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DISTRICT DEVELOPMENT AGREEMENT NO. 1
FOR THE HARRIS RANCH
COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)
(Including the June 22, 2010 modifications thereto)

by and among

CITY OF BOISE, IDAHO,

HARRIS RANCH DISTRICT COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO),

and

HARRIS FAMILY LIMITED PARTNERSHIP

Dated as of August 31, 2010

Exhibit A

**DISTRICT DEVELOPMENT AGREEMENT NO. 1
FOR THE HARRIS RANCH
COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)**

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THIS DISTRICT DEVELOPMENT AGREEMENT NO. 1 FOR THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), as modified on June 22, 2010, is entered into this _____ day of _____, 2010, (hereinafter referred to as the "**Agreement**"), by and among the City of Boise, Idaho, a municipal corporation duly incorporated in accordance with the laws of the State of Idaho (hereinafter referred to as the "**Municipality**"), Harris Ranch Community Infrastructure District No. 1, a Community Infrastructure District duly formed and organized by the Municipality and validly existing pursuant to the laws of the State of Idaho (hereinafter referred to as the "**District**"), and Harris Family Limited Partnership, duly formed, validly existing and authorized to do business pursuant to the laws of the State of Idaho; and Alta M. Harris (as to a life estate); (hereinafter referred to as the "**Owner(s)**") having an interest in all or substantially all of the real property within the District. Other persons owning or having an interest in any real property within the District (collectively, the "Other Parties"), have acknowledged and agreed to the terms and provisions of the Agreement and have consented to the recording of this Agreement as a binding encumbrance against their respective property, by the execution of the Consent and Agreement attached hereto.

W I T N E S S E T H :

WHEREAS, this Agreement is being entered into pursuant to The Community Infrastructure District Act codified at Title 50, Chapter 31, Idaho Code, (hereinafter referred to as the "**Act**"), and is in addition to, but does not supplant any development agreement entered into between the Municipality and the Owner pursuant to Section 67-6511A, Idaho Code. The Municipality, the District, the Owner and Other Parties enter into this "District Development Agreement," as that term is defined in Section 50-3102, Idaho Code, to establish the obligations of the parties with regard to the property described in *Exhibit A* attached hereto and incorporated by reference (hereinafter referred to as the "**Property**") which is comprised of the real property included within the boundaries of the District and includes the property added to the District by resolution of the Board June 22, 2010. This District Development Agreement sets forth the understanding of the parties regarding District financing and development, which includes: intergovernmental agreements; the ultimate public ownership of the community infrastructure financed by the District; the understanding of the parties with regard to future annexations of the property into the District; the total amount of bonds to be issued by the District and the property taxes and special assessments to be levied and imposed to repay the bonds and the provisions regarding the disbursement of bond proceeds; the financial assurances, if any, to be provided with respect to the bonds; impact and other fees imposed by governmental authorities, including fee credits, prepayment and/or reimbursement with respect thereto; and other matters relating to the community infrastructure, such as construction, acquisition, planning, design, inspection ownership and control; and

WHEREAS, this District Development Agreement is consistent with the "General Plan" of the District, as that term is defined in Section 50-3102, Idaho Code, and more fully set forth in Section 50-3103, Idaho Code, applicable to the Property on the date this Agreement is executed (hereinafter referred to as the "**General Plan**"); and

WHEREAS, general obligation bonds (hereinafter referred to as the "**G.O. Bonds**"), special assessment bonds (hereinafter referred to as the "**Assessment Bonds**"), and/or

Revenue Bonds (hereinafter referred to as the "**Revenue Bonds**") (collectively hereinafter referred to as the "**Bonds**") of the District will be issued to provide moneys to finance certain "community infrastructure", as that term is defined in Section 50-3102, Idaho Code, and described in the General Plan of the District heretofore approved by the Municipality and the District during the creation and the June 22, 2010 modification of the District; and

WHEREAS, the District Board of Directors (hereinafter referred to as the "**District Board**") may order and conduct G.O. Bond election at the request of the Owner, the approval of which shall not be unreasonably denied, seeking authorization for the District to levy and collect an ad valorem property tax for purposes of reimbursing or defraying the District's administrative expenses in an amount of not less than one-hundredth of one percent (.01%) of the market value as set forth in Section 50-3113, Idaho Code; and

WHEREAS, the District Board may order and conduct a G.O. Bond election at the request of the Owner, the approval of which shall not be unreasonably denied, seeking authorization for the District to levy and collect an ad valorem property tax for purposes of reimbursing or defraying the cost of eligible community infrastructure and community infrastructure purposes as defined by the Act, equal to an amount as determined by the Owner of no greater than 0.003 (three (3) mills) of the market value as set forth in Section 50-3113, Idaho Code; and

WHEREAS, if the issuance of G.O. Bonds is approved by two-thirds (2/3) of the qualified electors, as that term is defined by Section 50-3102(13), at an election called for that purpose, the proceeds of such G.O. Bonds shall be used to provide monies for community infrastructure purposes consistent with the ballot, the General Plan, this Agreement and the Act; and

WHEREAS, at the request of the Owner, which shall not be unreasonably denied, the District Board, pursuant to the procedures prescribed by Section 50-3109, Idaho Code, may levy assessments of the costs of any community infrastructure or community infrastructure purpose on any land in the District based on the direct or indirect benefit determined to be received by the land, and shall issue and sell the Assessment Bonds and the same shall be secured by and payable from amounts collected from the assessments; and

WHEREAS, pursuant to the Act, the District may enter into this Agreement with the Owner with respect to the acquisition, construction and financing of community infrastructure and community infrastructure purposes, including if monies are advanced by the Owner, the repayment of such advances; and

WHEREAS, pursuant to the Act and Sections 67-2326 through 67-2333, Idaho Code, (hereinafter referred to as the "**Intergovernmental Agreement Act**"), the District and the Municipality may be required to enter into specified sections of this Agreement as an "intergovernmental agreement" with one another, or with other agencies that are political subdivisions of the State of Idaho, including but not limited to the Ada County Highway District (ACHD), the Idaho Transportation Department (ITD), and/or other public or quasi-public agencies for joint or cooperative action for services and to jointly exercise any powers common

to them and for the purposes of the planning, design, financing, inspection, ownership or control of community infrastructure; and

WHEREAS, prior to issuing Bonds related to any community infrastructure improvements, the District Board shall, in each instance, cause a report of the projects relating to such community infrastructure improvements to be prepared by qualified persons, which shall include a description of the community infrastructure to be constructed or acquired, and all other information useful to understand the projects, including but not limited to: a map showing, in general, the location of the projects and the area benefited by the projects; an estimate of the cost to construct and/or acquire the projects; an estimated schedule for completion of the projects; a map or description of the area to be benefited by the projects; a plan for financing the projects, an appraisal in the case of special assessment bonds; as well as any other information which may be reasonably requested by the District Board (hereinafter referred to as the "*Report*").

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein the parties hereto agree as follows:

ARTICLE I

COMMUNITY INFRASTRUCTURE DISTRICT

Section 1.1 **CID Guidelines**. The District shall be subject to and governed by the terms and provisions of this Agreement.

Section 1.2 **District Consultants and Consulting Costs**. The District, in consultation and coordination with the Owner and as set forth herein, may retain financial advisors, legal advisors, underwriters, market consultants, appraisers, engineers, outside management companies and such other advisors and consultants (collectively hereinafter referred to as "***District Consultants***") as may be necessary to assist the District in its operations, including but not limited to evaluating budgets, reports, financing documents, construction documents and similar matters. Prior to the selection and engagement of services of each of the District Consultants, the Owner shall have the ability submit a list of each of the qualified District Consultants to the District for consideration by the District. The District shall not unreasonably deny or refuse to consider the Owner's list and recommendation of qualified District Consultants. The District shall select such District Consultants from the list submitted by the Owners along with any other listings of approved qualified District Consultants maintained by the District. The costs, fees and expenses of the District Consultants (hereinafter referred to as the "***District Consulting Costs***") shall be included as District Administrative Expenses (as defined herein), provided, however, certain District Consulting Costs may be paid with the proceeds of the Bonds.

Section 1.3 **Compliance with Law**. The District shall maintain its records and conduct its affairs in accordance with the Act and the laws of the State of Idaho.

Section 1.4 **Payment of Municipality's Costs and Expenses**. The Municipality and/or an outside management company, as appropriate and as authorized by Section 50-3105, Idaho Code, shall be paid by the District for its costs and expenses relating to the District as described in Article VII of this Agreement. On or before March 1st of each year, the Municipality and/or an outside management company, as appropriate, will provide the District with an invoice for the Municipality's and/or an outside management company's estimated costs and expenses pertaining to the Municipality's and/or an outside management company's services expected to be rendered to the District during the succeeding fiscal year. The invoice will utilize, as a base estimate, the cost and expenses of the Municipality's and/or an outside management company's services rendered to the District during the preceding year.

Section 1.5 **Contracting for District Financed Infrastructure**.

