITY OF POCA TELLO~~

~~20711154~~

2007 MAY 11 P 3:44

OFFICIAL RECORD BK# 895
BANNOCK COUNTY IDAHO

RECORDED AT REQUEST OF
FEE DEPUTY mw

CITY OF POCA TELLO

20711155

2007 MAY 11 P 3:50

Original
Stamp on
back of original
Resolution

EXHIBIT B

PDA ALLOWED WORK ITEMS FOR INFRASTRUCTURE AND SITE COSTS

1. Survey and Layout
2. Soil Testing
3. Earthwork/Grading
4. Mass excavation and Fill
5. Public Utilities (including water, stormwater, and sewer)
6. Site Concrete
7. Public Roadway paving and marking (including required roadway signage)
8. Site Electrical/Power
9. On-site Specialties
10. Traffic Control Devices
11. Right-of-way Acquisition costs
12. Public entryway landscaping
13. Public Bridges

Exhibit E

**City of Pocatello Hoku Land Purchase
Review of Expenditures for Purchase**

Packet #1

Year	Line		Property - S. Philbin Road 67 acres Description	Amount
4/26/2007	001-0801-416-40-99	UPRR	Railroad engineering review on HOKU land	500.00
3/28/2007	001-0801-500-82-01	A & E Engineering	Additional survey services for HOKU land	2,903.50
3/6/2007	001-0801-500-82-01	First American Title Co.	S. Philbin Road land 67 acres	912,571.82
3/6/2007	001-0801-500.82-01	Premier Properties	Broker Fees for S. Philbin Road purchase	27,000.00
Total				942,975.32

Packet #2

Year	Line		Property - Parrish Property by Kraft Road Description	Amount
4/24/2007	001-0801-416.40-01	Bowman Appraisal	Appraisal, North Kraft Road property	1,600.00
5/3/2007	001-0801-500-82-01	Alliance Title & Escrow	Parrish Property by Kraft Road	147,562.11
Total				149,162.11

Packet #3

Year	Line		Property - Purchase of H & H Dive property Description	Amount
3/27/2009	001-0801-500-82-01	Alliance Title & Escrow	Purchase of H&H Dive property	11,365.14
Total				11,365.14

Total Cost of Land	1,103,502.57
Payment 11/2014	(450,000.00)
Payment 11/2015	(300,000.00)

Balance Due	PDA Purchase of Hoku Land	353,502.57
--------------------	----------------------------------	-------------------

Payment option #1	Minimum Annual Pymt	\$353,502.57/15= \$23,566.84
Payment option #2	Minimum Annual Pymt	\$353,502.57/7=\$50,500.37
Payment option #3	Minimum Annual Pymt	\$353502.57/2=176,751.29
Payment option #4	Minimum Annual Pymt	\$353,502.57

Exhibit E-1

<p>City of Pocatello</p> <p>Review of Expenditures for ROW Purchases</p>
--

Year	Line		Grant Reimbursement/ROW purchases Description	Amount	
1/24/2008	031-3008-500-80-05	Hoku Scientific	Water Line relocation	122,600.00	
1/31/2008	003-2001-500-80-02	C.R. Fence Company	Fence and slats for Fence access road GW Malting	24,963.15	
4/15/2009	001-0801-500-80-01	Premier Properties	Earnest monies for Highway 30 ROW RR overpass site	3,900.00	
4/30/2009	071-6002-500-80-01	First American Title Co	Highway 30 ROW RR overpass site	128,742.50	55,614.85
9/30/2008	071-6002-500-80-01	Alliance Title & Escrow	Land Purchase Great Western Malting Co Access Road	174,000.00	
			Interest	2,416.46	
			Less Grant Reimbursement	(203,178.00)	203,178.00
			Total	253,444.11	
				251027.65	
				2,416.46	

Grant analysis highlighted in orange

CITY OF POCATELLO
Charge Code Detail Inquiry

Customer ID	:	2087
Customer name	:	IDAHO DEPARTMENT OF COMMERCE
Customer type	:	WA
Customer type description	:	WATER DEPARTMENT CUSTOMER
Customer type number	:	2797

Charge Information

Charge code	:	WA011
Charge type	:	
Quantity	:	1.00
Description	:	INFRASTRUCTURE REIMBURSE
Transaction date	:	1/29/08
Reference number	:	
Amount	:	122600.00
Unpaid amount	:	
Posting priority	:	50
Group number	:	

F3=Exit F12=Cancel

+

City of Pocatello
Vouchers/Encumbrances Inquiry

Vendor : 18522 HOKU SCIENTIFIC, INC

Position to 2008 Starting fiscal year
Position to 7012015 Transaction Date - Descending Order

Type options, press Enter.
1=Select

Opt	Type	Date	Project	Amount	Encumbrance Liquidation	--- Payment --- Number / Date
-	AP	01/24/2008	HOKUSG	122,600.00		7029749 C
	Account . :		031-3008-500.80-05	Invoice . :	080119	01/24/2008

Bottom

F3=Exit F5=Encumbrances F7=Invoice Totals F11=Activity listing F12=Cancel
F21=Procurement card trans

CITY OF POCATELLO
Payment Detail Inquiry

Customer ID : 2199
Customer name : IDAHO, STATE OF
Customer type : ST
Customer type description . . . : STREET DEPT CUSTOMERS
Customer type number : 2923

Payment information

Payment type code : AR
Transaction date : 8/05/08
Quantity : .00
Original amount : 24,963.15
Amount unapplied : .00
Receipt number : 0144460
Statement date : 1/25/10
Description : PAYMENT
Batch number : 18
User : STEARNS
Payment number : 54187

F3=Exit F12=Cancel

Vendor : 19030 C. R. FENCE COMPANY

Position to 2008 Starting fiscal year

Position to 7012015 Transaction Date - Descending Order

Type options, press Enter.

1=Select

Opt	Type	Date	Project	Amount	Encumbrance Liquidation	--- Payment --- Number / Date
-	AP	02/29/2008	HOKUSG	963.15		7033719 C
	Account . . .		: 003-2001-500.80-02	Invoice . . .	: 1/17/08	02/29/2008
-	AP	01/31/2008	HOKUSG	24,000.00		7033226 C
	Account . . .		: 003-2001-500.80-02	Invoice . . .	: 1/17/2008	01/31/2008

Bottom

F3=Exit F5=Encumbrances F7=Invoice Totals F11=Activity listing F12=Cancel
F21=Procurement card trans

City of Pocatello
Accounts Payable Transaction

Group number : 2961 VARIOUS INVS. 2/2008 ST
 Accounting period : 05/2008 mm/yyyy
 Posting date : 03/05/2008 mm/dd/yyyy

 Transaction date : 02/29/2008 mm/dd/yyyy
 Invoice number : 1/17/08
 Account number : 3-2001-500.80-02 PROTECTIVE FENCING
 Project number : HOKUSG HOKU STATE GRANT-INFRASTR
 Amount : 963.15
 Liquidated amount : .00
 Discount amount : .00
 Retainage amount : .00
 Net transaction amount . . : 963.15
 Voucher number : 005761
 PO number :
 Vendor number : 19030 C. R. FENCE COMPANY
 Description 1 : BALANCE-FENCE SLATS AT
 Description 2 : GREAT WESTERN MALT PLANT
 Transaction type code . . :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys

City of Pocatello
Accounts Payable Transaction

Group number : 2401 VARIOUS INVS 1/2008 ST
 Accounting period : 04/2008 mm/yyyy
 Posting date : 02/06/2008 mm/dd/yyyy

 Transaction date : 01/31/2008 mm/dd/yyyy
 Invoice number : 1/17/2008
 Account number : 3-2001-500.80-02 PROTECTIVE FENCING
 Project number : HOKUSG HOKU STATE GRANT-INFRASTR
 Amount : 24,000.00
 Liquidated amount : .00
 Discount amount : .00
 Retainage amount : .00
 Net transaction amount . . : 24,000.00
 Voucher number : 004497
 PO number :
 Vendor number : 19030 C. R. FENCE COMPANY
 Description 1 : PREMETER FENCE AT GREAT
 Description 2 : WESTERN MALTING-PER AGREE
 Transaction type code . . :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys

CITY OF POCATELLO
Payment Detail Inquiry

Customer ID : 10
Customer name : IDAHO, STATE OF COMMERCE
Customer type : SH
Customer type description . . . : STREET/GRANTS - 071
Customer type number : 3110

Payment information

Payment type code : AR
Transaction date : 6/02/09
Quantity : .00
Original amount : 55,614.85
Amount unapplied : .00
Receipt number : 0113044
Statement date : 1/25/10
Description : PAYMENT
Batch number : 14
User : STEARNS
Payment number : 61392

F3=Exit F12=Cancel

City of Pocatello
Accounts Payable Transaction

Group number : 4457 DEMAND CHECKS 4/30/09 DS
Accounting period : 07/2009 mm/yyyy
Posting date : 04/30/2009 mm/dd/yyyy

Transaction date : 04/30/2009 mm/dd/yyyy
Invoice number : FILE#290284-P
Account number : 71-6002-500.80-01 STREETS AND ROADWAY
Project number : HOKUSG HOKU STATE GRANT-INFRASTR
Amount : 128,742.50
Liquidated amount : .00
Discount amount : .00
Retainage amount : .00
Net transaction amount : 128,742.50
Voucher number : 003843
PO number :
Vendor number : 437 FIRST AMERICAN TITLE CO
Description 1 : PURCHASE:14371 W HWY 30
Description 2 : BRIDGE RIGHT-OF-WAY(HOKU)
Transaction type code :

F3=Exit F12=Cancel F15=Group Inquiry F24=More keys

A. Settlement Statement <div style="text-align: center;">First American Title Company Settlement Statement</div>	B. Type of Loan 1-5. Loan Type Conv. Unins. 6. File Number 290284-P 7. Loan Number 8. Mortgage Insurance Case Number
---	---

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown, items marked "(POC)" were paid outside this closing; they are shown here for informational purposes and are not included in the totals.

D. Name of Borrower: City of Pocatello
 Date: April 30, 2009

E. Name of Seller: Smith Ready Mix, LLC
 14371 West Highway 30 Pocatello, ID 83201
 Acct. No: 071-6002-500.80-c)

F. Name of Lender:
 Proj. Acct No: HOKUSG

G. Property Location: 14371 West Highway 30, Pocatello, ID 83201
 Transaction Amt: \$128,742.50

H. Settlement Agent: First American Title Company
 Address: 2240 E. Center, Pocatello, ID 83201
 Appr. By: [Signature]
 Settlement Date: 05/01/2009

Place of Settlement Address: 2240 E. Center, Pocatello, ID 83201
 Group No/Seq No: 4457-500
 Print Date: 04/29/2009, 4:14 PM
 Disbursement Date: 05/01/2009

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract Sales Price	130,000.00	401. Contract Sales Price	130,000.00
102. Personal Property		402. Personal Property	
103. Settlement charges to borrower (line 1400)	257.50	403. Total Deposits	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
120. Gross Amount Due From Borrower	130,257.50	420. Gross Amount Due To Seller	130,000.00
200. Amounts Paid By Or In Behalf of Borrower		500. Reductions In Amount Due to Seller	
201. Deposit or earnest money	1,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges (line 1400)	9,401.50
203. Existing loan(s) taken subject		503. Existing loan(s) taken subject	
204.		504. Payoff of first mortgage loan - Citizen's Community Bank	118,300.27
205.		505. Payoff of second mortgage loan	
206.		506. 2nd 1/2 2008 Tax installment to Bannock County Treasurer	783.23
207.		507. Disbursed as Proceeds (\$0.00)	
208.		508. Earnest Money Held By: Premier Properties	1,000.00
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes 01/01/09 to 05/01/09 @\$1566.46/yr	515.00	511. County taxes 01/01/09 to 05/01/09 @\$1566.46/yr	515.00
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	1,515.00	520. Total Reduction Amount Due Seller	130,000.00
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross amount due from Borrower (line 120)	130,257.50	601. Gross amount due to Seller (line 420)	130,000.00
302. Less amounts paid by/for Borrower (line 220)	1,515.00	602. Less reductions in amounts due to Seller (line 520)	130,000.00
303. Cash (X From) (To) Borrower	<u>128,742.50</u>	603. Cash (To) (From) Seller	

CK# 704034

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.
 Settlement Agent: _____ Date: _____

* See Supplemental Page for details.