(a) **Public Bid Requirement**. All infrastructure described in the General Plan that is or expected to be financed with District monies or District Bond proceeds ("***District Financed Infrastructure***") shall be community infrastructure improvements as described in the Act. Any District Financed Infrastructure shall be publicly bid and awarded pursuant to the provisions of the Idaho Code (collectively hereinafter referred to as the "***Public Bid Requirements***").

(b) **Notice Inviting Bids.** Commencing on the date of this Agreement, the form of Notice Inviting Bids in Exhibit B hereto shall be used in substantially such form for publicly bidding and awarding contracts or agreements for community infrastructure improvements that are or are expected to be District Financed Infrastructure, and the use of such form of Notice Inviting Bids prior to the execution and delivery of this Agreement is hereby ratified in all respects.

(c) **Certificate of the Engineers.** Compliance with the Public Bid Requirements shall be evidenced by the certification of the engineers of the Owner and the District (hereinafter collectively referred to as the "*Engineers*") with respect thereto in the form of Exhibit C hereto (hereinafter referred to as the "*Certificate of the Engineers*").

(d) **Limitation on Recourse.** Each agreement or contract for construction or acquisition relating to the community infrastructure improvements or purposes that is or is expected to be District Financed Infrastructure shall provide that the respective contractors or vendors shall not have recourse, directly or indirectly, from or against the Municipality.

Section 1.6 **Submission of Reports.** Owner shall have the right to submit to the District Board multiple Reports requesting the construction, acquisition and financing of all or a part of District Financed Infrastructure or any community infrastructure purpose described in the General Plan. The District Board shall not unreasonably deny or refuse to consider any Report submitted by the Owners which is consistent with the terms of this Agreement, the General Plan, and with the policies of the District to the extent that they are not in conflict with the terms of this Agreement. Upon the approval of Report by the District Board, which approval will not be unreasonably denied, the District Board shall take such actions as may be required to cause the Bonds, which are the subject of the Report, to be issued.

Section 1.7 **Withdrawal of Reports.** Notwithstanding Section 1.6 above, Owner shall be permitted to withdraw any Report submitted by Owner from consideration by the District at any time before the conclusion of the hearing thereon. In the event of such a withdrawal, the District Board shall not approve the Report or adopt any resolution which would effect an implementation of any part of the transaction described in such Report. Owner shall be permitted to resubmit any such withdrawn Report or any Report which has been amended by Owner, at such time as Owner may, in its sole discretion, deem advisable.

Section 1.8 **District Related Costs.** Reasonable costs and expenses incurred by Owners incident to and reasonably necessary for the creation of the District and incident to and reasonably necessary for carrying out the purposes of the District shall be reimbursed by the District including, but not limited to, costs and expenses associated with engineering, surveying, legal, financial and other professional services.

ARTICLE II

CONSTRUCTION OF PROJECTS BY OWNER

Section 2.1 Construction by Owner.

(a) **At Owner's Expense.** Subject to the other terms and provisions of this Agreement, Owner may, unless the procedure to have the District construct the community infrastructure improvements as described in Article IV hereof is followed, cause to be constructed the community infrastructure improvements or purposes, including but not limited to those improvements described in the General Plan (collectively hereinafter referred to as the "***Acquired Infrastructure***") and as detailed in the General Plan on a project-by-project basis as an "***Acquisition Project***" or the "***Acquisition Projects***") in accordance with plans and specifications approved by the Municipality (hereinafter referred to as the "***Plans and Specifications***").

(b) **Compliance with Applicable Codes, Etc.** The Acquisition Projects shall be constructed in a good and workmanlike manner in compliance with all applicable standards, codes, rules, guidelines or regulations of the Municipality and/or other appropriate agencies that are political subdivisions of the State of Idaho as in effect for the same or comparable construction projects of the Municipality or such agencies.

Section 2.2 **Public Bidding.** The Acquisition Projects shall be bid in one or more parts pursuant to the Public Bid Requirements and the requirements described in Section 1.5 of this Agreement (hereinafter collectively referred to as the "***Acquisition Project Construction Contracts***" and individually referred to as an "***Acquisition Project Construction Contract***"). With respect to such Acquisition Project Construction Contracts, the Municipality, the District and the Owner agree that District shall assign the construction bid process to the Owner, subject to the following conditions: (i) the plans, specifications, bidding, contract documents and/or statements of qualifications will be prepared by or at the direction of the Owner, subject to the review and approval of the District; (ii) the Owner shall advertise for bids and/or statements of qualifications for the construction in accordance with the Public Bid Requirements; and (iii) the contracts for the construction of the community infrastructure shall be awarded to the lowest responsible bidder and/or most qualified as determined by the Owner in consultation with the District Engineer as herein defined. Bids and/or statements of qualifications will be submitted to, or as directed by, the District for opening and review. No award of an Acquisition Project Construction Contract shall be made without the concurrence of the District Engineer.

Section 2.3 **Project Costs; Change Orders.** The total bid amount of any Acquisition Project Construction Contract plus eligible costs, pursuant to the Act including but not limited to real property interests, financing costs, and any other costs of the Acquisition Project that are not statutorily required to be bid pursuant to the Public Bid Requirements shall be submitted for review and subject to the approval of the Manager for the District (hereinafter referred to as the "***District Manager***") or his designee and the engineer for the District (hereinafter referred to as the "***District Engineer***"). If an Acquisition Project Construction

Contract is bid following a Report submitted to the District Board pertaining to the applicable Acquisition Project, the total bid amount shall be deemed approved so long as the total bid amount does not exceed the estimated cost of the Acquisition Project set forth in the Report. Any change order to any Acquisition Project Construction Contract shall be subject to approval by the District Engineer. Any increase in cost caused by any change order shall be the responsibility of Owner but may be included by Owner in any applicable Segment Price pursuant to Article III below.

Section 2.4 **Prior Conveyance Not a Bar.** The prior conveyance or dedication of easements, rights-of-way or community infrastructure shall not affect or proscribe Owner's right to construct community infrastructure improvements or purposes thereto or to be paid or reimbursed for such construction upon acquisition by the District.

ARTICLE III

ACQUISITION OF PROJECTS FROM OWNER

Section 3.1 Acquisition by District.

(a) **Purchase.** Subject to the other terms and provisions of this Agreement and after the District Board approves a Report pertaining to the applicable Acquisition Project, District shall acquire from Owner and Owner shall sell to the District, each Acquisition Project, together with all real property or interests therein necessary to operate the District Financed Improvements and all other community infrastructure improvements related thereto (hereinafter collectively referred to as the "***Necessary Public Property***"), as a whole (the entire Acquisition Project) or, if applicable, in completed, distinct portions as determined by the District Engineer and the District Manager and in accordance with the Plans and Specifications (hereinafter collectively referred to as a "***Segment***") at a price for the Acquisition Project, or if applicable each Segment (the "***Project Price***" or, as applicable the "***Segment Price***") established as provided in Section 3.2 hereof. Subject to the terms and provisions of this Section, construction of any Acquisition Projects may commence prior to the submittal of a Report by the District. At the request of the District and with the consent of the Municipality, Owner shall convey any acquired Acquisition Project or Segment(s) and/or the Necessary Public Property, directly to the Municipality or, if provided by an intergovernmental agreement with another governmental entity in which is not inconsistent with the terms of this Agreement, to any other governmental entity that is a political subdivision of the State of Idaho, together with a direct assignment of any warranties, guarantees and bonds.

(b) **Financing; Limited Liability.** Any such acquisition shall be financed (i) at any time before the sale and delivery of any of the Bonds only pursuant to Section 5.1(a) hereof and (ii) at any time after the sale and delivery of any of the Bonds only pursuant to Section 5.1(b) hereof. Payment of the Project Price or Segment Price is subject to the availability of proceeds of District Bonds as described in Section 5.1.

(c) **Compensation Limited.** Owner has not been and shall not be compensated for any of the Acquired Infrastructure except as provided in this Agreement.

(d) **Prior Dedication.** To the extent that any portion, right, title or interest of the Necessary Public Property or infrastructure to be Acquired Infrastructure has been or will be offered, conveyed or dedicated by Owners or accepted by the Municipality or by another governmental entity which is a political subdivision of the state of Idaho, no such prior or future conveyance, dedication, or offer of conveyance or dedication of such portion, right, title or interest in any right-of-way and/or real property interest shall proscribe the Owners' ability to sell Necessary Public Property to the District.

Section 3.2 Determining Project Price.

(a) **Actual Costs.** The Project Price for an Acquisition Project or the Segment Price for a Segment, as applicable, shall be equal to the sum of the accepted bid (together with any approved change orders), and approved pursuant to Section 2.3 hereof, plus any other amounts that are not statutorily required to be bid pursuant to the Public Bid Requirements but are approved pursuant to Section 2.3 hereof, including but not limited to: (i) design and/or engineering of the Acquisition Project or Segment; (ii) construction and/or installation of the Acquisition Project or Segment pursuant to the Acquisition Project Construction Contract for such Acquisition Project or Segment; (iii) construction management services (not to exceed seven (7) percent of the total contract amount); (iv) inspection and supervision by the District of performance under such Acquisition Project Construction Contract; (v) the fair market value of the real property for rights of way, easements and other interests in real property which are part of or related to the segment; (vi) other miscellaneous and incidental costs including but not limited to legal, financial advisory, financing costs, appraisal, surveying and engineering costs expended by Owner for such Acquisition Project or Segment attributable to construction of the Acquisition Project or Segment approved in the Report, and (vii) interest during the period starting from the date of dedication, contribution or expenditure and the time which the Project Price or the Segment Price is paid calculated at the rate of interest equal to the prime rate as reported in the West Coast Edition of the Wall Street Journal plus two (2) percent from day-to-day, on the amounts expended for purposes of clauses (i) through (vi) for such Acquisition Project or Segment attributable to construction of the Segment approved by the Engineers as certified in the Certificate of Engineers for that Acquisition Project or Segment. No other financing charges, other than those described in section (vii) above will be allowed as an eligible component of the Project Price for an Acquisition Project or Segment.

(b) **Certificate of Engineers.** In the event a cost component of a Project Price or Segment Price pertains to two or more Acquisition Projects or Segments, such cost component shall be allocated among the Acquisition Projects or Segments by the District Engineer in a reasonable manner and such amount shall be certified in the Certificate of the Engineers for each Acquisition Project or Segment.

Section 3.3 Conditions for Payment. The District shall pay the Project Price or the Segment Price, as applicable, for and acquire from Owner, and Owner shall, subject to Section 5.1(a)(ii) below, accept the Project Price or the Segment Price, as applicable, for and sell to the District, each Acquisition Project or Segment as provided in Section 3.1 hereof after receipt of the Report and after receipt by the District Manager of the following with respect to such Acquisition Project or Segment, in form and substance reasonably satisfactory to the District Manager:

- (i) the Certificate of the Engineers;
- (ii) a warranty deed, plat dedication or easement from the Owner for such Necessary Public Property executed by an authorized officer of the Owner or such other satisfactory evidence of public ownership of such Necessary Public Property;

- (iii) such environmental assessments or other evidence satisfactory to the District Manager that such Necessary Public Property does not contain environmental contaminants which make such Necessary Public Property unsuitable for its intended use or to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such Necessary Public Property will be made suitable for its intended use, a plan for remediation of such contaminants, if required by the District Manager, and the sources of funds necessary to accomplish such purpose;
- (iv) the "Conveyance for Segment of Project" in substantially the form of Exhibit D hereto or such other form as may be required by the other governmental body specified in the Report (hereinafter referred to as "*Conveyance*");
- (v) evidence that all Necessary Public Property has been, or is concurrently being, conveyed to the District, Municipality, or other agency that is a political subdivision of the State of Idaho and specified in the Report, as applicable, and public access to the Segment or the Acquisition Project, as applicable, has been or will be provided;
- (vi) the assignment of all contractors and materialmen warranties and guarantees as well as payment and performance bonds;
- (vii) an acceptance letter issued by the District, Municipality or other agency that is a political subdivision of the State of Idaho and specified in the Report, as applicable. Such acceptance letter shall be issued by the District, Municipality or appropriate agency within thirty (30) days of receipt of a request for acquisition by Owner. The failure of the District, Municipality or such other agency to issue an acceptance letter within thirty (30) days of a receipt of a request for acquisition by the Owner shall be deemed an acceptance by such District, Municipality or such other agency, such that an acceptance letter shall not be required. Should such acceptance not be given by the District, Municipality, or such other agency, the respective agency shall state with particularity such reasonable objections as to why such letter shall not issue. Owner shall, within thirty (30) days, respond in writing to such agency objections, addressing such objections. If reasonable cause shall exist, Owner shall request that the agency reconsider such objections. Within ten (10) days of Owner's request for reconsideration, such agency shall respond in writing addressing the same with particularity; and
- (viii) such other documents, drawings, instruments, approvals or opinions as may reasonably be requested by the District Manager.

Section 3.4 **Conveyance of Necessary Public Property.** Notwithstanding anything herein, the District may purchase and the Owner may sell and finance real property interests and/or related eligible community infrastructure allowable pursuant to the Act. The Owner shall, without cost to the Municipality: (a) sell, dedicate or convey to the District; (b) if directed by the District and consented to by the Municipality, sell, dedicate or convey to the Municipality, or; (c) sell, dedicate or convey to another agency that is a political subdivision of the State of Idaho, if such dedication or conveyance is provided for in the Report or required by the District Manager, all Necessary Public Property required for the Acquisition Project or Segment, as applicable.

Section 3.5 **Financing; Limited Liability.** Any such acquisition shall be financed; (i) at any time before the sale and delivery of any of the Bonds only pursuant to Section 5.1(a) hereof, and (ii) at any time after the sale and delivery of any of the Bonds only pursuant to Section 5.1(b) hereof. Payment of the costs of any Acquisition Project is subject to the availability of proceeds of District Bonds as described in Section 5.1.

ARTICLE IV

CONSTRUCTION OF PROJECTS BY THE DISTRICT

Section 4.1 Construction by District.

(a) **Generally.** Subject to the other terms and provisions of this Agreement, the District, after the District Board approves a Report for construction to be performed by the District, prior to the bidding therefore, may cause any of the community infrastructure improvements or purposes described in the General Plan (hereinafter referred to if constructed pursuant to the provisions of this Article IV as collectively the "*Constructed Infrastructure*" and as detailed in the General Plan on a project-by-project basis a "*Construction Project*" or the "*Construction Projects*") to be constructed pursuant to the Plans and Specifications.

(b) **Similar Requirements.** The Construction Projects shall be constructed in accordance with the requirements for construction projects of the Municipality similar to the Construction Projects unless heretofore agreed otherwise by the Municipality or other governmental agency as appropriate.

Section 4.2 Contracts.

(a) **Construction Projects.** The Construction Projects may be bid in one or more parts by and in the name of the District pursuant to the Public Bid Requirements, as applicable, and agreements or contracts relating to the Construction Projects shall be entered into by the District (hereinafter collectively referred to as the "*Construction Project Construction Contracts*" and as individually a "*Construction Project Construction Contract*").

(b) **Construction Costs.** The "Construction Costs" for any Construction Project shall be equal to the sum of the accepted bid, and any amount paid on account of any change orders approved by the District Manager and District Engineer, pursuant to Section 4.2 (a) plus any other amounts that are not statutorily required to be bid pursuant to the Public Bid Requirements but that are approved by the District Manager and the District Engineer, consistent with the Report, for: (i) design and/or engineering of the Construction Project; (ii) construction and/or installation of the Construction Project pursuant to the Construction Project Construction Contract(s); (iii) the construction management services (not to exceed seven (7) percent of the total contract amount); (iv) inspection and supervision by the District of performance under such Construction Project Construction Contract(s); (v) the fair market value of the real property for rights of way, easements and other interests in real property which are part of or related to the segment; (vi) other miscellaneous and incidental costs including but not limited to legal, financial advisory, financing costs, appraisal, surveying and engineering costs expended by Owner for such Acquisition Project or Segment attributable to construction of the Acquisition Project or Segment approved in the Report, and (vii) interest during the period starting from the date of dedication, contribution or expenditure and the time which the Project Price or the Segment Price is paid calculated at the rate of interest equal to the prime rate as reported in the West Coast Edition of the Wall Street Journal plus two (2) percent from day to day, on the amounts expended for purposes of clauses (i) through (vi) for such Acquisition Project or

Segment attributable to construction of the Acquisition Project or Segment approved by the Engineers as certified in the Certificate of Engineers for that Acquisition Project or Segment. . No other financing charges, other than those described in section (vii) above will be allowed as an eligible component of the Project Price for an Acquisition Project or Segment.

Section 4.3 **Convey Necessary Public Property.** Prior to bidding any contract for the construction of a Construction Project, the Owner shall: (a) sell, dedicate or convey to the District; (b) if directed by the District, and consented to by the Municipality, sell, dedicate or convey to the Municipality; or (c) sell, dedicate or convey to another governmental body, if such dedication or conveyance is provided for in the Report or required by the District Manager, all Necessary Public Property required for the construction of the community infrastructure improvements comprising the Construction Projects. The type, size and terms of the Necessary Public Property required for the construction and operation of the Construction Project shall be similar to the requirements for construction projects of the Municipality or as appropriate, other governmental agency, similar to the Construction Projects. In addition, such conveyance shall occur after receipt by the District Manager of the following with respect to such Necessary Public Property, in form and substance reasonably satisfactory to the District Manager:

(i) a warranty deed, plat dedication or easement from the Owner for such Necessary Public Property executed by an authorized officer of the Owner or such other satisfactory evidence of public ownership of such Necessary Public Property;

(ii) such environmental assessments or other evidence satisfactory to the District Manager that such Necessary Public Property does not contain environmental contaminants which make such Necessary Public Property unsuitable for its intended use or to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such Necessary Public Property will be made suitable for its intended use a plan for remediation of such contaminants if required by the District Manager and the sources of funds necessary to accomplish such purpose; and

(iii) such other documents, instruments, approvals or opinions as the District Board may reasonably request including title reports, insurance and opinions.