L. Settlement Charges		
700. Total Sales/Broker's Commission based on price \$130,000.00 @ 6.0000% = \$7800.00		
Division of Commission (line 700) as follows		
701. \$7,800.00 to Premier Properties		
702. \$0.00 to Premier Properties		
703. Commission paid at Settlement		
704. (Note: \$1000.00 POC Held By Premier Properties)		6,800.00
800. Items Payable in Connection with Loan		
801. Loan Origination Fee		
802. Loan Discount		
803. Appraisal Fee		
804. Credit Report		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Premium		
807. Assumption Fee		
808.		
809.		
810.		
811.		
812.		
813.		
814.		
Supplemental Summary		
900. Items Required by Lender to be Paid in Advance		
901. Interest		
902.		
903. Hazard Insurance Premium for		
904.		
905.		
Supplemental Summary		
1000. Reserves Deposited with Lender		
1001. Hazard Insurance		
1002. Mortgage Insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual assessments		
1006.		
1007.		
1008. Aggregate Accounting Adjustment		
1100. Title Charges		
1101. Settlement or closing fee - First American Title Company	222.50	222.50
1102. Abstract or title search		
1103. Title examination		
1104. Title Insurance Binder		
1105. Document Fee		
1106. Notary Fee		
1107. Attorney Fee		
(includes above item numbers:)		
1108. Title Insurance - See supplemental page for breakdown of individual fees and payees		695.00
(includes above item numbers:)		
1109. Lender's coverage \$0.00		
1110. Owner's coverage \$130,000.00 Premium: \$695.00		
1111.		
1112.		
1113. Reconveyance Fee-Purchase - First American Title Company		63.00
1114.		
1115.		
1116.		
1117.		
1200. Government Recording and Transfer Charges		
1201. *Recording fees: Deed \$9.00 Mortgage \$0.00 Release \$0.00	9.00	
1202. City/county tax/stamps:		
1203. State tax/stamps:		
1204. e-document filing fee	5.00	
1205.		
1206.		
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest Inspection to		
1303. Environmental Site Assessment-Smith RM to Reeve & Associates		1,600.00
1304. Courier and Handling Fee - First American Title Company	21.00	21.00
1305.		
1306.		
1307.		
1308.		
1309.		
1310.		
1311.		
1312.		
1313.		
1314.		
Supplemental Summary		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	257.50	9,401.50

* See Supplemental Page for details.

Supplemental Page HUD-1 Settlement Statement	File No. 290284-P
First American Title Company Settlement Statement	Loan No.
	Settlement Date: 05/01/2009
Borrower Name & Address: City of Pocatello	
Seller Name & Address: Smith Ready Mix, LLC 14371 West Highway 30 Pocatello, ID 83201	

Section L. Settlement Charges continued	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
1108. Supplemental Summary	695.00	
a) Policy-Owner's Policy - First American Title Company		695.00
1201. Supplemental Summary	9.00	
a) Recording Fee-Deed - First American Title Company		9.00

The following Section is restated from the Settlement Statement Page 1			
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross amount due from Borrower (line 120)	130,257.50	601. Gross Amount due to Seller (line 420)	130,000.00
302. Less amounts paid by/for Borrower (line 220)	1,515.00	601. Less reductions in amounts due to Seller (line 520)	130,000.00
303. Cash (X From) (To) Borrower	128,742.50	603. Cash (To) (From) Seller	

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and distributions made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

City of Pocatello
Accounts Payable Transaction

Group number : 8262 VARIOUS/SPLIT INVS 9/08ST
Accounting period/year . . . : 12/2008
Posting date : 10/01/2008

Transaction date : 09/30/2008
Vendor : 62 ALLIANCE TITLE & ESCROW CORP
Account number : 71-6002-500.80-01 STREETS AND ROADWAY
PO number :
Invoice number : 5-ACRES/ACCESS
Voucher number : 005176
Project number : HOKUSG HOKU STATE GRANT-INFRASTR
Transaction amount : 174,000.00
Liquidated amount : .00
Retainage amount : .00
Discount amount : .00 NONE
Net transaction amount . . . : 174,000.00
Item description : LAND PURCHASE GREAT WESTN MALTING CO-ACCESS ROAD
Transaction type code . . . :

F3=Exit F12=Cancel

Group number : 8262 VARIOUS/SPLIT INVS 9/08ST
Accounting period/year . . : 12/2008
Posting date : 10/01/2008

Disbursement Information:

Bank code : 00
Check number : 7036591 Void.
Check date : 09/30/2008
Disbursement period . . : 12/2008
Disbursement status . . : Paid / Disbursed.
Due date : 09/30/2008
Disbursement number . . : 128
Discount Due Date . . . : 00/00/0000
Always take discount Flag:
Application of Origin. . : GM

Press Enter to continue. F3=Exit F12=Cancel

Customer Type Balance Detail Display

Customer ID :	52	Current balance . . . :	.00
GREAT WESTERN MALTING		Loan balance :	.00
Customer type code . : WP		Total :	.00
WPC OTHER CUSTOMERS		Pending balance . . . :	.00
		Deposit balance . . . :	.00

Trans Date	Code	Description	Trans Amount	Open Amount
1/07/10	WP010	INDUSTRIAL WW TREATMENT	1,539.80	.00
12/10/09	WP010	INDUSTRIAL WW TREATMENT	55,775.84	.00
11/10/09	WP010	INDUSTRIAL WW TREATMENT	58,142.00	.00
10/08/09		PAYMENT	60,044.10-	.00
9/30/09	WP010	INDUSTRIAL WW TREATMENT	52,875.86	.00
9/14/09		PAYMENT	174,000.00-	.00

More...

F12=Cancel

* = Pending activity

CITY OF POCATELLO
Miscellaneous Receivables Inquiry

Customer ID :	52	Name: GREAT WESTERN MALTING
Last statement . . . :	5/29/15	Addr: ATTN: TEVIS VANCE
Last invoice :	6/12/15	1666 KRAFT RD
Current balance . . . :	.00	POCATELLO, ID 83201
Pending :	.00	A ACTIVE WPC OTHER CUSTOMERS

Payment type code :	AR
Transaction date :	9/14/09
Quantity :	.00
Original amount :	174,000.00
Amount unapplied :	.00
Receipt number :	0162715
Statement date :	1/25/10
Description :	PAYMENT
Batch number :	01
User :	SUE
Payment number :	64871

Press Enter to continue.
 F3=Exit F12=Cancel F15=Payment/Charge relationship

REAL ESTATE PURCHASE AND SALE AGREEMENT
(with Earnest Money Provision)

THIS CONTRACT CONTROLS THE TERMS OF SALE OF THE PROPERTY. READ CAREFULLY BEFORE SIGNING. IF ANY QUESTIONS, CONSULT YOUR ATTORNEY.

City of Pocatello, a municipal corporation of Idaho
(hereinafter called "Buyer") agrees to purchase, and the undersigned agrees to sell the following described real estate hereinafter referred to as "premises" located in NA Pocatello County of Bannock State of Idaho, commonly known as NA legally described as: see attached legal, approximately five (5) acres

A FULL AND COMPLETE LEGAL DESCRIPTION MUST BE INSERTED, ATTACHED OR WRITTEN ON THE REVERSE HEREOF PRIOR TO EXECUTION BY SELLER. Buyer hereby authorizes broker to insert over his signature the correct legal description of the premises if unavailable at the time of signing, or to correct the legal description previously entered if erroneous or incomplete.

1. TOTAL PURCHASE PRICE IS One Hundred Seventy-Four Thousand DOLLARS (\$ 174,000.00) payable as follows:
A. Earnest Money:
(a) Buyer hereby deposits and a receipt is hereby acknowledged of 0 Dollars (\$ 0) evidenced by: Cash, Personal Check, Cashiers Check, Note Due, or paid or delivered as earnest money in part payment of the purchase price for the premises.
(b) Earnest Money, to be deposited in trust account upon acceptance by all parties.
(c) All Earnest money shall be held by NA for the benefit of the parties hereto, and NA (Broker) shall hold the completely executed broker's copy of this agreement.

B. Balance of purchase price to be paid as follows: in cash at closing

2. Buyer's offer is made subject to the acceptance of Seller on or before 12:00 o'clock midnight of Monday, 8/11/08. If Seller does not accept this agreement within the time specified, the entire Earnest Money shall be refunded to Buyer on demand.

3. Title of Seller is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by Seller may be paid out of purchase money at date of closing. Any liens, encumbrances or defects which are to be discharged or assumed by Buyer or to which title is taken subject to (not otherwise set forth above) are: NA

4. The Seller shall, within a reasonable time after closing, furnish to the Buyer a title insurance policy in the amount of the purchase price of the premises from a title insurance company showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this agreement to be discharged or assumed by the Buyer. Prior to closing the transaction, the Seller shall furnish to the Buyer a preliminary report or commitment made by a title insurance company showing the condition of the title to said premises. The parties agree that Alliance Title Company shall provide said title policy and preliminary report or commitment. It is agreed that if the title to said premises is not marketable, or cannot be made so within thirty (30) days after notice containing a written statement of defects is delivered or mailed to the Seller, or if the default and the Earnest Money shall be returned to the Buyer and Seller shall pay for the cost of title insurance, escrow and legal fees, if any. Buyer's acceptance of the Earnest Money does not constitute a waiver of other remedies available.

5. It is hereby agreed that the "closing agent" for this agreement shall be Alliance Title Company. NA is the broker responsible for the closing. Where not otherwise provided by law, the parties shall each pay one-half of said closing agent's fees. The closing date shall be on Friday, 8/15/2008

6. On or before closing date, Buyer and Seller shall deposit with the closing agent all funds and instruments necessary to complete the sale.
7. Seller shall deliver possession to Buyer on or before closing and taxes and water assessments (using the last available assessment as a basis), rents, insurance premiums, interest and reserves on liens, loans or obligations assumed or taken subject to, and utilities shall be prorated as of closing except as follows: NA

Buyer shall pay for fuel in fuel tank, the amount to be determined by the supplier at Seller's expense.
8. The parties agree that this agreement contains the following additional terms and conditions: Final alignment of roadway may vary dependent upon finished design but land quantity purchased will not be less than 5 acres. Upon closing, Seller agrees to waive written notice of termination by Buyer as required under

9. The following items of property now on the premises are specifically excluded from the sale: paragraph 2 of the Temporary Construction & Access Agreement between Buyer/Seller dated 1/8/2008.
The following items of personal property are specifically included in the sale: NA
Upon closing, the agreement shall terminate and buyer requests that the

10. IMPORTANT: THE REVERSE OF THIS AGREEMENT CONTAINS IMPORTANT PROVISIONS WHICH ALSO CONSTITUTE PART OF THE AGREEMENT. Each of the parties acknowledges reading this agreement in full.

Buyer Roger W. Chase, Mayor
City of Pocatello

911 North 7th, PO Box 4169
Pocatello, ID 83201
208-234-6186
Buyer's Address
Buyer's Phone

Buyer On this date, Sept 26, 2008 I/We hereby approve and accept the sale set forth in the above agreement and agree to carry out all terms thereof on the part of the Seller. I/We further acknowledge receipt of a true copy of this agreement with the complete legal description of the premises inserted and signed by both parties.

PO Box 1529
Vancouver, WA 98668
Seller's Address

Seller Great Western Malting Company, successor in interest 360-693-3661
to GM Acquisition Corp., a Delaware corporation
Seller's Phone c/o Jay Hamachek

A true copy of the foregoing agreement, signed by the Seller and containing the full and complete legal description of the premises, is hereby received on this day of Sept, 2008

Date: Sept 26, 2008
Acct. No: 071-6002-500.80-01

Proj. Acct No: HOKUSG
On this 26 day of Sept, 2008 before me, the undersigned, a Notary Public in and for said State, personally known to me to be the person(s) who signed the foregoing instrument as Seller and acknowledged to me that he executed the same.
Transaction Amt: \$174,000.00
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Appr. By: [Signature]
Group No/Seq No: G 8262/200

Buyer
Notary Public for Idaho
Commission Expires: _____
Residing at _____
Date _____

last payment under the agreement be 7/15/2008.

11. All attached floor coverings, attached television antenna, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm windows, storm doors, shades, venetian blinds, curtain rods, trees, plants, shrubbery, waterheating apparatus and fixtures, attached fireplace equipment, awnings, cooling and heating systems including built-in dishwashers and drop-in ranges, (but excepting all other ranges), fuel tanks and irrigation fixtures and equipment, all water and water rights, and ditches and ditch rights appurtenant thereto that are now on or used in connection with the premises shall be included in the sale unless otherwise provided herein.

12. If financing is required, the Buyer agrees to make a best effort to procure same and further agrees to make application therefore within five (5) days after Seller's acceptance of this agreement. If VA, FHA, or IHA financing is contemplated, additional provisions pertaining thereto may be attached hereto and are hereby incorporated herein by reference. The Buyer and Seller hereby authorize the parties designated in Paragraph 1A(c) hereof to advance such portion of the Earnest Money deposited as may be required to pay credit fees, appraisal and other initial loan charges attributable to Buyer's financing. The parties agree that the Earnest Money less such loan charges if any may be refunded in the event financing contemplated by the Buyer is not obtainable.

13. Should the premises be materially damaged by fire or other causes, prior to closing the sale, this agreement shall be voidable at the option of the Buyer.