Section 4.4 **Limited Compensation.** Owner has not been and shall not be compensated for any costs of any Construction Project except as provided herein.

Section 4.5 **Receipt of Report.** Pursuant to this Article, construction of any Construction Project has not and shall not commence prior to the receipt of the Report and the conveyance or dedication of all Necessary Public Property.

Section 4.6 **Financing; Limited Liability.** Pursuant to this Article, any such construction or acquisition shall be financed (i) at any time before the sale and delivery of any of the Bonds only pursuant to Section 5.2(a) hereof and (ii) at any time after the sale and delivery of any of the Bonds only pursuant to Section 5.2(b) hereof. Payment of the costs of any Construction Project is subject to the availability of proceeds of District Bonds as described in Section 5.2.

ARTICLE V

FINANCING OF PROJECTS

Section 5.1 **Acquisition Projects.**

(a) **Before Bond Sale.**

(i) In order to provide for any acquisition of an Acquisition Project or a Segment occurring before the sale and delivery of any Bonds, the Project Price or, if applicable, the Segment Price(s) for Segment(s), shall be paid by Owner subject to payment and acquisition by the District pursuant to the terms of this Agreement and the Conveyance of the Acquisition Project or Segment.

(ii) As soon as possible after the sale and delivery of any Bonds, issued for the purpose of acquiring an Acquisition Project or Segment, the amount of the Project Price for such Acquisition Project or such Segment Price of a Segment paid by the Owner prior to the sale and delivery of any of the Bonds shall, subject to the requirements of Section 3.3 hereof, be paid to Owner from, and only from, the proceeds of the sale and delivery of the Bonds. Neither the District nor the Municipality shall be liable to Owner (or any contractor or assigns under any Contract) for payment of any Project Price or Segment Price except, the District shall be liable only to the extent unencumbered proceeds of the sale of the Bonds issued for the purpose of acquiring an Acquisition Project or any Segment are available for such purpose. No representation or warranty is given by the District, District Board or Municipality that the Bonds approved for issuance and sale by the District Board can be sold by the District, or that sufficient proceeds from the sale of the Bonds shall be available to pay any Project Price or Segment Price. The foregoing is not intended to limit the right of Owner to payment for any amount of the Project Price or Segment Price paid by Owner in excess of the proceeds from the sale of the Bonds if the District is able to finance such amount from other or future Bond proceeds.

(iii) Until the sale and delivery of the Bonds issued and sufficient for the purpose of acquiring an Acquisition Project or any Segment, the District shall not have any obligation to repay Owner for any payment made by Owner to pay any Project Price or Segment Price.

(b) **After Bond Sale.**

(i) Any acquisition of an Acquisition Project or a Segment occurring after the sale and delivery of any of the Bonds issued for the purpose of acquiring an Acquisition Project or any Segment shall, subject to the requirements of Section 3.3 hereof, be provided for by the payment of the Project Price or Segment Price from, and only from, the proceeds of the sale and delivery of the Bonds issued and sufficient for the purpose of acquiring an Acquisition Project or any Segment.

(ii) Until the sale and delivery of the Bonds for the purpose of acquiring an Acquisition Project or any Segment, neither the District nor the Municipality shall have any

obligation to pay such Project Price or Segment Price. Neither of the District nor the Municipality shall be liable to Owner (or any contractor or assigns under any Contract) for payment of any Project Price or Segment Price except, the District shall be liable only to the extent unencumbered proceeds of the sale of the Bonds issued for the purpose of acquiring an Acquisition Project or any Segment are available for such purpose. No representation or warranty is given by the District, District Board or the Municipality that the Bonds can be sold by the District or that sufficient proceeds from the sale of the Bonds shall be available to pay such Project Price or Segment Price. The foregoing is not intended to limit the right of Owner to payment for any deficiency between the proceeds from the sale of the Bonds and the amount of any Project Price or Segment Price paid by Owner if the District is able to finance such amount from other or future Bonds.

(c) **If Sufficient Bonds Not Issued.** If the Bonds are not issued or if the proceeds of the Bonds are insufficient to pay all of the Project Price or Segment Price, there shall be no recourse to the District or the Municipality and the District and the Municipality shall not have liability with respect to, the Project Price or Segment Price, except the District shall be liable for payment only from the proceeds of the sale of the Bonds issued for the purpose of acquiring an Acquisition Project or any Segment, if any. The foregoing does not limit the Owner's right to payment for any amount of the Segment Price of a Segment paid by Owner in excess of the proceeds from the sale of the Bonds if the District is able to finance such amount from other or future Bonds proceeds and the District may proceed with future Bond issuances, whenever the same has been requested by the Owner, and whenever the District has reasonable capacity to proceed with future Bond issuances, to fully satisfy the Project Price or Segment Price. The District Board agrees to make all reasonable efforts to issue Bonds upon the request of the Owner in a timely manner.

Section 5.2 Construction Project.

(a) Before Bond Sale.

(i) To provide for the Construction Costs due pursuant to any Construction Project Construction Contract after the award but before the sale and delivery of any of the Bonds, the Owner may advance monies to the District to pay Construction Costs pursuant to the terms of this Agreement. Any payment of such Construction Costs by the Owner shall be consistent with the Construction Project Construction Contract and shall be advanced only upon the written approval of the District Engineer and the District Manager of each request for payment of the applicable contractor in respect of such Construction Project Construction Contract.

(ii) As soon as possible after the sale and delivery of any of the Bonds, issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract and sufficient Bond proceeds are reserved to pay the remaining Construction Costs of all awarded Construction Project Construction Contract the total amounts of the Construction Costs paid by Owner prior to the sale and delivery of the Bonds shall be paid to Owner from, and only from, the proceeds of the sale and delivery of the Bonds issued for the purpose of paying Construction Costs of a Construction Project Construction Project. Neither the District nor the

Municipality shall be liable to Owner (or any contractor or assigns under any Contract) for payment of any such Construction Cost amount except the District shall be liable to the extent unencumbered proceeds of the sale of the Bonds issued for the purpose of paying Construction Costs of a Construction Project Construction Contract are available for such purpose. No representation or warranty is given by the District, District Board or Municipality (or any of them) that sufficient proceeds from the sale of the Bonds shall be available to pay such amounts of the Construction Costs paid by Owner. The foregoing is not intended to limit the right of Owner to payment for any amount of the Construction Costs paid by Owner in excess of the proceeds from the sale of the Bonds if the District is able to finance such amount from other or future Bonds and the District.

(iii) Until the sale and delivery of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract, the District shall not have any obligation to repay Owner for any Construction Costs advanced by Owner and after the sale and delivery of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract such obligation shall be limited to the amount of the proceeds of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract available for such purpose.

(b) **After Bond Sale.**

(i) Any Construction Costs due pursuant to any Construction Project Construction Contract awarded after the sale and delivery of any of the Bonds issued for the purpose of paying Construction Costs of a Construction Project Construction Contract shall be paid from, and only from, the proceeds of the sale and delivery of the Bonds issued for the purpose of paying Construction Costs of a Construction Project Construction Contract.

(ii) Until the sale and delivery of the Bonds issued for the purpose of paying Construction Costs of a Construction Project Construction Contract, neither the District nor the Municipality shall have any obligation to pay such Construction Cost amounts. Neither the District nor the Municipality shall be liable to Owner for payment of any such Construction Cost amount except to the extent unencumbered proceeds of the sale of the Bonds issued for the purpose of paying Construction Costs of a Construction Project Construction Contract are available for such purpose. No representation or warranty is given by the District, District Board or Municipality (or any of them) that the Bonds can be sold by the District, or that sufficient proceeds from the sale of the Bonds shall be available to pay Construction Costs.

(c) **If Sufficient Bonds Not Issued.** If the Bonds are not issued or if the proceeds of the sale of the Bonds are insufficient to pay any or all of the Construction Costs of a Construction Project Construction Contract provided in Subsections (a) or (b), there shall be no recourse to the District or the Municipality and the District and the Municipality shall have no liability with respect to any Construction Project Construction Contract, except the District shall be liable only from the proceeds of the sale of the Bonds. The foregoing does not limit the Owner's right to payment for any amount of the Construction Costs of a Construction Project Construction Contract paid by Owner in excess of the proceeds from the sale of the Bonds if the District is able to finance such amount from other or future Bonds proceeds and the District may

proceed with future Bond issuances, whenever the same has been requested by the Owner, and whenever the District has reasonable capacity to proceed with future Bond issuances, to fully satisfy the Construction Costs of a Construction Project Construction Contract. The District Board agrees to make all reasonable efforts to issue Bonds upon the request of the Owner in a timely manner.

ARTICLE VI

MATTERS RELATING TO THE BONDS AND OTHER OBLIGATIONS OF THE DISTRICT

Section 6.1 **Bonds Generally.**

(a) **Submission of Report; Issuance of Bonds.** Upon the submission of a Report, and upon a date established by the District Manager, the District Board shall take all such reasonable action necessary for the District to issue and sell the Bonds, pursuant to the terms and conditions established by the District Board in connection with the Report and consistent with the provisions of the Act.

(b) **Sale of Bonds; Amount.** The Bonds may be sold in one or several series, in an amount sufficient; (i) to pay the Acquisition Price or the Segment Price for an Acquisition Project and/or the Construction Costs relating to any Construction Project Construction Contract, in each case as established pursuant hereto and in the Report; (ii) to pay all other amounts indicated in the Report; (iii) to pay all relevant issuance costs related to the applicable series of the Bonds; (iv) to pay capitalized interest described in the Report, and (v) to the extent permitted by law, to fund a debt service reserve fund in an amount not in excess of that described in the Report. In the case where the Report provides for the sale of Assessment Bonds, the Acquisition Project or the Construction Project Construction Contract are hereinafter collectively referred to as the "Work" which shall be based on the estimated costs and expenses indicated in the resolution of intention establishing the assessment District, (hereinafter referred to as the "*Estimate*") and include the amounts described in clauses (i) through (v) (collectively hereinafter referred to as the "*Financeable Amount*").

(c) **Sale of Bonds; Denominations.** The Bonds will be sold in denominations of \$100,000 each or \$1,000 integral multiples in excess thereof unless otherwise agreed by the District Board.

(d) Assessment Bonds; Amount.

(i) Assessment Bonds shall be special assessment lien bonds payable from amounts collected from, among other sources, the hereinafter described special assessments (referred to as originally levied and as thereafter may be reallocated as described herein as the "*Assessments*").

(ii) The Assessments shall be based on the Financeable Amount indicated in the Report. None of the Acquisition Project Construction Contracts or the Construction Project Construction Contracts applicable to the Work shall be required to be bid or awarded as a prerequisite to the levying of the Assessments.

(iii) The Assessments shall be levied pursuant to the procedures prescribed by Section 50-3109, Idaho Code, and such other procedures as the District provides.

(iv) In the event of nonpayment of the Assessment, the procedures for foreclosure of the applicable portion of the Property set forth in Section 50-3109 (8), Idaho Code, shall apply. Neither the District nor the Municipality is required to purchase any of the Property at such foreclosure sale if there is no other purchaser.

(v) To prepay, from property owner payments, in whole or in part the applicable portion of the Assessment, on any interest payment date, the following shall be paid to the District: (i) the interest on such portion to the next date Bonds may be redeemed plus (ii) the unpaid principal amount of such portion rounded up to the next highest multiple of the lowest authorized denomination of the Bonds plus (iii) any premium due on such redemption date with respect to such portion plus (iv) any administrative or other fees charged by the District with respect thereto less (v) the amount by which the reserve described in Section 6.2(c) may be reduced on such redemption date as a result of such prepayment rounded up to the nearest \$1,000. The reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement associated with the redemption of the outstanding bonds as a result of the prepayment or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of outstanding bonds as the result of the prepayment from the balance in the reserve fund on the payment date.

Section 6.2 Requirements for Assessment Bonds.

(a) **Appraisal; Coverage Ratio.** At the time of sale of the Assessment Bonds, an appraisal in form and substance satisfactory to the District, and prepared by an MAI appraiser (hereinafter referred to as the "*Appraisal*") must show that the overall bulk aggregate wholesale value of the land contained within the assessment area to be financed with Assessment Bonds (as improved by the community infrastructure described in the relevant Report) is worth at least three (3) times the aggregate principal amount of the Assessment Bonds allocated to the assessed land. If in the event that market forces require an overall bulk aggregate wholesale value in excess of three (3) times the aggregate principal amount of the Assessment Bonds and such required valuation cannot be achieved, the Owner shall preserve the following options to provide the additional security necessary to achieve the necessary value requirements: (i) posting a letter of credit, or pledging MAI appraised real estate collateral sufficient to cover the portion of the Assessment Bonds not supported by the overall value-to-lien ratio requirement; and/or (ii) escrowing that portion of the proceeds of the Assessment Bonds not supported by the overall value-to-lien ratio requirement until the required value-to-lien ratio is achieved at which time the escrowed proceeds may be released, and/or (iii) if market conditions allow, issuing a second series of Assessment Bonds for the benefited area in question.

(b) Bonds sold in non-public sales shall be sold in a limited distribution to qualified institutional buyers, or accredited investors (as defined in Rule 144A and Rule 501(a), Regulation A, of the federal securities laws) or to sophisticated municipal market participants as that term is customarily used in the industry.

(c) **Reserve Fund.** If provided for in the Report, the "sale proceeds" of the sale of the Assessment Bonds shall include an amount sufficient to fund a reserve to secure payment of debt service on the Assessment Bonds in an approximate amount equal to the lesser of: (i) one year's maximum debt service, (ii) ten (10) percent of the "stated principal amount" of the Assessment Bonds as such terms in quotation are defined in the Internal Revenue Code of 1986, as amended, or (iii) one hundred twenty-five (125) percent of average annual debt service. Payment from such reserve shall not effect a reduction in the amount of the Assessment, and any amount collected with respect to the Assessment thereafter shall be deposited to such reserve to the extent the Assessment is so paid therefrom.

Section 6.3 Requirements for General Obligation Bonds.

(a) **Bond Authorization.** The total aggregate principal amount of G.O. Bonds authorized shall be \$50,000,000. Immediately following the formation of the District, the District shall take such action as necessary to hold the required bond election to authorize the District to establish such G.O. bond authority. The bond election shall have a term of thirty (30) years or as otherwise provided by Idaho law. Without the approval of the Owner, neither the District nor any other third party owning property within the District shall have the ability to request the issuance of G.O. Bonds until such time as the Owner and their respective affiliates hold fee title to less than fifteen (15) percent of the total property contained within the boundaries of the District.

(b) **Tax Levy for Bonds.** The District may annually levy and collect an ad valorem tax upon all taxable property in the District which shall be sufficient after giving prudent consideration to other funds available to the District to pay when due the principal of, interest on and premium, if any, on the G.O. Debt (as such term is hereinafter defined) incurred by the District to finance community infrastructure purposes, including, the construction or acquisition of community infrastructure as provided in any Report.

(c) **Limit on Indebtedness.** No indebtedness (indebtedness shall not include administrative expenses) secured by a pledge of ad valorem taxes, which such ad valorem tax rate shall be determined by the Owner, including, but not limited to, G.O. Bonds (collectively hereinafter referred to as "*G.O. Debt*"), shall be incurred unless ninety-five percent (95%) of the amount of ad valorem taxes estimated to be collected at a tax rate of not greater than .003 (3 mills) of the assessed value of the taxable property within the District is sufficient to pay the highest combined debt service requirements for the proposed G.O. Debt and any other G.O. Debt outstanding. The assessed value of the taxable property shall, for purposes of this paragraph, be equal to the value at the time of the issuance of the proposed G.O. Debt as shown in the records of the County Assessor. Notwithstanding the foregoing or any other provision of this Agreement, G.O. Debt may be authorized by the District Board, for situations where a tax rate greater than .003 (3 mills) of the assessed value of taxable property would be necessary to pay the highest combined debt service of the proposed and outstanding G.O. Debt, if other sources of revenue or additional security acceptable to the District Board are pledged to pay debt service on the G.O. Debt in an amount that, when combined with the taxes collected at the .003 (3 mills) tax

rate or less, provides a sufficient amount to pay the highest combined debt service of the proposed and outstanding G.O. Debt.

Section 6.4 General Requirements. The following minimum requirements are hereby established and required with respect to any financing by the District sold to accredited investors (as defined in Rule 501(a), Regulation D), qualified institutional buyers (as defined in Rule 144A) or sophisticated municipal market participants (as such term is customarily used in the industry).

(a) **Public Offering.** The District shall not issue any series of the Bonds unless the corresponding series of the Bonds are rated A or better by a nationally recognized bond rating agency with restrictions on subsequent transfer thereof under such terms as the District Board, in their discretion, approve.

(b) **Limited Offering of Bonds; Transfer Restrictions.** Except as permitted below, the Bonds shall be sold only to accredited investors (as defined in Rule 501(a), Regulation D) or qualified institutional buyers (as defined in Rule 144A) or sophisticated municipal market participants (as such term is customarily used in the industry). Secondary transfers of the Bonds will be permitted as long as Bonds are sold to accredited investors (as defined in Rule 501(a)), qualified institutional investors (as defined in Rule 144A); or sophisticated municipal market participants (as such term is customarily used in the industry) with such offers and sales occurring through a broker, dealer or broker-dealer.

(c) Any disclosure document prepared in connection with the offer or sale of Bonds must clearly indicate that neither the Municipality nor the State of Idaho or any political subdivision of either, excluding the District, shall be liable for the payment or repayment of any obligation, liability, bond or indebtedness of the District, and neither the credit nor the taxing power of the Municipality, the State of Idaho, or any political subdivision of either, excluding the District, shall be pledged therefore.