14. If Seller executes this agreement, and title to said premises is marketable and insurable and the Buyer neglects or refuses to comply with the terms or any conditions of sale within five (5) days from the date on which said term or condition is to be complied with, then the Earnest Money shall be forfeited, and considered as liquidated damages to Seller, and Buyer's interest in the premises shall be immediately terminated. The broker shall pay from said Earnest Money the costs of title insurance, escrow fees, attorney fees and any other expenses directly incurred in connection with this transaction and the remainder shall be apportioned one-half to the Seller and one-half to the broker, provided the amount to broker does not exceed the agreed commission. Such forfeiture and acceptance by Seller and broker of the Earnest Money as liquidated damages does not constitute a waiver of other remedies available to Seller and broker.

15. In the event of default by either of the parties in their performance of the terms and conditions of this agreement, the defaulting party agrees to pay all attorney fees and costs incurred by the non-defaulting party.

16. In the event of default in the performance of the terms and conditions of this agreement by either party, the defaulting party agrees to pay the broker the commission which the broker is entitled to receive from the Seller for his/her services in connection with the sale of the premises.

17. The undersigned Buyer hereby acknowledges further that he has not received or relied upon any statements or representations by the undersigned broker or his representative or by the Seller which are not herein expressed. The Buyer has entered into this agreement relying solely upon information and parties and that no warranties, agreements or representations have been made or shall be binding upon either party unless set forth.

18. Unless expressly stated otherwise herein, this agreement is the final agreement and shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto.

19. Time is of the essence of this agreement.



LEGAL DEPARTMENT
911 North 7th Avenue
P.O. Box 4169
Pocatello, Idaho 83205

(208) 234-6148
Fax: (208) 239-6986

A. DEAN TRANMER • *City Attorney*
NANCY A. FERRIS • *Chief Deputy Attorney*
KIRK BYBEE • *Chief Civil Deputy*
RICHARD A. DIEHL, JR. • *Deputy City Attorney*
STEPHEN F. HERZOG • *Deputy City Attorney*
DARCY L. TAYLOR • *Assistant to City Attorney*
CARA LEWIS • *Prosecution Coordinator*
SHBILA GUSTAVESON • *Prosecution Assistant*

August 4, 2008

Christopher C. Criglow
Perkins Coie
1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128

Re: Great Western Malting/City of Pocatello
Purchase of Proposed Roadway

Dear Chris:

This letter is to initiate the paper work for the purchase of approximately five acres of land by the City of Pocatello from Great Western Malting Company for the purpose of establishing a public road from Kraft Road to Highway 30. While the Deed conveying the property from Great Western to the City was signed and recorded on June 30, 2008, a formal purchase offer and sale agreement was never initiated by either party. Additionally, the Deed which was signed and recorded is imperfect and has been rejected by the Bannock County Assessor's office as an improper conveyance. We felt it would best serve both parties to begin the purchase process anew.

To that end, enclosed please find a Real Estate Purchase and Sale Agreement for approximately five acres lying between the Great Western Malting Plant and the Portneuf River. The property was recently appraised for \$174,000.00, and a copy of the appraisal was provided to Jay Hamachek at Great Western.

With regard to the Deed from Great Western to the City which was recorded on June 30, 2008, two problems exist which were noted by the Bannock County Assessor. First, the legal description was deemed to be less than desirable, but was accepted by the Assessor, until a second problem with the Deed was discovered, which was that the Deed was conveyed by Great Western Malting Company, when in fact the vested owner of the real property, according to Bannock County records, is CM Acquisition Corporation, a Delaware corporation. CM Acquisition Corporation changed its name to Great Western Malting Corporation in May of 1989, according to the State of Idaho Secretary of State records, however the property was never transferred out of CM Acquisition's name, and the County has no documentation that Great Western Malting Company is a successor in interest to CM Acquisition Corporation. The City Engineer has prepared a more specific legal description, a copy of which is enclosed.

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

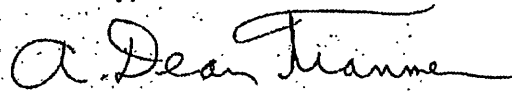
August 4, 2008

Page 2

Once you have had an opportunity to review this information with your client, please contact me or my paralegal, Darcy Taylor, and advise as to how you would like to proceed. Assuming the details of the Real Estate Purchase and Sale Agreement are worked out between the City and Great Western, the Agreement provides for a closing by a local title company. If you would prefer, a corrected deed may be prepared by the title company.

Thank you in advance for your attention to this matter. I look forward to hearing from you.

Sincerely,



A. Dean Tranmer
City Attorney

ADT/dt

Enc.

cc: Jay Hamachek, Great Western Malting Corp.
Roger W. Chase, Mayor
Robert Chambers, PDS Director
Greg Lanning, Public Works Director

construction of Hoku Way

A parcel of land in the SW1/4 of Section 16, Township 6 South, Range 34 East, Boise Meridian, Bannock County, Idaho, being a portion of a tract of land described in instrument number 892995 and recorded in the records of Bannock County, Idaho, more particularly described as follows:

Commencing at the S.1/4 corner of Section 16, T.6S., R.34 E., B.M.; thence S.88°30'15"W. (basis of bearing per Northwest Engineering datum from 1981 survey for Idaho Malting company recorded under instrument #666581 in the records of Bannock County, Idaho) along the south line of said Section 16 a distance of 69.98 feet to the Southeast corner of a tract of land described in said instrument number 892995 and conveyed to C. M. Acquisitions, Inc., said point being marked with a 1/2 inch iron pin tagged LS-968; thence continuing S.88°30'15"W. along said south line also common with the south boundary line of said tract a distance of 116.42 feet to the TRUE POINT OF BEGINNING;

Thence N.58°12'32"W. leaving said south boundary line a distance of 659.93 feet; thence N.49°43'52"W., a distance of 492.78 feet; thence N.73°38'48"W., a distance of 208.67 feet, more or less, to a point of intersection with the west 1/16 line of Section 16, T.6S., R.34E., B.M., which point being on the west boundary line of said tract described in instrument number 892995; thence in a southerly, southeasterly, and easterly direction following the boundary line of said tract of land the next three (3) courses; (1) thence S.00°15'47"W. along the west 1/16th line of Section 16, a distance of 200 feet, more or less, to the centerline of the Portneuf River; (2) thence in a southeasterly direction following the centerline of the Portneuf River upstream 980 feet, more or less, to a point of intersection with the south line of Section 16; (3) thence N.88°30'15"E. along the south line a distance of 338.98 feet, more or less, to the TRUE POINT OF BEGINNING.

Exhibit E-2

**City of Pocatello Hoku Land Purchase
Review of Expenditures for Purchase**

Packet #1

Year	Line		Property - S. Philbin Road 67 acres Description	Amount
4/26/2007	001-0801-416-40-99	UPRR	Railroad engineering review on HOKU land	500.00
3/28/2007	001-0801-500-82-01	A & E Engineering	Additional survey services for HOKU land	2,903.50
3/6/2007	001-0801-500-82-01	First American Title Co.	S. Philbin Road land 67 acres	912,571.82
3/6/2007	001-0801-500.82-01	Premier Properties	Broker Fees for S. Philbin Road purchase	27,000.00
Total				942,975.32

Packet #2

Year	Line		Property - Parrish Property by Kraft Road Description	Amount
4/24/2007	001-0801-416.40-01	Bowman Appraisal	Appraisal, North Kraft Road property	1,600.00
5/3/2007	001-0801-500-82-01	Alliance Title & Escrow	Parrish Property by Kraft Road	147,562.11
Total				149,162.11

Packet #3

Year	Line		Property - Purchase of H & H Dive property Description	Amount
3/27/2009	001-0801-500-82-01	Alliance Title & Escrow	Purchase of H&H Dive property	11,365.14
Total				11,365.14

Total Cost of Land	1,103,502.57
Payment 11/2014	(450,000.00)
Payment 11/2015	(300,000.00)

Balance Due	PDA Purchase of Hoku Land	353,502.57
--------------------	----------------------------------	-------------------

Payment option #1	Minimum Annual Pymt	\$353,502.57/15= \$23,566.84
Payment option #2	Minimum Annual Pymt	\$353,502.57/7=\$50,500.37
Payment option #3	Minimum Annual Pymt	\$353502.57/2=176,751.29
Payment option #4	Minimum Annual Pymt	\$353,502.57

Packet

1

City of Pocatello
Accounts Payable Transaction

Group number : 4168 DEMAND CHECKS 4/26/07 ST
Accounting period : 07/2007 mm/yyyy
Posting date : 04/26/2007 mm/dd/yyyy
Transaction date : 04/26/2007 mm/dd/yyyy
Invoice number : UPRR-ENGINEERNG
Account number : 1-0801-416.40-99 OTHER PURCH. PROF. SERV.
Project number :
Amount : 500.00
Liquidated amount : .00
Discount amount : .00
Retainage amount : .00
Net transaction amount : 500.00
Voucher number : 008337
PO number :
Vendor number : 13615 UNION PACIFIC RAILROAD COMPANY
Description 1 : UPRR ENGINEERING REVIEW
Description 2 : NEW CROSSING-ECONOMIC DEV
Transaction type code :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys



Real Estate Procedures

Procedures and Stipulations for the Installation of New Road Crossings

To enhance highway-rail grade crossing safety, Union Pacific endorses the concept of reducing the number of at-grade crossings, both public and private, through consolidation, elimination, grade separation and restriction of the number of new crossings installed. Because of safety concerns, every effort must be made to obtain alternative access to property adjacent to the railroad. Parallel or other roads leading to existing crossings and access from other directions must first be considered. In making an application, the applicant understands and agrees that if permission for the crossing is granted:

1. All construction work for new crossings from end of tie to end of tie within the track area must be performed by Union Pacific forces at applicant's sole expense.
2. All grading and drainage work on roadway approaches, including maintenance, will be the responsibility of applicant at applicant's sole expense.
3. All relocation of utilities due to construction of a new crossing (if any) is at applicant's sole expense.
4. Any maintenance work performed by Union Pacific forces will be at applicant's sole expense.
5. Any current or future warning devices required for the crossing (passive or active) will be installed and maintained by Union Pacific forces at applicant's sole expense.
6. All liability for accidents or injuries which arise as a result of the construction, maintenance and use of the crossing is assumed by applicant.
7. A current certificate evidencing insurance coverage in the following amounts is required:
 - A. New individual and residential private crossings and encroachments: General Public Liability providing \$1,000,000 for each occurrence and general aggregate limit of \$1,000,000; Automobile Public Liability providing \$500,000 for each occurrence.
 - B. Commercial and industrial crossings and encroachments and contractors' private crossings and encroachments: General Public Liability providing \$5 million for each occurrence and general aggregate limit of \$10 million; Automobile Public Liability providing \$2 million for each occurrence; Worker's Compensation covering the statutory liability determined by state law. Railroad Protective Liability providing \$2 million for each occurrence and aggregate limit of \$6 million.
8. Before any construction begins on a new crossing, applicant must enter into written agreement with Union Pacific and make payment to Union Pacific for the estimated cost of construction work.
9. Applicant will pay Union Pacific all required engineering review fees and license fees.
10. Before performing any work on Union Pacific property, applicant will telephone Union Pacific at 1-800-336-9193 (a 24-hour number) for fiber optic cable

information, and will notify Union Pacific's manager of track maintenance ten (10) working days prior to start of construction.

- 11. The Application (PDF File) [39K PDF] must be printed and completed in its entirety. (The Application document in this section is a PDF [Portable Document Format] file, which requires the Adobe Acrobat Reader for viewing. See the instructions on Viewing/Printing PDF Files (PDF File) on the Road Crossing Installation index page.) Completed applications and a nonrefundable payment of \$500.00 (made payable to **Union Pacific Railroad Company**, Federal Taxpayer Identification No. 94-6001323) for preliminary engineering review of new crossings are to be forwarded to the appropriate manager for the area in which your crossing will be located, as identified on the map titled Managers of Industry and Public Projects.

Failure to complete the application in full may delay processing. Please allow a minimum of 30 days for processing existing crossing requests and a minimum of 180 days for new crossing requests.

- 12. Depending on the scope of the work and proximity to our tracks we may require that Railroad Protective Liability Insurance be obtained, in addition to general liability insurance. We have acquired a blanket Railroad Protective Liability Insurance policy which may allow inclusion of your project under our coverage for an additional charge. We've found that in many instances it may be cheaper for the contractor do this than to obtain their own coverage. However, we do encourage you to shop around, as you may find a more favorable rate. An application form and additional information on Railroad Protective Liability Insurance through UPRR can be found in this section.

Who Do I Contact?

Questions? Need Assistance? Use the Managers of Industry and Public Projects map to select the appropriate contact person for the area in which your crossing will be located.