(d) The District Board shall record with the county clerk, upon the records of each parcel of real property within the District a disclosure notice as required by Section 50-3115, Idaho Code, setting forth that such property will be encumbered with future Assessment Bond, and/or G.O. Bond repayment liability. Such notice shall be provided to each potential purchaser of a residential lot within the District disclosing the existence of an Assessment or tax in accordance with the Act (assuming such Assessment or tax remains at the time of sale to the potential purchaser). Each potential purchaser shall acknowledge in writing that the purchaser received and understood the disclosure document. The District shall maintain records of the written acknowledgments. To provide evidence satisfactory to the District Board that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Bonds may be then or in the future outstanding, a disclosure pamphlet substantially in the form of Exhibit E hereto (hereinafter referred to as the "Pamphlet") shall be produced pursuant to Section 10.2 provided, however, that the Pamphlet may be modified as necessary in the future to adequately describe the District

and the Bonds and source of payment for debt service therefore as agreed by the District Board and Owner.

(e) Each Obligated Person (as defined in Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934 (hereinafter referred to as the "**Rule**")) shall execute and deliver, and thereafter comply with and carry out all the provisions of, a "**Continuing Disclosure Undertaking**" with respect to the Bonds which shall be in a form satisfactory to the District and the purchaser of the Bonds for such purchaser to comply with the requirements of the Rule.

(f) **Financial Assurance.** At the time of sale of either General Obligation or Assessment Bonds, the Owner shall provide or cause to be provided financial assurances in the form of escrowed cash, bonds, letter of credit or other similar assurances, accessible by the District and in each case in form acceptable to the District Manager, for amounts necessary to pay all costs and expenses associated with providing all the community infrastructure improvements or purposes described in the Report in excess of the Bond proceeds, as well as any unpaid costs and expenses of issuance of such Bonds not paid or payable from the proceeds of the sale of such Bonds because such proceeds are insufficient in amount for such purposes or such Bonds are not sold. The foregoing is not intended to limit the right of Owner to reimbursement for any amount advanced in excess of the proceeds from the sale of such Bonds if the District is able to finance such amount from other or future Bond proceeds, and the District and the Municipality shall reasonably cooperate with Owner in preserving the right to any such future reimbursement.

ARTICLE VII

ACCEPTANCE BY THE MUNICIPALITY OR OTHER AGENCY; ADMINISTRATION;

Section 7.1 Upon satisfaction of the terms for acceptance set forth in this Agreement and any applicable intergovernmental agreement, and simultaneously with the payment of, or the promise to pay, the related Project Price, Segment Price or Construction Costs of a Construction Project, the Acquisition Project or Segment of Acquired Infrastructure or the Construction Project, as the case may be, shall be accepted by the Municipality or such other agency that is a political subdivision of the State of Idaho, subject to the conditions pursuant to which facilities such as the Acquisition Project, Segment or Construction Project, as the case may be, are typically accepted by the Municipality or such other agency that is a political subdivision of the State of Idaho, and thereafter shall be made available for use by the general public.

Section 7.2 Any such acceptance of such community infrastructure as set forth in this Article shall be accompanied by "Certificate of Engineers" substantially similar to that certificate set forth in *Exhibit C*, attached hereto. Such Certificate of Engineers shall specify: (i) that the community infrastructure has been completed in accordance with the plans and specifications for such community infrastructure; (ii) the Project Price or Segment Price; (iii) that such community infrastructure was constructed in compliance with the Public Bidding Requirements; (iv) that Owner has filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Acquisition Project or Segment with the Municipality or other appropriate agency that is a political subdivision of the State of Idaho; and (v) that the Owner obtained good and sufficient performance and payment bonds as required by the Agreement.

Section 7.3 Any such acceptance of community infrastructure as set forth in this Article shall also be accompanied by a "Conveyance of Acquisition Project or Segment of Project" substantially similar to that form set forth and attached hereto as *Exhibit D*. By means of such conveyance, Owner shall convey to Municipality or such other appropriate agency that is a political subdivision of the State of Idaho such community infrastructure, along with warranties which shall include: (i) that the Owner has the full legal right and authority to make the sale, transfer, and assignment herein provided; (ii) that Owner is not a party to any written or oral contract which adversely affects this conveyance; (iii) that the Owner is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of the conveyance; (iv) that the Owner is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of the conveyance; (v) that the person executing the conveyance on behalf of the Owner has full authority to do so, and no further official action need be taken by the Owner to validate the conveyance; and (vi) the community infrastructure conveyed are all located within property owned by the Owner, public rights-of-way, or public utility or other public easements dedicated or to be dedicated by plat or otherwise.

Section 7.4 The parties agree that the term "*District Administrative Expenses*" shall include all the administrative costs and expenses of the District. District Administrative Expenses will not include any costs or expenses paid by the District from revenues or taxes collected to pay the Debt Service (as such term is defined in the Act) on any Bonds of the District.

Section 7.5 (a) The District Board shall levy and collect an administration ad valorem tax not to exceed one-hundredth of one percent (0.01%) of market value for assessment purposes on all taxable property within the District (hereinafter referred to as the "*Administration Tax*"). To the extent the proceeds from the Administration Tax exceed the expenses and costs described in this Article VII, excess proceeds, to the extent that such proceeds may exist shall be utilized to reimburse the Owner's for the aggregate payments, if any, related to District Administration Expenses; to the extent that the proceeds from the Administration Tax exceed the District Administrative Expenses of the District, such Administration Tax shall be reduced to provide a proper matching of proceeds to expenses.

(b) The proceeds of the Administration Tax may be used by the District for any lawful administrative purpose as provided in the Act.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 (a) The Owner agrees to protect and indemnify and hold the Municipality, its officers or employees and agents and each of them harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees, and court costs which the Municipality, its officers, employees or agents or any combination thereof may suffer or which may be sought against or recovered or obtained from the Municipality, its officers, employees or agents or any combination thereof as a result of or by reason of or arising out of or in consequence of: (i) the acquisition, construction or financing of Community Infrastructure by the District or Municipality pursuant to this Agreement; (ii) any environmental or hazardous waste conditions (a) which existed on any property which is part of an Acquisition Project or Segment of Acquired Infrastructure at any time prior to final acceptance of the Project by the Municipality or such other political subdivision of the State of Idaho, or which was caused by the Owner, or (b) which existed on any of the property which is assessed at any time while the Owner owned the property, or which was caused by the Owner, provided said condition was not caused by the deliberate action of the Municipality, District, or such other political subdivision of the State of Idaho; or (iii) any act or omission, negligent or otherwise, of the Owner or any of its subcontractors, agents or anyone who is directly employed by or acting in concert with the Owner or any of its subcontractors, or agents, in connection with an Acquisition Project or Segment of Acquired Infrastructure. This section is not intended and shall not be construed to be a warranty of the construction, workmanship or of the materials or equipment; it being agreed that the Owner's only warranty of such matters to the Municipality is as stated in Section 2.1(b).

(b) The Owner agrees that it shall defend the Municipality, its officers, employees and agents and each of them in any suit or action that may be brought against it or any of them by reason of the Municipality's involvement in the District and the financing thereof or any act or omission, negligent or otherwise, against the consequences of which the Owner has agreed to indemnify the Municipality, its officers, employees or agents.

(c) No indemnification is required to be paid by the Owner for any claim, loss or expense arising from the willful misconduct or gross negligence of the Municipality or its officers or employees.

Article IX

ANNEXATIONS INTO DISTRICT

Section 9.1 The purpose of the District is to provide for the financing, construction and/or acquisition of community infrastructure and community infrastructure purposes as defined in the General Plan for the District property only. Accordingly, the Municipality, District, and Owner agree that future annexations to the District pursuant to Section 50-3106, Idaho Code, shall be prohibited for the life of the District with the exception of future property which may be requested by the Owner for inclusion within the boundaries of the District; or inclusions of property within the District with the express prior written consent of the Owner.

Article X

MISCELLANEOUS

Section 10.1 Neither the Municipality, the District nor the Owner shall knowingly take, or cause to be taken, any action which would cause interest on any Bond to be includable in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

Section 10.2 (a) The Owner shall provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Bonds may be then or in the future be outstanding. The Pamphlet shall be produced, provided however, that the Pamphlet may be modified as necessary in the future to adequately describe the District and the Bonds and source of repayment for debt service therefore as agreed by the District Manager and the Owner.

(b) The Owner shall require that each homebuilder to whom the Owner has sold land shall:

- (i) provide the Pamphlet to an prospective purchaser of land;
- (ii) cause and purchaser of land to sign a disclosure statement upon entering into a contract for purchasing such land, such disclosure statement to acknowledge receipt of a copy of the Pamphlet and to disclose the effect of the Bonds in a form reasonably acceptable to the District Manager;
- (iii) provide a copy of each fully executed disclosure statement to be filed with the District Manager; and
- (iv) provide such information and documents required for compliance with Rule 15c2-12 of the Securities Exchange Act of 1934.