Engineering needs a check for \$500⁰⁰ to UPRR in order to initiate engineering review by UPRR for Hoku at grade crossing. Thanks Cal

Date: April 25, 2006

Acct. No: 001-0801-416.40-99

Proj. Acct No: _____

Transaction Amt: \$ 500⁰⁰

Appx. By: [Signature]

Group No/Seq No: G-4168/100

*Rail crossings
engineering review @
Hoku property*

Ⓢ CK# 7021612

*OK for a demand
check this week.*

City of Pocatello
Accounts Payable Transaction

Group number : 3523 VARIOUS INVS 3/2007 ST
 Accounting period : 06/2007 mm/yyyy
 Posting date : 04/04/2007 mm/dd/yyyy

 Transaction date : 03/28/2007 mm/dd/yyyy
 Invoice number : 3485
 Account number : 1-0801-500.82-01 LAND
 Project number :
 Amount : 2,903.50
 Liquidated amount : .00
 Discount amount : .00
 Retainage amount : .00
 Net transaction amount : 2,903.50
 Voucher number : 006706
 PO number :
 Vendor number : 882 A & E ENGINEERING INC
 Description 1 : ADD. SURVEY ECONOMIC DEV.
 Description 2 : LAND-NOT COVERED CLOSING
 Transaction type code :

F3=Exit F12=Cancel F15=Group Inquiry F24=More keys

A & E Engineering, Inc.
 P.O. Box 1327
 Pocatello, ID 83204-1327
 (208) 233-4226

Statement

Date
3/7/2007

To:
City of Pocatello Mayor Roger Chase P.O. Box 4169 Pocatello, ID 83205

		Amount Due	Amount Enc.		
		\$2,903.50			
Date	Transaction	Amount	Balance		
01/31/07	Balance forward		0.00		
03/07/07	INV #3485.	15,403.50	15,403.50		
03/07/07	PMT Anticipated funds from closing	-12,500.00	2,903.50		
<p><i>Inv. #3485</i> <i>See attached</i></p> <p><i>Date: March 14, 2007</i></p> <p><i>Acct. No: 001-0801-^{500. 52-01}417. 70-99</i></p> <p><i>Proj. Acct No: _____</i></p> <p><i>Transaction Amt: \$2,903.50</i></p> <p><i>Appr. By: [Signature]</i></p> <p><i>Group No/Seq No: G3523/100</i></p> <p><i>Additional survey services for Hoka land purchase not covered at closing. (2 additional parcels) Reference attached invoice</i></p>		<p><i>\$12,500.00 paid to First American bank Title [ck # 7021376 \$912,571.82 as part of closing on March 7, 2007 - see attached paperwork</i></p>			
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
2,903.50	0.00	0.00	0.00	0.00	\$2,903.50

City of Pocatello
Accounts Payable Transaction

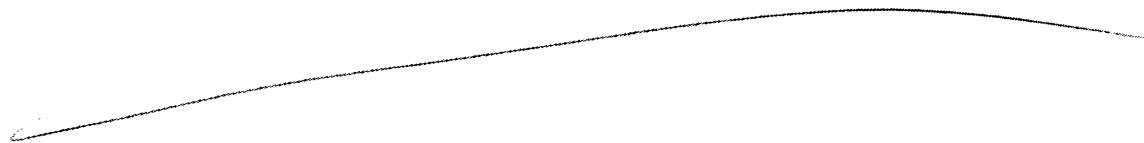
Group number : 3057 DEMAND CHECKS 3/6/07 ST
 Accounting period : 06/2007 mm/yyyy
 Posting date : 03/06/2007 mm/dd/yyyy

 Transaction date : 03/06/2007 mm/dd/yyyy
 Invoice number : S.PHILBIN ROAD
 Account number : 1-0801-500.82-01 LAND
 Project number :
 Amount : 912,571.82
 Liquidated amount : .00
 Discount amount : .00
 Retainage amount : .00
 Net transaction amount : 912,571.82
 Voucher number : 005845
 PO number :
 Vendor number : 437 FIRST AMERICAN TITLE CO
 Description 1 : S.PHILBIN ROAD/MICHAUD CR
 Description 2 : LAND PURCHASE ECONOMIC DV
 Transaction type code :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys

I gave this one to you yesterday



Swindell, Dave

From: Tranmer, Dean
Sent: Monday, March 05, 2007 6:45 PM
To: Swindell, Dave
Cc: Chase, Roger
Subject: Land Purchase from the Swanson's

Dave:

Don Zebe has requested that two checks be issued on the above matter. The first, for \$912,571.82 made out to First American Land Title, for the land only; the second, for \$27,000.00 made out to Premier Properties, for the Broker fee.
ADT

Date: March 6, 2007
Acct. No: 001-0801-500-82-01
Proj. Acct No: _____
Transaction Amt: \$912,571.82
Appr. By: [Signature]
Group No/Seq No: G3057/5600

First American
Land Title
Hoka land purchase
Ckt# 7021376

Date: March 6, 2007
Acct. No: 001-0801-500-82-01
Proj. Acct No: _____
Transaction Amt: \$27,000.00
Appr. By: [Signature]
Group No/Seq No: G3057/5700

Premier Properties
Broker fee
for Helen land
purchase
Ckt# 7021380

Premier Properties
460 East Oak
Pocatello ID 83201
208-232-5025

City of Pocatello
Accounts Payable Transaction

Group number : 3057 DEMAND CHECKS 3/6/07 ST
Accounting period : 06/2007 mm/yyyy
Posting date : 03/06/2007 mm/dd/yyyy

Transaction date : 03/06/2007 mm/dd/yyyy
Invoice number : S.PHILBIN ROAD
Account number : 1-0801-500.82-01 LAND
Project number :
Amount : 27,000.00
Liquidated amount : .00
Discount amount : .00
Retainage amount : .00
Net transaction amount : 27,000.00
Voucher number : 005846
PO number :
Vendor number : 18553 PREMIER PROPERTIES
Description 1 : S.PHILBIN ROAD/MICHAUD CR
Description 2 : LAND BROKER FEES ECON DEV
Transaction type code :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys

Swindell, Dave

From: Tranmer, Dean
Sent: Monday, March 05, 2007 6:45 PM
To: Swindell, Dave
Cc: Chase, Roger
Subject: Land Purchase from the Swanson's

Dave:

Don Zebe has requested that two checks be issued on the above matter. The first, for \$912,571.82 made out to First American Land Title, for the land only; the second, for \$27,000.00 made out to Premier Properties, for the Broker fee.

ADT

Date: March 6, 2007
Acct. No: 001-0801-500-82-01
Proj. Acct No: _____
Transaction Amt: \$912,571⁸²
Appr. By: *[Signature]*
Group No/Seq No: G3057/5600

[Signature]

First American
Land Title
Hoka land purchase
Ck# 7021376

Premier Properties
460 East Oak
Pocatello ID 83201
208-232-5025

Date: March 6, 2007
Acct. No: 001-0801-500-82-01
Proj. Acct No: _____
Transaction Amt: \$27,000⁰⁰
Appr. By: *[Signature]*
Group No/Seq No: G3057/5700

[Signature]

Premier Properties
Broker fee
for Helen land
purchase
Ck# 7021380

Swindell, Dave

From: Chambers, Robert
Sent: Tuesday, March 06, 2007 7:53 AM
To: Swindell, Dave; Nichols, Anne
Subject: FW: City of Pocatello



Document_3983764
02712.pdf (27 ...

Here is the settlement statement for the City on the purchase of the Swanson Ranch property for Hoku. It appears we will need a check at closing in the amount of \$939,571.82. Again, closing is scheduled for Wednesday, March 7 at 10:30AM in the Mayor's office. Thanks.

Robert Chambers

-----Original Message-----

From: Don Zebe [mailto:dizebe@cableone.net]
Sent: Monday, April 02, 2007 3:43 PM
To: Chambers, Robert
Subject: FW: City of Pocatello

-----Original Message-----

From: Sheila Garrett [mailto:sgarrett@firstam.com]
Sent: Monday, March 05, 2007 2:08 PM
To: don zebe; davemcpherson@allidaho.com
Subject: City of Pocatello

Buyers side only -

<p>A. Settlement Statement</p> <p style="text-align: center;">First American Title Company Settlement Statement</p>	<p style="text-align: center;">B. Type of Loan</p> <p>1-5. Loan Type Conv. Unins.</p> <p>6. File Number 166368-P</p> <p>7. Loan Number</p> <p>8. Mortgage Insurance Case Number</p>
---	--

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown, items marked "POC" were paid outside this closing; they are shown here for informational purposes and are not included in the totals.

D. Name of Borrower: City of Pocatello

E. Name of Seller: Michaud Creek Ranches, Inc.

F. Name of Lender:

G. Property Location: S. Philbin Road, Pocatello, ID 83201

H. Settlement Agent: First American Title Company
Address: P.O. Box 9, Pocatello, ID 83204

I. Settlement Date: 02/09/2007

Print Date: 03/05/2007, 2:05 PM

Disbursement Date: 03/09/2007

Place of Settlement Address: P.O. Box 9, Pocatello, ID 83204

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract Sales Price	900,000.00	401. Contract Sales Price	
102. Personal Property		402. Personal Property	
103. Settlement charges to borrower (line 1400)	39,812.00	403. Total Deposits	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
120. Gross Amount Due From Borrower	939,812.00	420. Gross Amount Due To Seller	
200. Amounts Paid By Or in Behalf of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges (line 1400)	
203. Existing loan(s) taken subject		503. Existing loan(s) taken subject	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes 01/01/07 to 03/09/07 @\$1308.46/yr	240.18	511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	240.18	520. Total Reduction Amount Due Seller	
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross amount due from Borrower (line 120)	939,812.00	601. Gross amount due to Seller (line 420)	
302. Less amounts paid by/for Borrower (line 220)	240.18	602. Less reductions in amounts due to Seller (line 520)	
303. Cash (X From) (/ To) Borrower	939,571.82	603.	

*
0 *
912571.82 +
27000.00 +
939571.82 *

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent: _____ Date: _____

L. Settlement Charges		
700. Total Sales/Broker's Commission based on price	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of Commission (line 700) as follows		
701.		
702.		
703. Commission paid at Settlement		
704.		
800. Items Payable in Connection with Loan		
801. Loan Origination Fee		
802. Loan Discount		
803. Appraisal Fee		
804. Credit Report		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Premium		
807. Assumption Fee		
808.		
809.		
810.		
811.		
812.		
813.		
814.		
Supplemental Summary		
900. Items Required by Lender to be Paid in Advance		
901. Interest		
902.		
903. Hazard Insurance Premium for		
904.		
905.		
Supplemental Summary		
1000. Reserves Deposited with Lender		
1001. Hazard Insurance		
1002. Mortgage Insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual assessments		
1006.		
1007.		
1008. Aggregate Accounting Adjustment		
1100. Title Charges		
1101. Settlement or closing fee - First American Title Company	300.00	
1102. Abstract or title search		
1103. Title examination		
1104. Title Insurance Binder		
1105. Document Fee		
1106. Notary Fee		
1107. Attorney Fee		
(includes above item numbers:)		
1108. Title Insurance - See supplemental page for breakdown of individual fees and payees		
(includes above item numbers:)		
1109. Lender's coverage \$0.00		
1110. Owner's coverage \$500,000.00		
1111.		
1112.		
1113.		
1114.		
1115.		
1116.		
1117.		
1200. Government Recording and Transfer Charges		
1201. *Recording fees: Deed \$12.00 Mortgage \$0.00 Release \$0.00	12.00	
1202. City/county tax/stamps		
1203. State tax/stamps		
1204.		
1205.		
1206.		
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest Inspection to		
1303. Real Estate Fee to Premier Properties	27,000.00	
1304. Survey to A & E Engineering	12,500.00	
1305.		
1306.		
1307.		
1308.		
1309.		
1310.		
1311.		
1312.		
1313.		
1314.		
Supplemental Summary		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	39,812.00	

Supplemental Page HUD-1 Settlement Statement	File No. 166368-P
First American Title Company Settlement Statement	Loan No.
	Settlement Date: 02/09/2007
Borrower Name & Address: City of Pocatello	
Seller Name & Address: Michaud Creek Ranches, Inc.	

Section L. Settlement Charges continued	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
1201. Supplemental Summary	12.00	
a) Recording Fee-Deed - First American Title Company		12.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and distributions made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.



RE-23 COMMERCIAL/INVESTMENT REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT BEFORE SIGNING.



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ID# City 2807

DATE Feb. 8, 2007

LISTING AGENCY Premier Properties

Office Phone # 232-5225

Fax # _____

Listing Agent DAVE McDONNAN E-Mail GIL JUDKINS

Phone # _____

SELLING AGENCY Premier Properties

Office Phone # _____

Fax # _____

Selling Agent DON ZEBE E-Mail dizebe@cablone.net

Phone # _____

1. BUYER: The City of Pocatello /or Assigns (Hereinafter called "BUYER")
agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PREMISES"
COMMONLY KNOWN AS Philbin Road City POCATELLO
County, _____ ID, Zip _____ and legally described as:

OR Legal Description Attached as addendum # 1 (Addendum must accompany original offer.) Four pages

2. \$ 900,000 PURCHASE PRICE: NINE Hundred THOUSAND DOLLARS,
payable upon the following TERMS AND CONDITIONS (not including closing costs):

3. FINANCIAL TERMS: Note: A+C+D must equal the total purchase price.

\$ NA (A). EARNEST MONEY: BUYER hereby deposits NA DOLLARS as Earnest
Money evidenced by: cash personal check cashier's check note (due date): AT Closing
 Other CASH TRANSACTION Earnest Money to be deposited in trust account upon receipt, or upon acceptance by all parties
and shall be held by: Listing Broker Selling Broker Other NA for the benefit of the parties hereto. The
responsible Broker shall be NA

(B). ALL CASH OFFER NO YES IF CASH OFFER, BUYER'S OBLIGATION TO CLOSE SHALL NOT BE
SUBJECT TO ANY FINANCIAL CONTINGENCY. BUYER agrees to provide SELLER within _____ business days from the date of acceptance of
this agreement by all parties, evidence of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes,
but is not limited to a copy of a recent bank or financial statement or contract(s) for the sale of BUYER'S current residence or other property to be
sold.

\$ NA (C). FINANCING:
 Additional financial terms are specified under the heading "OTHER TERMS AND CONDITIONS" (Section 5 below)
 Additional financing terms are contained in a financing addendum of same date, and attached hereto, and signed by both parties.

\$ 900,000 (D). APPROXIMATE FUNDS DUE FROM BUYERS AT CLOSING: (Not including closing costs) Cash at closing to
be paid by BUYER at closing in GOOD FUNDS, includes cash, electronic transfer funds, certified check, or cashier's check.

4. SECTION 1031 TAX DEFERRED EXCHANGE: By checking either or both of the boxes that follow, it is hereby acknowledged by the parties
that the Buyer, Seller intends to use the purchase and sale of the Premises as an integral part of a tax deferred like-kind exchange as
allowed under Section 1031 of the Internal Revenue Code (the "Exchange"). For purposes of this paragraph, the party participating in the
Exchange shall be identified as the "Exchanger." If either box above is checked, then the parties recognize that a material part of the
Exchanger's consideration for entering into the agreement for the purchase and sale of the Premises is the successful completion of the
exchange. The parties agree to assist each other in the completion of such exchange by cooperating with each other by signing any and all
relevant documents provided that the party not doing the Exchange shall not incur any liabilities, costs, fees, or taxes in excess of those which
that party would have incurred had this transaction not been an Exchange.

BUYER'S Initials (DVC) 2-8-07 Date

SELLER'S Initials (RS) Date 2-9-07

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PROPERTY ADDRESS: _____

ID# City 2807

5. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations and/or contingencies which must be satisfied prior to closing _____

SELLER TO TRANSFER ALL MINERAL RIGHTS
SELLER TO TRANSFER ALL APPURTENANT RIGHTS
SUBJECT TO PHASE I CLEARANCE & PROPERTY ACCESS

6. INCLUDED ITEMS:

(a) All existing fixtures and fittings that are attached to the premises are included in the purchase price (unless excluded below) and shall be transferred free of liens. These include but are not limited to, all attached floor coverings, attached television antennae, satellite dish and receiving equipment, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm windows, storm doors, all window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks, all water systems, wells, spring water that are now on or used in connection with the premises shall be included in the sale unless otherwise provided herein.

(b) Irrigation fixtures and equipment, and any and all, if any, water and water rights, and any and all, if any, ditches and ditch rights that are appurtenant thereto that are now on or used in connection with the premises shall be included in the sale unless otherwise provided herein

(c) Other items specifically included in this sale: NA

(d) Items specifically excluded in this sale: NA

7. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed special warranty deed or deed, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out of purchase money at date of closing. No liens, encumbrances or defects which are to be discharged or assumed by BUYER or to which title is taken subject to, exist unless otherwise specified in this Agreement.

8. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the buyer additional coverage.

(A). PRELIMINARY TITLE COMMITMENT: Prior to closing the transaction SELLER or BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said premises. BUYER shall have 1 business day(s) from receipt of the preliminary commitment or not fewer than twenty-four (24) hours prior to closing, within which to object in writing to the condition of the title as set forth in the preliminary commitment. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title. It is agreed that if the title of said premises is not marketable, or cannot be made so within 1 business day(s) after notice containing a written statement of defect is delivered to SELLER, BUYER'S Earnest Money deposit will be returned to BUYER and SELLER shall pay for the cost of title insurance cancellation fee, escrow and legal fees, if any.

(B). TITLE COMPANY: The parties agree that FIRST AMERICAN TITLE Title Company located at 2340 CENTER ST. POLARIS, IA 52201 shall provide the title policy and preliminary report of commitment.

BUYER'S Initials RWC Date 2-8-07

SELLER'S Initials RS Date 2-9-07

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PROPERTY ADDRESS: _____

ID# CITY 2807

(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the premises showing marketable and insurable title subject to the liens, encumbrances and defect elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. The risk assumed by the title company in the standard coverage policy is limited to matters of public record. BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct closing agency in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.

9. INSPECTION/DUE DILIGENCE:

(A). BUYER shall have the right to conduct due diligence inspections, investigations, tests, surveys and other studies at BUYER'S expense unless otherwise indicated below or agreed upon in writing by the parties. BUYER chooses to have inspection not to have inspection. If BUYER chooses not to have inspection skip the remainder of this section 9. BUYER shall, within 10 business day(s) of acceptance complete these inspections and give to SELLER written notice of disapproved items. BUYER is strongly advised to exercise these rights and to make BUYER's own selection of professionals with appropriate qualifications to conduct inspections of the entire premises. The closing of this transaction is conditioned upon BUYER's satisfaction or waiver of the following contingencies.

INSPECTION ITEM; COSTS PAID BY	BUYER	SELLER	SHARED EQUALLY	N/A	INSPECTION ITEM; COSTS PAID BY	BUYER	SELLER	SHARED EQUALLY	N/A
Environmental Inspection (Phase I)	X				Hazardous Waste report(s)		X		
Environmental Inspection (Phase II)		X			Other substances hazardous to human health (e.g. mold, radon, asbestos, etc.)		X		
Environmental Inspection (Phase III)		X			Review of seller's relevant business documents				X
Survey		X			Utilities and Zoning Studies				X
Water Rights				X	Pest, dry rot & structural Inspection(s)				X
Flood Zone Hazard				X	Compliance with American With Disabilities Act				X
Soil(s) and Percolation Test(s)	X				Well/Septic				X
Survey									

The following documents and materials shall be provided by the SELLER to the BUYER as part of the BUYER'S inspection/due diligence

BUY AND ALL SURVEYS AND ENVIRONMENTAL REPORTS.

(B). SATISFACTION/REMOVAL OF INSPECTION DUE DILIGENCE CONTINGENCIES:

1). If BUYER does not within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

2). If BUYER does within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall provide to SELLER pertinent section(s) of written inspection reports. SELLER shall have 5 business day(s) in which to respond in writing. The SELLER, at their option, may correct the items as specified by the BUYERS in their letter or may elect not to do so. If the SELLER agrees to correct the items asked for in the BUYERS letter, then both parties agree that they will continue with the transaction and proceed to closing. This will remove the BUYER'S inspection contingency.

BUYER'S Initials (RVL) Date 2-9-07

SELLER'S Initials (RS) Date 2-9-07

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PROPERTY ADDRESS: _____ ID# City 2807

3). If SELLER elects not to correct the disapproved items, or does not respond in writing within the strict time period specified, then BUYER(S) have the option of either continuing the transaction without the SELLER being responsible for correcting these deficiencies, giving the SELLER written notice within 10 business days that they will not continue with the transaction and demand the return of the Earnest Money.

4). If BUYER does not give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items with SELLER has otherwise agreed writing to repair or correct. SELLER shall make the premises available for all inspections. BUYER shall keep the premises free and clear of liens; indemnify and hold SELLER harmless from all liability, claims, demands, damages and costs; and repair any damages arising from the inspections. No inspections may be made by any governmental building or zoning inspector or government employee without the prior consent of SELLER unless required by local law.

10. ADDITIONAL COSTS: Costs in addition to those listed below may be incurred by BUYER and SELLER unless otherwise agreed hereafter or provided by law or required by lender, or otherwise stated herein. The below costs will be paid as indicated. Some costs are subject to loan program requirements. SELLER agrees to pay up to \$ NA of lender required repair costs only. BUYER or SELLER has the option to pay any lender required repair costs in excess of this amount.

COSTS	BUYER	SELLER	SHARED EQUALLY	N/A	COSTS	BUYER	SELLER	SHARED EQUALLY	N/A
Appraisal fee				X	Flood certification /tracking fee				X
Long term Escrow fees				X	Title Ins. Standard Coverage owners policy		X		
Closing fee			X		Lenders Extended Policy	X			
Additional Title Ins.				X	Attorney contract preparation and/or review fee				X
Water Rights		X							

11. ESCROW/COLLECTION: If a long-term escrow/collection is involved, then the escrow/collection holder shall be _____ . Each party agrees to pay one-half of escrow/collection fees and escrow setup fees.

12. RESIDENTIAL PROPERTY CONDITION DISCLOSURE: Idaho Code §55-2501 et seq. requires that any person intending to transfer "residential real property" deliver to the transferee, within ten (10) days of the acceptance of an offer to purchase, a SELLER PROPERTY DISCLOSURE FORM. "Residential real property" means real property that is improved by a building or other structure that has one (1) to four (4) dwelling units or an individually owned unit in a structure of any size. This also applies to real property which has a combined residential and commercial use. The property is is not subject to the Property Condition Disclosure Act.

13. LEAD-BASED PAINT DISCLOSURE: Properties that meet the criteria of "target housing" require certain disclosures regarding lead-based paint hazards. Pursuant to 42 USCA §4851 et seq., "target housing" means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than six (6) years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling. A "residential dwelling" means a single-family dwelling, including attached structures such as porches and stoops; or a single-family dwelling unit in a structure that contains more than one (1) separate residential dwelling unit, and in which each such unit is used or occupied, or intended to be used or occupied, in whole or in part, as the home or residence of one (1) or more persons. "Residential real property" means real property on which there is situated one (1) or more residential dwellings used or occupied, or intended to be used or occupied, in whole or in part, as the home or residence of one (1) or more persons.

The subject property is is not defined as "Target Housing" regarding lead-based paint or lead-based paint hazards. If yes, BUYER hereby acknowledges the following: (a) BUYER has been provided an EPA approved lead-based paint hazard information pamphlet, "Protect Your Family From Lead in Your Home," (b) receipt of the Seller's Disclosure of Information and Acknowledgment Form and have been provided with all records, test reports or other information, if any, related to the presence of lead-based paint hazards on said property, (c) that this contract is contingent upon BUYER'S right to have the property tested for lead-based paint hazards to be completed no later than _____ or the contingency will terminate, (d) that BUYER hereby waives does not waive this right, (e) that if test results show unacceptable amounts of lead-based paint on the property, BUYER has the right to cancel the contract subject to the option of the SELLER (to be given in writing) to elect to remove the lead-based paint and correct the problem which must be accomplished before closing, (f) that if the contract is cancelled under this clause, BUYER's earnest money deposit will be returned to BUYER.

BUYER'S Initials (DWC) (2-8-07) Date _____ SELLER'S Initials (RS) Date 2-9-07
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PROPERTY ADDRESS: _____ ID# City 2807

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14. **SQUARE FOOTAGE VERIFICATION:** BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE REAL PROPERTY OR IMPROVEMENTS IS APPROXIMATE. IF SQUARE FOOTAGE IS MATERIAL TO THE BUYER, IT MUST BE VERIFIED DURING THE INSPECTION PERIOD.

15. **COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs):** BUYER is responsible to obtain and review a copy of the CC&Rs (applicable). BUYER has reviewed CC&Rs Yes No.

16. **RISK OF LOSS:** Prior to the closing of this sale, all risk of loss shall remain with SELLER. In addition, should the premises be materially damaged by fire or other destructive cause prior to closing, this agreement shall be voidable at the option of the BUYER.

17. **CONDITION OF PREMISES AT CLOSING:** Upon expiration of the Inspection/Due Diligence period and thereafter, BUYER agrees to purchase the Premises in as-is-condition, where is, with all faults and with no further repairs required unless otherwise agreed upon by the parties in writing. BUYER will assume all obligations with respect to the Premises. SELLER shall maintain the Premises until the closing in its present condition, ordinary wear and tear excepted.

18. **CLOSING AGENCY:** The Closing Agency for this transaction shall be First American Title located at Pocatello, ID, 2240 E. Center St.

19. **CLOSING DATE:** On or before the closing date, BUYER and SELLER shall deposit with the Closing Agency all funds and instruments necessary to complete the sale. The closing date shall be no later than March 2007. "Closing Date" means the date on which all documents are either recorded or accepted by an escrow/collection agency and the sale proceeds are available to SELLER.

20. **POSSESSION/PRORATION:** BUYER shall be entitled to possession UPON CLOSING or DATE _____ TIME _____ AM PM. Taxes and water assessments (using the last available assessment as a basis), rents, insurance premiums, interest and reserve on liens, encumbrances or obligations assumed and utilities shall be prorated as of the day of closing or _____. Any tenant deposits held by SELLER shall be credited to BUYER at closing.