Owner shall assist the District in the creation of the Pamphlet; with disclosed information as such disclosure is required by Section 50-3115, Idaho Code. In accordance with said section, District shall record upon the records of each parcel of real property within the District that will be encumbered with any future obligation bond or special assessment bond repayment liability in accordance with Section 6.4 (c).

Section 10.3 This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns.

Section 10.4 Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

Section 10.5 This Agreement sets forth the entire understanding of the Parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party.

Section 10.6 To the extent that this Agreement may conflict with the terms of the pre-annexation and development agreement hereinabove referenced the terms of the pre-annexation and development agreement shall control.

Section 10.7 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Idaho.

Section 10.8 The waiver by any party hereto of any right granted to it under this Agreement shall not be deemed to be a waiver of any other right granted in this Agreement or shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Agreement.

Section 10.9 This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 10.10 In accordance with Section 50-3116, Idaho Code, the District shall be dissolved by the District Board by a resolution of the District Board upon a determination that each of the following conditions exist: (a) all community infrastructure owned by the District has been, or provision has been made for all community infrastructure to be conveyed, either to the State of Idaho or to a political subdivision thereof, which shall include a county or city in which the District is located, or to a public district or other authority authorized by the laws of this state to own such community infrastructure; (b) the District has no outstanding bond obligations; and (c) all obligations of the District pursuant to any contracts or agreements entered into by the District have been satisfied. All property within the District that is subject to the lien of District taxes or special assessments shall remain subject to the lien for the payment of general obligation bonds or special assessment bonds, as the case may be, notwithstanding dissolution of the District. The District shall not be dissolved if any Revenue Bonds of the District remain outstanding unless an amount of money sufficient, together with investment income thereon, to make all payments due on the Revenue Bonds, either at maturity or prior to redemption, has been deposited with a trustee or escrow agent and pledged to the payment and redemption of bonds. The District may continue to operate after dissolution only as needed to collect money and make payments on any outstanding bonds.

Section 10.11 All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:

City of Boise, Idaho
150 North Capitol Blvd.
P.O. Box 500
Boise, Idaho 83701-0500
Attention: _____

If to the District:

Harris Ranch Community Infrastructure
District No. 1 (City of Boise, Idaho)
c/o City of Boise, Idaho
150 North Capitol Blvd.
P.O. Box 500
Boise, Idaho 83701-0500
Attention: District Manager

If to the Owner:

Mr. Doug Fowler
Harris Family Limited Partnership
4940 East Mill Station Drive
Boise, ID 83716

With a copy to:

Mr. Dick Mollerup
Meuleman Mollerup
755 East Front Street
Suite 200
Boise, ID 83702

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.12 If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 10.13 The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Exhibits," "Articles," "Sections," and other subdivisions are to the corresponding Exhibits, Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or subdivision hereof.

Section 10.14 This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law.

Section 10.15 No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Owner shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Ada County, Idaho.

Section 10.16 Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

Section 10.17 If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of "force majeure," then the failure to observe or perform such covenant or condition shall not constitute a default hereunder so long as such party shall use its best efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time. "Force majeure", as used here, means any condition or event not reasonably within the control of such party, including, without limitation, acts of God; strikes, lockouts, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any State thereof or any of their departments, agencies, or officials, or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosions; and partial or entire failure of utilities. Failure to settle strikes, lockouts and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its best effort to remedy such a condition or event.

Section 10.18 Whenever the consent or approval of any party hereto, or of any agency therefore, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 10.19 The Other Parties join in the execution of this Agreement for the sole purpose of binding their respective interests in lands within the District and consenting to all matters agreed to herein by the Owner, and the Other Parties do not, by joining in the execution of this Agreement, obligate themselves to any of the affirmative obligations set forth herein on the part of the Owner.

Section 10.20 All parties hereto have been, or have had the opportunity to be represented by legal counsel in the course of the negotiations for and the preparation of this Agreement and related documents. Accordingly, in all cases, the language of this Agreement and related documents shall be construed simply, according to its fair meaning, and not strictly for or against either party regardless of which party caused its preparation.

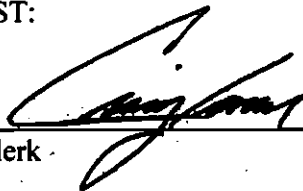
Section 10.21 The persons executing this Agreement on behalf of each respective entity each warrant and represent to the others that they have been duly authorized to act on behalf of their respective entity and have the authority to execute this Agreement and to create a binding obligation.

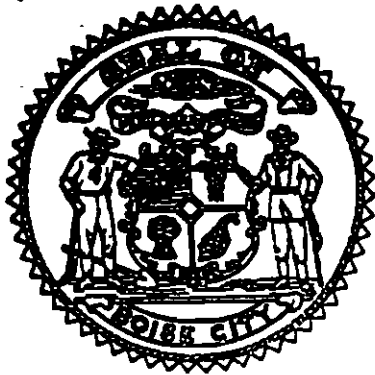
IN WITNESS WHEREOF, the officers of Harris Family Limited Partnership, the Municipality and the District have duly affixed their signatures and attestations, and the officers of the Owner their signatures, all as of the day and year first written above.

CITY OF BOISE, IDAHO,
a municipal corporation

By 
Mayor

ATTEST:

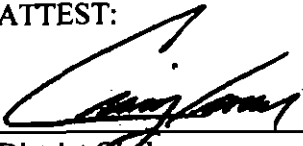

City Clerk



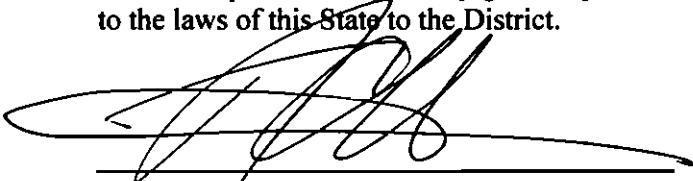
**HARRIS RANCH COMMUNITY
INFRASTRUCTURE DISTRICT NO. 1**
(CITY OF BOISE, IDAHO), an Idaho
Community Infrastructure District

By 
Chairman, District Board

ATTEST:


District Clerk

The foregoing Agreement has been reviewed by the undersigned attorney who has determined that this Agreement is in proper form and is within the power and authority granted pursuant to the laws of this State to the District.

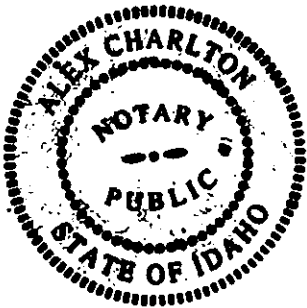


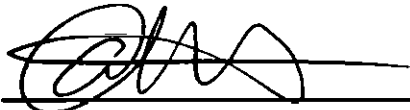
District Counsel

State of Idaho)
) ss.
County of Ada)

On this 22 day of June, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared David H. Beiter, known or identified to me to be the Mayor of the City of Boise, the municipal corporation that executed the instrument or the person who executed the instrument on behalf of said municipal corporation, and acknowledged to me that such municipal corporation executed the same.

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





Notary Public for _____
Residing at: Boise Idaho
My commission Expires: 3-13-13

State of Idaho)
) ss.
County of Ada)

On this 5 day of October, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared David Eberle, known or identified to me to be the Chairman of the District Board of the Harris Ranch Community Infrastructure District No. 1, (City of Boise, Idaho), the Community Infrastructure District that executed the instrument or the person who executed the instrument on behalf of said Community Infrastructure District, and acknowledged to me that such Community Infrastructure District 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.



[Signature]
Notary Public for Boide
Residing at: Boise
My commission Expires: 3-13-13

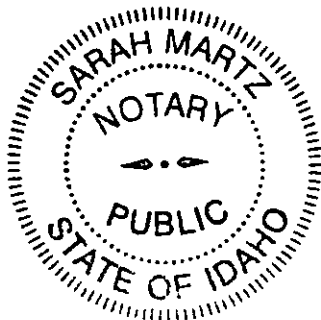
Harris Family Limited Partnership
an Idaho Limited Partnership

By: Felicia Burkhalter
Its: managing member

State of Idaho)
) ss.
County of Ada)

On this 5 day of October, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Felicia Burkhalter member of Harris Family Limited Partnership, an Idaho Limited Partnership, known or identified to me to be the Manager of Harris Family Limited Partnership, the limited liability company that executed the instrument, or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company 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.