21. **"NOT APPLICABLE DEFINED:"** The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

22. **FACSIMILE TRANSMISSION:** Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

23. **BUSINESS DAYS & HOURS** A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real property is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code § 73-108. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

24. **DEFAULT:** If BUYER defaults in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER's Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER's Broker, provided that the amount to be paid to SELLER's Broker shall not exceed the Broker's agreed to commission. SELLER and BUYER specifically acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER's sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER's Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of Brokerage fee, title insurance, escrow fees, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter. If SELLER defaults, and SELLER shall pay for the costs of title insurance, escrow fees, credit report fees, inspection fees, Brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

X BUYER'S Initials RWC (2-9-07) Date _____ SELLER'S Initials RS (2-9-07) Date 2-9-07

PROPERTY ADDRESS: _____ ID# CITY 2807

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25. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

26. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination of this contract, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing agency, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or closing agency shall not be required to take any action but may await any proceeding, or at Broker's or closing agency's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.

27. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

28. COUNTERPARTS: This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature on two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

29. SALES PRICE INFORMATION: SELLER and BUYER hereby grant permission to the brokers and either party to this Agreement, to disclose sales data from this transaction, including selling price and property address to the local Association/Board of REALTORS®, multiple listing service, its members, its members' prospects, appraisers and other professional users of real estate sales data. The parties to this Agreement acknowledge that sales price information compiled as a result of this Agreement may be provided to the County Assessor Office by either party or by either party's broker.

30. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

- Section 1:
- A. The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).
 - B. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.
 - C. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).
 - D. The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).

- Section 2:
- A. The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).
 - B. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.
 - C. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).
 - D. The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

31. AUTHORITY OF SIGNATORY: If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.

32. ENTIRE AGREEMENT: This Agreement, including any Addendums or exhibits, constitutes the entire Agreement between the parties and no warranties, including any warranty of habitability or representations have been made or shall be binding upon either party unless herein set forth.

33. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

X BUYER'S Initials (RLC) (2-8-07) Date _____ SELLER'S Initials (RS) Date 2-9-07
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PROPERTY ADDRESS: _____ ID# City 2807

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34. ACCEPTANCE: BUYER'S offer is made subject to the acceptance of SELLER on or before (Date) Feb 8, 2007 at (Loc) _____ (Time) 5 A.M. P.M. If SELLER does not accept this Agreement within the time specified, the entire Earnest Money shall be refunded to BUYER on demand.

35. BUYER'S SIGNATURES:

SEE ATTACHED BUYER'S ADDENDUM(S): _____ (Specify number of BUYER addendum(s) attached.)

X BUYER Signature [Signature]
Date 2-8-07 Time _____ A.M. P.M.

BUYER (Print Name) _____
Phone # _____ Cell # _____

Address _____
E-Mail Address _____

City _____ State _____ Zip _____
Fax # _____

BUYER Signature _____
Date _____ Time _____ A.M. P.M.

BUYER (Print Name) _____
Phone # _____ Cell # _____

Address _____
E-Mail Address _____

City _____ State _____ Zip _____
Fax # _____

36. SELLER'S SIGNATURES: On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

X SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER

SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) # _____

SELLER Signature [Signature]
Date 2-9-07 Time _____ A.M. P.M.

SELLER (Print Name) Ron Swanson
Phone # 233-5851 Cell # _____

Address _____
E-Mail Address _____

City _____ State _____ Zip _____
Fax # _____

SELLER Signature _____
Date _____ Time _____ A.M. P.M.

SELLER (Print Name) _____
Phone # _____ Cell # _____

Address _____
E-Mail Address _____

City _____ State _____ Zip _____
Fax # _____

CONTRACTOR REGISTRATION # (if applicable) _____

BUYER'S Initials RWC 2-8-07 Date

SELLER'S Initials RSX 2-9-07 Date

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RE- 13 COUNTER OFFER # 1 (1, 2, 3, etc.)



THIS COUNTER OFFER SUPERSEDES ALL PRIOR COUNTER OFFERS
THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT BEFORE SIGNING.

1 This is a COUNTER OFFER to the Purchase and Sale Agreement Dated: FEB 8, 2007
2 ADDRESS: PHILBIN RD. LAND POCAHELLO# CITY 2807
3 BUYER: CITY OF POCAHELLO
4 SELLER: MICHAUD CREEK RANCHES

5 The parties accept all of the terms and conditions in the above-designated Purchase and Sale Agreement with the following changes:
6 This is a SELLER counter offer. The SELLER reserves the right to withdraw this offer or accept any other offers prior to the receipt of a
7 true copy of signed acceptance of this Counter Offer within the time frame specified herein.
8 This is a BUYER counter offer. The undersigned BUYER reserves the right to withdraw this offer at any time prior to the receipt of a true
9 copy of signed acceptance of this Counter Offer within the time frame specified herein.

- 10
- 11
- 12 1. CONTRACT TO READ. (UNDER INSPECTION/DUE DILIGENC
- 13 ENVIRONMENTAL INSPECTION II & III TO BE PAID FOR BY
- 14 BUYER. IF NEEDED.
- 15
- 16 2. SURVEY, BUYER TO SATISFY SELF WITH CURRENT
- 17 Simplex Survey NOW ON FILE.
- 18 3. HAZARDOUS WASTE TO READ N/A
- 19 4. OTHER SUBSTANCES. TO READ N/A
- 20
- 21 5. LINE #227 TO READ. CLOSING TO BE NO LATER
- 22 THAN MARCH 8th 2007
- 23
- 24
- 25
- 26

27 To the extent the terms of this Counter Offer modify or conflict with any provisions of the Purchase and Sale Agreement including all prior
28 Addendums, the terms in this Counter Offer shall control. All other terms of the Purchase and Sale Agreement including all prior Addendums
29 not modified by this Counter Offer shall remain the same. Buyer and Seller acknowledge the down payment and/or loan amount on
30 Page 1 of Purchase & Sale Agreement may change if purchase price is changed as part of this Counter Offer. Upon its execution by
31 both parties, this agreement is made an integral part of the aforementioned Agreement.
32

33 If a signed acceptance is not delivered on or before (date: _____) at _____ A.M. P.M. this Counter
34 Offer shall be deemed to have expired.
35

36 DELIVERY: Delivery shall be to the agent/broker working with the maker of the Counter Offer in person, by mail, facsimile or electronic
37 transmission of any signed original document, and retransmission of any signed original document. Retransmission of any signed facsimile
38 or electronic transmission shall be deemed to be the same as delivery of an original.
39

40 SELLER Pon Susan Date 2-9-07 Time 10:50 A.M. P.M.

41 SELLER _____ Date _____ Time _____ A.M. P.M.

42 BUYER Peggy Chave Mayor, City of Pocatello Date 2-9-07 Time 2:15 A.M. P.M.

43 BUYER _____ Date _____ Time _____ A.M. P.M.

ITX101		TAX MASTER INQUIRY YEAR---> [2005] [INQUIRE] [01/09/06]	
Parcel [R3853020301] Option[]	Market Value	Tax Information	
'U'D' () prev/next	Mkt. Value 2,674	Tax	39.74
Name /address	Homeowners	Specials	.00
MICHAUD CREEK RANCHES	Hardship	Total Tax	39.74
2470 MICHAUD CREEK RD	Net Value 2,674	Circ Brk	.00
	- Parcel Information -	Tax Bill	39.74
	Code Area 003300		
POCATELLO	Bill Number R02807	Payments	19.87
ID	Prev Parc R3853020300	Cancel	.00
832047520	Bank Code	Tax due	19.87
		1st half	.00
Legal Description	Loan#	2nd half	19.87
TR NW4SE4 TAX 1.67 AC;	Hms	Paid date	12/02/05
TR SE4SE4 TAX [REDACTED] AC;	Deed 438900	Notf=N Ta=	
TR SEC 17 TAX 16.7.36 AC RR-	Old Deed	Packet #1-2059 #2-	
TR N2 SEC [REDACTED] 20 AC	Property Type RR	Delinq Taxes	
TR NE4SE4 TAX [REDACTED] 71 AC	Hardship Flag	Year 2005	.00
TR T6S-R34E	Hardship Pct. 0.00	Year 2004	.00
000000	Circ. Brk. Code	Year 2003	.00
	Map Number 07	Year 2002	.00

Addendum #1

4 PAGES

49.80 ac

Tax
\$1349.72

Parcel[R3853020102] Option[]		Market Value	Tax Information
'U'D' ()	prev/next	Mkt. Value 2,315	Tax 34.40
Name /address		Homeowners	Specials .00
MICHAUD CREEK RANCHES INC		Hardship	Total Tax 34.40
2470 MICHAUD CREEK RD		Net Value 2,315	Circ Brk .00
		- Parcel Information -	
		Code Area 003300	Tax Bill 34.40
POCATELLO		Bill Number R02801	Payments 17.20
ID	832047520	Prev Parc R3853020100	Cancel .00
		Bank Code	Tax due 17.20
			1st half .00
----- Legal Description -----		Loan#	2nd half 17.20
TR SE4NE4 TAX 61 4.63 AC		Hms	Paid date 12/02/05
S14 T6S-R34E		Deed 895686	Notf=N Ta=
		Old Deed	Packet #1-2059 #2-
		Property Type CV	Delinq Taxes
		Hardship Flag	Year 2005 .00
		Hardship Pct. 0.00	Year 2004 .00
		Circ. Brk. Code	Year 2003 .00
000000		Map Number 10	Year 2002 .00

4.63 ac

ITX101

TAX MASTER INQUIRY YEAR--->|[2005] |[INQUIRE] |[01/09/06]

Parcel[RPCPP044844] Option[]	Market Value	Tax Information
'U'D' () prev/next	Mkt. Value 22,039	Tax 522.98
Name /address	Homeowners	Specials .00
MICHAUD CREEK RANCHES	Hardship	Total Tax 522.98
2470 MICHAUD CREEK RD	Net Value 22,039	Circ Brk .00
	- Parcel Information -	Tax Bill 522.98
	Code Area 000100	
POCATELLO	Bill Number R20695	Payments 261.49
ID	Prev Parc RPCPP044824	Cancel .00
832047520	Bank Code	Tax due 261.49
		1st half .00
Legal Description	Loan#	2nd half 261.49
TR SW4SW4 [REDACTED] AC	Hms	Paid date 12/02/05
S16 T6S-R34E	Deed 438900	Notf=N Ta=
COUNT PROP IN POCA	Old Deed	Packet #1-2059 #2-
	Property Type RS	Delinq Taxes
	Hardship Flag	Year 2005 .00
	Hardship Pct. 0.00	Year 2004 .00
CONTIG PROP	Circ. Brk. Code	Year 2003 .00
000000	Map Number 07	Year 2002 .00

9.22.05

Parcel[RPCPP044809] Option[]	U'D' () prev/next	Market Value	Tax Information
MICHAUD CREEK RANCHES	2470 MICHAUD CREEK RD	31,715	752.60
Name /address -----		Homeowners	Specials .00
POCATELLO ID 832047520		Hardship	Total Tax 752.60
Legal Description -----		Net Value 31,715	Circ Brk .00
TR NW4SW4 TAX 43-0-15 AC		- Parcel Information - Tax Bill 752.60	
S16-T6S-R34E		Code Area 000100	
COUNT PROP IN POCA		Bill Number R20660	Payments 376.30
CONTIG PROP 000000		Prev Parc R3853016800	Cancel .00
		Bank Code	Tax due 376.30
		Loan#	1st half .00
		Hms	2nd half 376.30
		Deed 438900	Paid date 12/02/05
		Old Deed	Notf=N Ta=
		Property Type RR	Packet #1-2059 #2-
		Hardship Flag	Delinq Taxes
		Hardship Pct. 0.00	Year 2005 .00
		Circ. Brk. Code	Year 2004 .00
		Map Number 07	Year 2003 .00
			Year 2002 .00

13.38 ac

Packet

2

City of Pocatello
Accounts Payable Transaction

6/24/15
08:30:41

Group number : 4111 VARIOUS INVS. 4/2007 ST
Accounting period : 07/2007 mm/yyyy
Posting date : 05/01/2007 mm/dd/yyyy
Transaction date : 04/24/2007 mm/dd/yyyy
Invoice number : 40292
Account number :
Project number : 1-0801-416.40-01 APPRAISALS
Amount :
Liquidated amount : 1,600.00
Discount amount : .00
Retainage amount : .00
Net transaction amount : 1,600.00
Voucher number : 007951
PO number :
Vendor number : 17687 BOWMAN APPRAISAL & VALUATION
Description 1 : APPRAISAL N KRAFT RD LAND
Description 2 : PARRISH LAND ECONOMIC DEV
Transaction type code :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys

BOWMAN APPRAISAL AND VALUATION
 PO BOX 2381
 POCATELLO, ID 83206

Invoice

Date	Invoice #
4/12/2007	40292

Bill To
City of Pocatello 911 N. 7th Pocatello, ID 83201

Description	Amount
Commercial narratives North Kraft Road Land Appraisal (Parrish App) Date: <u>April 17, 2006</u> Acct. No: <u>001-0801-416.40-01</u> Proj. Acct No: _____ Transaction Amt: <u>\$1,600⁰⁰</u> Appr. By: <u>[Signature]</u> Group No/Seq No: <u>G4111/400</u>	1,600.00 <i>Appraisal for Parrish property N Kraft Rd (Access for Hoku property site)</i>
Taxpayer ID# 76-0720877 Payment Due on Receipt	Total \$1,600.00

City of Pocatello
Accounts Payable Transaction

Group number : 4328 DEMAND CHECKS 5/03/07 ST
Accounting period : 08/2007 mm/yyyy
Posting date : 05/03/2007 mm/dd/yyyy

Transaction date : 05/03/2007 mm/dd/yyyy

Invoice number : 3-PARCELS/KRAFT

Account number : 1-0801-500.82-01 LAND

Project number :

Amount : 147,562.11

Liquidated amount : .00

Discount amount : .00

Retainage amount : .00

Net transaction amount . . : 147,562.11

Voucher number : 008534

PO number :

Vendor number : 62 ALLIANCE TITLE & ESCROW CORP

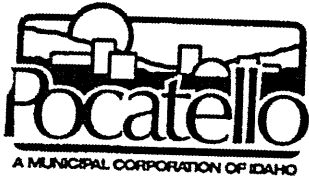
Description 1 : PARRISH PROPERTY BY KRAFT

Description 2 : ROAD-ECONOMIC DEVELOPMENT

Transaction type code . . :

F3=Exit F12=Cancel F15=Group Inquiry

F24=More keys



OFFICE OF THE MAYOR
 911 North 7th Avenue
 P.O. Box 4169
 Pocatello, Idaho 83205
 (208) 234-6163
 Fax: (208) 234-6297
 www.pocatello.us

ROGER W. CHASE
 Mayor

Pocatello City Council:
 ROGER J. BRAY
 RON FRASURE
 GARY MOORE
 EVA JOHNSON NYE
 RICHARD STALLINGS
 BRIAN T. UNDERWOOD

April 19, 2007

Alliance Title

Parrish Brothers, LLC
 ATTN: Craig Parrish
 4537 Yellowstone Ave.
 Chubbuck, ID 83202

RE: COMBINED NOTICE OF INTENT TO ACQUIRE & NOTICE OF JUST COMPENSATION FOR PROPERTY NEAR KRAFT ROAD

Dear Property Owners:

We appreciate your possible interest in selling the property located near Kraft Road. This letter notifies you of the intent of the City of Pocatello, to acquire this property. The property is legally described as (See attached map):

SITE A; TAX 28, 1.56 ACRES:

A portion of land located in the North 1/2 of the Northwest 1/4 of Section 21, Township 6 South, Range 34 East Boise Meridian, Bannock County, Idaho. (67,953.60 Square Feet, more or less)

SITE B; TAX 48, 0.89 ACRES:

A portion of land located in the Northwest 1/4 of the Northeast 1/4 of Section 21, Township 6 South, Range 34 East Boise Meridian, Bannock County, Idaho. (38,768.40 Square Feet, more or less)

SITE C; TAX 86, 0.28 ACRES:

A portion of land located in the Northwest 1/4 of the Northeast 1/4 of Section 21, Township 6 South, Range 34 East Boise Meridian, Bannock County, Idaho. (12,196.80 Square Feet, more or less)

An appraisal has now been completed by certified commercial appraiser Edward P. Bowman, II, CGA with Bowman Appraisal & Valuation. A copy of his report is enclosed for your review. Mr. Bowman has valued these lands at \$148,200.00. Based on this assessment, the City of Pocatello hereby makes you a firm offer in the amount of \$148,200.00 for the purchase of this property.

*\$147,562⁰⁰ at closing after taxes, etc.
 per closing documents attached.*

We believe the above offer to be equitable and urge your favorable consideration and acceptance. If it is your intent to sell this property, please sign the enclosed Purchase and Sales Agreement in front of a Notary of the Public (available here at City Hall if needed) and return it at your earliest convenience. We would like to close the transaction as soon as possible. In addition to the offered purchase price, the City of Pocatello will also assume responsibility for any incidental costs associated with the transfer of this property. You will, however, be expected to provide clear title and resolve any back taxes.

We would appreciate your prompt response to this offer. If you have any questions, please contact Robert Chambers at 234-6184.

Sincerely,

Roger W. Chase
 Mayor
 City of Pocatello

2.73

Date: April 30, 2007

Acct. No: 001-0801-500.82-01

Proj. Acct No: _____

Transaction Amt: \$147,562⁰⁰

App. By: [Signature]

Group No/Seq No: 64328/100

CK# 7021650

(Pertinent information attached.)

AGENDA ITEM NO.

- 16: PROPERTY PURCHASE: Council may wish to authorize the purchase of three separate parcels of ground from Parrish Brothers, LLP as follows: 1) Parcel #1, 1.5 acres (more or less), valued at \$81,500.00; 2) Parcel #2, 0.9 acres (more or less), valued at \$54,300.00; 3) Parcel #2, 0.3 acres (more or less), valued at \$12,400.00. The total purchase price is \$148,200.00 plus closing costs. Purchase is to accommodate public infrastructure to the Hoku Materials site.

(Pertinent information attached.)

AGENDA ITEM NO.

- 17: ORDINANCES: The Council has the following options for reading ordinances. If the Council makes no motion, the ordinance will be read by title on two occasions and at length on the third occasion and placed on final passage for publication.

EXAMPLE MOTIONS:

FOR THREE SEPARATE READINGS: "I move the ordinance, Agenda Item # ___, be read only by title on three separate occasions and placed on final passage and ordered for publication, and that only the ordinance summary sheet be submitted for publication."

FOR ONE READING UNDER RULES SUSPENSION: "I move the ordinance, Agenda Item # ___, be read only by title and placed on final passage for publication, and that only the ordinance summary sheet be submitted for publication."

Before the ordinance can be read under Option 1 or 2, the Council, by a vote of one-half plus one (4) of the full

*Hold checks in
vault until
After Council meetings.
Closing is scheduled
for May 4th, subject
to Council approval
on May 3.
-Dave*

ALLIANCE
TITLE & ESCROW CORP.

TO: Tim Tingy

FAX NO: 4-6586

FROM: Lisa Jones

DATE: 4-29-07

TOTAL NUMBER OF PAGES TRANSMITTED INCLUDING THIS PAGE: 3

If this transmission is not satisfactory, or if there are any questions, please call (208)232-6163 and ask for the above named operator.

For your reference, our fax number is (208)478-1582.

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination or distribution of this communication to other than the intended recipient is strictly prohibited. If you have received this communication in error, please notify us by telephone at (800)657-9409, and return the original message to us at the address below via the U.S. Postal Service.

Thank you.

* Hi Tim! Here is the HUD for the Parish purchase. I will need \$147,562.11 from the City.
Thanks! Lisa



220. Total Paid By/For Borrower:	843.89	520. Total Reductions In Amount Due Seller:	
300. Cash At Settlement From/To Borrower:		600. Cash At Settlement From/To Seller:	
301. Gross amount due from borrower (line 120)	148,406.00	601. Gross amount due to seller (line 420)	
302. Less amount paid by/for borrower (line 220)	843.89	602. Less reductions in amount due seller (line 520)	
303. Cash (<input checked="" type="checkbox"/> FROM) (<input type="checkbox"/> TO) Borrower:	147,562.11	603. Cash (<input type="checkbox"/> TO) (<input type="checkbox"/> FROM) Seller:	0.00

Previous Edition Is Obsolete
Form No. 1581
3/86

**A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT**

B. TYPE OF LOAN

1. FHA 2. FHMA 3. CONV. UNINS.
 4. VA 5. CONV. INS.

6. FILE NUMBER: 3010713844LKJ 7. LOAN NUMBER:
 8. MORTGAGE INS. CASE NO.:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME & ADDRESS OF BORROWER: City of Pocatello
911 N. 7th, P.O. Box 4169, Pocatello, ID 83201

E. NAME & ADDRESS OF SELLER: The Estate of Rodney J. Parrish, deceased
4537 Yellowstone Ave., Chubbuck, ID 83202

F. NAME & ADDRESS OF LENDER:

G. PROPERTY LOCATION: Bareground, Pocatello, ID 83204

H. SETTLEMENT AGENT: Alliance Title & Escrow Corp.
PLACE OF SETTLEMENT: 330 S. 4th Avenue, Pocatello, ID 83201 (208) 478-1581

I. SETTLEMENT DATE: 5/04/2007 Estimated **DISBURSEMENT DATE:** 5/04/2007

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract sales price	148,200.00	401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower: (line 1400)	206.00	403.	
104.		404.	
105.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower:	148,406.00	420. Gross Amount Due To Seller:	
200. Amounts Paid By Or In Behalf Of Borrower:		500. Reductions In Amount Due To Seller:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff 1st Mtg. Ln.	
205.		505. Payoff 2nd Mtg. Ln.	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
210. City/town taxes to		510. City/town taxes to	
211. County taxes 01/01/07 to 05/04/07	843.89	511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	

L.		SETTLEMENT	CHARGES	Escrow: 3010713844LKJ		
700. Total Sales/Broker's Commission: Based On Price \$				@	% =	
Division of Commission (line 700) As Follows:						
701. \$	to				Paid From Borrower's Funds At Settlement	Paid From Seller's Funds At Settlement
702. \$	to					
703. Commission paid at settlement						
704.						
800. Items Payable In Connection With Loan:						
801. Loan Origination fee		%				
802. Loan Discmt		%				
803. Appraisal fee to:						
804. Credit report to:						
805. Lender's inspection fee						
806. Mortgage insurance application fee to						
807. Assumption fee						
808.						
809.						
810.						
811.						
812.						
813.						
814.						
815.						
816.						
900. Items Required By Lender To Be Paid In Advance:						
901. Interest from	to	@ \$	/day			
902. Mortgage insurance premium for	mo. to					
903. Hazard insurance premium for	yrs. to					
904. Flood insurance premium for	yrs. to					
905.						
906.						
1000. Reserves Demanded With Lender:						
1001. Hazard insurance	0 months @ \$	0.00	per month			
1002. Mortgage insurance	0 months @ \$	0.00	per month			
1003. City property taxes	0 months @ \$	0.00	per month			
1004. County property taxes	0 months @ \$	0.00	per month			
1005. Annual assessments	0 months @ \$	0.00	per month			
1006. Flood insurance	0 months @ \$	0.00	per month			
1007.	0 months @ \$	0.00	per month			
1008. Aggregate Adjustment						
1009.						
1100. Title Charges						
1101. Settlement or closing fee to Alliance Title & Escrow Corp.					200.00	
1102. Abstract or title search to						
1103. Title examination to						
1104. Title insurance binder to						
1105. Document preparation to						
1106. Notary fees to						
1107. Attorney's fees to						
(includes above item Numbers:)						
1108. Title insurance to						
(includes above item Numbers:)						
1109. Lender's coverage \$						
1110. Owner's coverage \$						
1111.						
1112.						
1113.						
1114.						
1200. Government Recording and Transfer Charges:						
1201. Recording fees: Deed \$	6.00	; Mortgage \$	0.00	; Releases \$	0.00	6.00
1202. City/county tax/stamps: Deed \$	0.00	; Mortgage \$	0.00			
1203. State tax/stamps: Deed \$	0.00	; Mortgage \$	0.00			
1204.						
1205.						
1300. Additional Settlement Charges:						
1301. Survey to						
1302. Pest inspection to						

1307.		
1308.		
1309.		
1310.		
1311.		
1312.		
1313.		
1400. Total Settlement Charge (Enter on line 103, Section J - and - line 502, Section K)		206.00

Form No. 1582

REAL ESTATE PURCHASE AND SALE AGREEMENT
(with Earnest Money Provision)

THIS CONTRACT CONTROLS THE TERMS OF SALE OF THE PROPERTY. READ CAREFULLY BEFORE SIGNING: IF ANY QUESTIONS, CONSULT YOUR ATTORNEY.

Pocatello, Idaho April 18, 2007

City of Pocatello
(hereinafter called "Buyer") agrees to purchase, and the undersigned agrees to sell the following described real estate hereinafter referred to as "premises" located in Pocatello County of Bannock State of Idaho, commonly known as NA legally described as: See attached legal description and map

A FULL AND COMPLETE LEGAL DESCRIPTION MUST BE INSERTED, ATTACHED OR WRITTEN ON THE REVERSE HEREOF PRIOR TO EXECUTION BY SELLER. Buyer hereby authorizes broker to insert over his signature the correct legal description of the premises if unavailable at the time of signing, or to correct the legal description previously entered if erroneous or incomplete).

1. TOTAL PURCHASE PRICE IS one hundred forty eight thousand two hundred DOLLARS (\$ 148,200.00) payable as follows:

A. Earnest Money.

(a) Buyer hereby deposits and a receipt is hereby acknowledged of NA Dollars (\$) evidenced by: Cash, Personal Check, Cashiers Check, Note Due, or paid or delivered as earnest money in part payment of the purchase price for the premises.

(b) Earnest Money to be deposited in trust account upon acceptance by all parties.

(c) All Earnest money shall be held by NA for the benefit of the parties hereto, and NA (Broker) shall hold the completely executed broker's copy of this agreement.

B. Balance of purchase price to be paid as follows:

Cash at Closing.

2. Buyer's offer is made subject to the acceptance of Seller on or before 12:00 o'clock midnight of Friday 4/27/07

If Seller does not accept this agreement within the time specified, the entire Earnest Money shall be refunded to Buyer on demand.

3. Title of Seller is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by Seller may be paid out of purchase money at date of closing. Any liens, encumbrances or defects which are to be discharged or assumed by Buyer or to which title is taken subject to (not otherwise set forth above) are: NA

4. The Seller shall, within a reasonable time after closing, furnish to the Buyer a title insurance policy in the amount of the purchase price of the premises from a title insurance company showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this agreement to be discharged or assumed by the Buyer. Prior to closing the transaction, the Seller shall furnish to the Buyer a preliminary report or commitment made by a title insurance company showing the condition of the title to said premises. The parties agree that Alliance Title Company shall provide said title policy and preliminary report or commitment. It is agreed that if the title to said premises is not marketable, or cannot be made so within thirty (30) days after notice containing a written statement of defects is delivered or mailed to the Seller, or if the default and the Earnest Money shall be returned to the Buyer and Seller shall pay for the cost of title insurance, escrow and legal fees, if any. Buyer's acceptance of the Earnest Money does not constitute a waiver of other remedies available.

5. It is hereby agreed that the "closing agent" for this agreement shall be Alliance Title NA is the broker responsible for the closing. Where not otherwise provided by law, the parties shall each pay one-half of said closing agent's fees. The closing date shall be on Wednesday, 5/2/07

6. On or before closing date, Buyer and Seller shall deposit with the closing agent all funds and instruments necessary to complete the sale.

7. Seller shall deliver possession to Buyer on or before on closing, and taxes and water assessments (using the last available assessment as a basis), rents, insurance premiums, interest and reserves on liens, loans or obligations assumed or taken subject to, and utilities shall be prorated as of closing except as follows: NA

Buyer shall pay for fuel in fuel tank, the amount to be determined by the supplier at Seller's expense.

8. The parties agree that this agreement contains the following additional terms and conditions: Purchase to include all permanent structures & improvements, including well house and any associated water rights. Property shall be cleared of all vehicles, equipment and/or other possessions prior to closing.

9. The following items of property now on the premises are specifically excluded from the sale: NA

The following items of personal property are specifically included in the sale: NA

10. IMPORTANT: THE REVERSE OF THIS AGREEMENT CONTAINS IMPORTANT PROVISIONS WHICH ALSO CONSTITUTE PART OF THE AGREEMENT. Each of the parties acknowledges reading this agreement in full.

Buyer [Signature]

911 N. 7th Ave., Pocatello, ID 83205
Buyer's Address

Buyer [Signature]

208-234-6583
Buyer's Phone

On this date, I/We hereby approve and accept the sale set forth in the above agreement and agree to carry out all terms thereof on the part of the Seller. I/We further acknowledge receipt of a true copy of this agreement with the complete legal description of the premises inserted and signed by both parties.

Seller [Signature]

4537 Yellowstone Avenue, Chubbuck, ID 83202
Seller's Address

Packet

3

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

OMB No. 2502-0265

B. TYPE OF LOAN
 1. FHA 2. FHMA 3. CONV. UNINS.
 4. VA 5. CONV. INS.
 6. FILE NUMBER: 3010916509LKJ 7. LOAN NUMBER
 8. MORTGAGE INS. CASE NO.:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME & ADDRESS OF BORROWER: City of Pocatello
 911 N. 7th, P.O. Box 4169, Pocatello, ID 83201
 E. NAME & ADDRESS OF SELLER: Idaho Food Bank Warehouse, Inc.
 PO Box 5601, Boise, ID 83705
 F. NAME & ADDRESS OF LENDER:
 G. PROPERTY LOCATION: NNA 1st Avenue, Pocatello, ID 83201
 H. SETTLEMENT AGENT: Alliance Title & Escrow Corp.
 PLACE OF SETTLEMENT: 2350 Via Caporatti Drive, P.O. Box 1176, Pocatello, ID 83201 (208) 232-6163
 I. SETTLEMENT DATE: 3/31/2009 Estimated

Check payable to:

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract sales price		401. Contract sales price	35,000.00
102. Personal property	35,000.00	402. Personal property	
103. Settlement charges to borrower: (line 1400)		403.	
104.	619.00	404.	
105.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower:	35,619.00	420. Gross Amount Due To Seller:	35,000.00
200. Amounts Paid By Or In Behalf Of Borrower:		500. Reductions In Amount Due To Seller:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff 1st Mtg. Ln.	
205.		505. Payoff 2nd Mtg. Ln.	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.			

CHECK # _____
 ENDORSE TO _____
 DELIVER TO _____
 V. DATE _____
 BY _____
 V. DATE _____
 APPROVED BY _____

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

OMB No. 2502-0265

B. TYPE OF LOAN		
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FHMA	3. <input type="checkbox"/> CONV. UNINS.
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.	
6. FILE NUMBER: 3010916581LKJ		7. LOAN NUMBER
8. MORTGAGE INS. CASE NO.:		

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.a.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME & ADDRESS OF BORROWER: City of Pocatello
 911 N. 7th, P.O. Box 4169, Pocatello, ID 83201

E. NAME & ADDRESS OF SELLER: Jeff L. Hampston
 605 S. 6th Ave, Pocatello, ID 83201

F. NAME & ADDRESS OF LENDER: *Make check payable to:*

G. PROPERTY LOCATION: Bare Ground, Pocatello, ID 83201

H. SETTLEMENT AGENT: Alliance Title & Escrow Corp.
 PLACE OF SETTLEMENT: 2350 Via Caporatti Drive, P.O. Box 1176, Pocatello, ID 83201 (208) 232-6163

I. SETTLEMENT DATE: 3/31/2009
 DISBURSEMENT DATE: 3/31/2009

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract sales price	11,280.00	401. Contract sales price	11,280.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower: (line 1400)	86.00	403.	
104.		404.	
105.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower:	11,366.00	420. Gro	
200. Amounts Paid By Or In Behalf Of Borrower:		500. Red	
201. Deposit or earnest money		501. Exce	
202. Principal amount of new loan(s)		502. Settli	
203. Existing loan(s) taken subject to		503. Exdst	
204.		504. Payor	
205.		505. Payor	
206.		506. Prope	
207.		507.	
208.		508.	
209.		509.	

Handwritten signature and notes:
~~XXXX~~ *Jan Oude*
Amount to add to the

*For a Monday
 close on this
 real estate
 (rail spur use
 Holka plant!)
 Can we run*

AGENDA ITEM

NO. 6



OFFICE OF THE MAYOR
911 North 7th Avenue
P. O. Box 4169
Pocatello, Idaho 83205-4169

(208) 234-6163
Fax: (208) 234-6297
www.pocatello.us

BRIAN C. BLAD
Mayor

Pocatello City Council:

STEVE BROWN
CRAIG COOPER
W. JAMES JOHNSTON
GARY MOORE
EVA JOHNSON NYE
MICHAEL L. ORR

June 30, 2015

MEMORANDUM

TO: Pocatello Development Authority Chair, Secretary & Executive Director

FROM: Anne Nichols, CAP-OM
Assistant to the Mayor

SUBJECT: Committee Appointment

The Pocatello Development Authority has a position dedicated for a representative from Bannock County. County Planning Director Linda Tigert is currently serving in that position, but we were notified today that she has taken another position with the County.

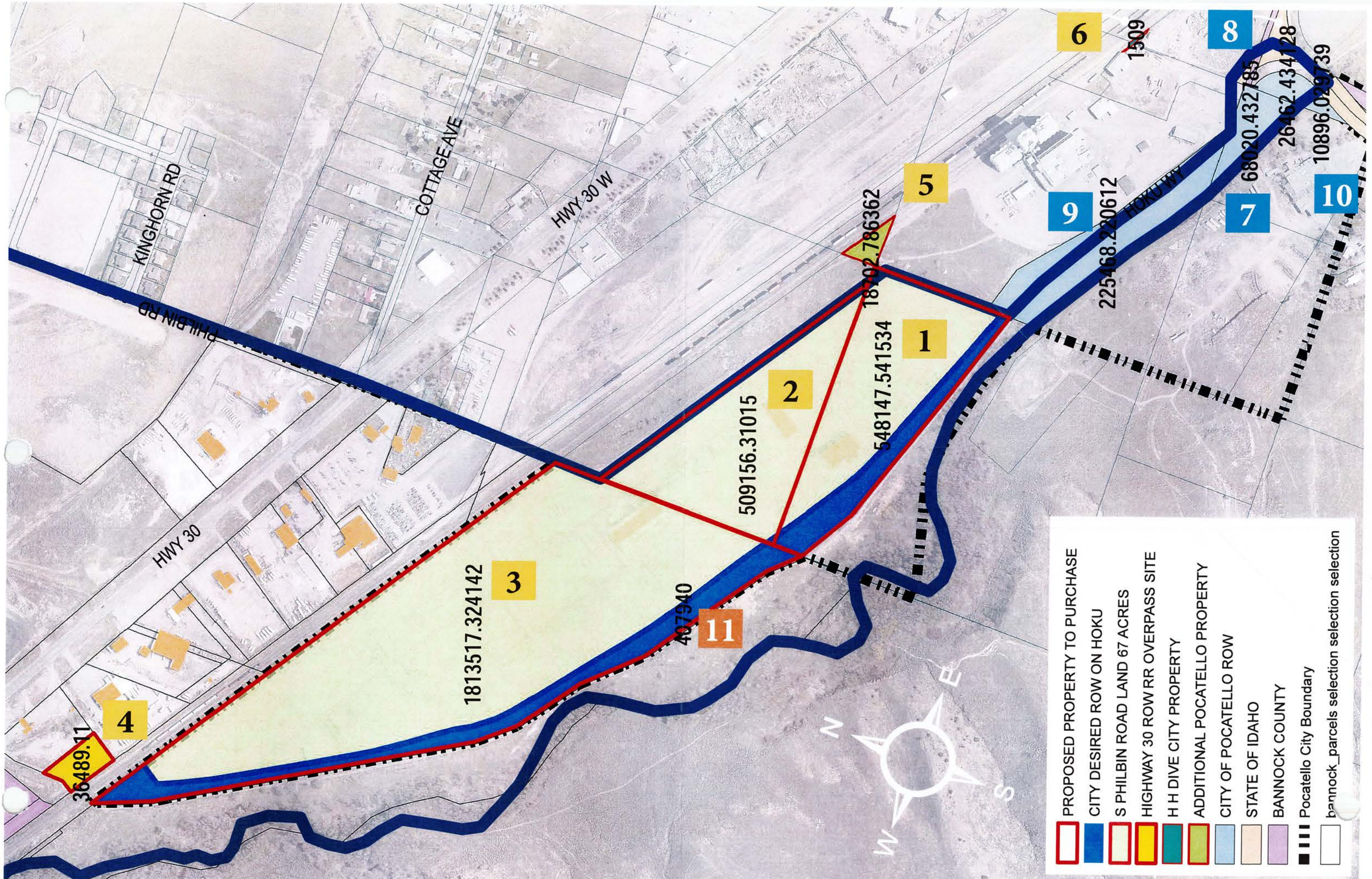
Therefore, the Bannock County Commissioners have notified us that they would like Commission Chairman Howard Manwaring to fill the County's position on the PDA Board. Mayor Blad has reviewed their request and recommends Chairman Manwaring be appointed.

As you know, mid-term vacancies are confirmed by the Board rather than the City Council per State Code 50-2006(b)(2). As this is technically a mid-term resignation/appointment, the PDA Board will need to schedule a vote to approve the appointment of Chairman Manwaring as the County's representative. Following such a vote, our office will send a letter of appointment.

You can reach me at 234-6163 if you have any questions.

cc: City Council Members

AN EQUAL OPPORTUNITY EMPLOYER
VETERAN'S PREFERENCE



36489.11

4

KINGHORN RD

PHILBIN RD

HWY 30

1813517.324142

3

COTTAGE AVE

HWY 30 W

407940

11

509156.31015

2

18102.786362

1

5

548147.541534

6

1509

9

225468.220612

8

7

68020.432785

26462.434128

10

10896.029739



- PROPOSED PROPERTY TO PURCHASE
- CITY DESIRED ROW ON HOKU
- S PHILBIN ROAD LAND 67 ACRES
- HIGHWAY 30 ROW RR OVERPASS SITE
- H H DIVE CITY PROPERTY
- ADDITIONAL POCAATELLO PROPERTY
- CITY OF POCAATELLO ROW
- STATE OF IDAHO
- BANNOCK COUNTY
- Pocatello City Boundary
- bannock_parcel selection selection