Sarah Martz
Notary Public for Ada
Residing at: Boise, IDAHO
My commission Expires: November 10, 2011

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

 Notary Public for _____
 Residing at: _____
 My commission Expires: _____

Alta M. Harris
 as to a life estate

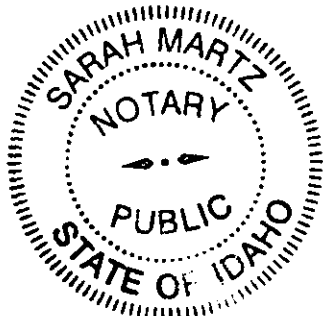
Alta M. Harris

 Alta M. Harris

State of Idaho)
) ss.
 County of Ada)

On this 5 day of October, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Alta M. Harris, ~~member of Harris Family Limited Partnership, an Idaho Limited Partnership, now identified consented by the Manager of Harris Family Limited Partnership, the limited liability company that executed this instrument, or the person who executed the instrument on behalf of said limited liability company, or both, I acknowledged to me that said limited liability company 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.



Sarah Martz

 Notary Public for Ada
 Residing at: Boise, Idaho
 My commission Expires: November 10, 2011

[REDACTED]

DISTRICT DEVELOPMENT AGREEMENT NO. 1
FOR THE HARRIS RANCH
COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)

LIST OF EXHIBITS

- EXHIBIT A** Legal Description of Property to be Included in the District
- EXHIBIT B** Form of Notice Inviting Bids
- EXHIBIT C** Form of Certificate of Engineers for Conveyance of Segment of Project
- EXHIBIT D** Form of Conveyance of Segment of Project
- EXHIBIT E** Form of Disclosure Pamphlet

**Harris Ranch
Community Infrastructure District No. 1
District Boundary Legal Description**

Parcel B:

The West half of Section 20, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho;

EXCEPT the following tracts:

Tract 1

A parcel of land situate in the Southwest Quarter of Section 20, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, being more particularly described as follows:

COMMENCING at the West Quarter corner of said Section 20, which lies North 2644.29 feet from the Southwest corner of said Section 20; thence South 64°48'09" East 1680.32 feet, along a random line to the approximate centerline intersection of Barber Road and Shady Lane; thence South 38°37'45" West 795.86 feet along the centerline of Shady Lane; thence South 45°18'00" West 187.37 feet along the centerline of Shady Lane; thence South 44°42'09" East 15.00 feet to the Southeasterly boundary of Shady Lane and to the REAL POINT OF BEGINNING; thence North 45°18'00" East 114.07 feet along the Southeasterly boundary of Shady Lane; thence South 79°29'30" East 95.26 feet; thence South 10°30'30" West 290.68 feet; thence North 79°29'30" West 160.34 feet; thence North 10°30'30" East 197.80 feet to the REAL POINT OF BEGINNING.

Tract 2

A parcel of land situate in the Southwest Quarter of Section 20, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, being more particularly described as follows:

COMMENCING at the West Quarter corner of said Section 20, which lies North 2644.29 feet from the Southwest corner of said Section 20; thence South 64°48'09" East 1680.32 feet, along a random line, to the approximate centerline intersection of Barber Road and Shady Lane; thence South 38°37'45" West 376.45 feet along the centerline of Shady Lane; thence North 59°25'40" West 15.00 feet to the Northwesterly boundary of Shady Lane and to the REAL POINT OF BEGINNING; thence South 30°37'45" West 171.11 feet along the Northwesterly boundary of Shady Lane; thence North 59°25'40" West 254.58 feet; thence North 30°37'45" East 171.11 feet along a line parallel to the centerline of Shady Lane; thence South 59°25'40" East 254.58 feet to the REAL POINT OF BEGINNING.

Tract 3

The Southwest Quarter of the Northwest Quarter of Section 20, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho.

Tract 4

That portion of said Section 20 conveyed to Idaho Power Company by deed recorded under Instrument No. 420137, of Official Records.

Tract 5

That portion of said Section 20 within the following described property:

A parcel of land located in the Southeast Quarter of Section 19, and the West half of the Southwest Quarter of Section 20, Township 3 North, Range 3 East, Boise Meridian, City of Boise, Ada County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 19, from which the South Quarter corner of said Section 19 bears North 88°37'14" West, 2642.54 feet; thence North 25°32'37" East, 1199.44 feet to the beginning of a non-tangent curve to the left said point being the REAL POINT OF BEGINNING; thence 850.03 feet along the arc of said non-tangent curve to the left, having a radius of 1949.00 feet, a central angle of 24°59'20", and a long chord bearing North 77°32'48" West, 843.31 feet; thence South 89°57'32" West, 278.98 feet to the beginning of a curve to the left; thence 416.06 feet along the arc of said curve to the left, having a radius of 2154.51 feet, a central angle of 11°03'52", and a long chord bearing North 07°50'35" East, 415.41 feet; thence North 84°04'00" East, 1088.99 feet to the beginning of a non-tangent curve to the right; thence 61.83 feet along the arc of said non-tangent curve to the right, having a radius of 3236.01 feet, a central angle of 1°05'41", and a long chord bearing South 00°05'32" West, a distance of 61.83 feet; thence North 89°39'57" East, 61.01 feet to the beginning of a non-tangent curve to the right; thence 633.35 feet along the arc of said non-tangent curve to the right, having a radius of 3297.01 feet, a central angle of 11°00'23", and a long chord bearing South 06°07'30" West, a distance of 632.37 feet to the beginning of a compound curve; thence 39.67 feet along the arc of said compound curve, having a radius of 22.00 feet, a central angle of 103°19'11", and a long chord bearing South 63°17'17" West, 34.51 feet to the REAL POINT OF BEGINNING.

Parcel C:

The Northwest Quarter of the Northwest Quarter and the West half of the East half of the Northwest Quarter lying North of Warm Springs Avenue (Highway No. 21), Section 29, Township 3 North, Range 3 East, Ada County, Idaho;

EXCEPT that portion thereof conveyed to Ada County Highway District by deed recorded September 14, 2000 under Instrument No. 100073741, of Official Records.

Parcel D:

Government Lots 4 and 5, the West half of Government Lot 3, that portion of the West half of the East half of the Northwest Quarter lying Southwesterly of the right of way for Warm Springs Avenue, and that portion of the Northwest Quarter of the Northwest Quarter lying Southwesterly of the right of way for Warm Springs Avenue, all in Section 29, Township 3 North, Range 3 East, Boise Meridian, in Ada County, Idaho;

TOGETHER WITH

A portion of S. Eckert Road — a parcel of land being a portion of the West half of Section 29, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, more particularly described as follows:

COMMENCING at the North Quarter corner of Section 29, Township 3 North, Range 3 East, Boise Meridian, Ada County Idaho; thence South $00^{\circ}29'29''$ West on the North-South mid-section line of said Section 29, 3002.99 feet to a point; thence leaving said mid-section line North $89^{\circ}30'31''$ West 660.00 feet to a point on the Westerly boundary of the Idaho Power Company property as described in the Warranty Deed recorded in Book 434 of Deeds at page 108, records of Ada County, Idaho; thence North $86^{\circ}52'14''$ West 786.16 feet to a point of non-tangency; thence Southwesterly 365.31 feet on the arc of a non-tangent curve to the left, said curve having a central angle of $36^{\circ}58'49''$, a radius of 566.00 feet and a long chord of 359.00 feet which bears South $74^{\circ}38'20''$ West to a point on the Easterly right-of-way line of the existing Eckert Road as described in that deed recorded as Instrument No. 34746, dated February 11, 1911, of Ada County Records; thence along said Easterly right-of-way line North $49^{\circ}20'00''$ East 226.28 feet to a point of non-tangency, said point being on the Northerly right-of-way line of the new alignment of Eckert Road and also being the **REAL POINT OF BEGINNING**; thence on the new alignment of Eckert Road, 137.58 feet on the arc of a non-tangent curve to the left, said curve having a central angle of $12^{\circ}26'00''$, a radius of 634.00 feet, and a long chord of 137.31 feet which bears South $70^{\circ}41'16''$ West to a point on the existing Westerly right-of-way line of Eckert Road; thence North $49^{\circ}20'00''$ East 1447.08 feet on the said Westerly right-of-way line of Eckert Road as described in said Instrument No. 34746, to a point on the said Westerly Idaho Power Company property line; thence South $00^{\circ}29'29''$ West 66.41 feet on said Idaho Power Company property line to a point on the Easterly right-of-way line of Eckert Road as described in said Instrument No. 34746; thence South $49^{\circ}20'00''$ West 1275.49 feet on said Easterly right-of-way line to the **REAL POINT OF BEGINNING**.

AND TOGETHER WITH

Portions of the Southeast Quarter of the Southwest Quarter, and the Northwest Quarter of the Southwest Quarter, and the Southwest Quarter of the Northwest Quarter in Section 29, Township 3 North, Range 3 East, Boise Meridian, and more particularly described as follows:

COMMENCING at a brass cap monument marking the Northwest corner of said Section 29, from which an aluminum cap monument marking the North One-Quarter (1/4) corner of said Section 29 bears
South 89°35'29" East a distance of 2657.58 feet; thence
South 0°16'44" West a distance of 2447.24 feet along the West line of said Section 29 to the intersection with the meander line of the North (right) bank of the Boise River as described in the original GLO Survey Notes of 1868; thence
South 54°43'16" East (formerly described as South 55°00' East in said GLO Survey Notes), 23.27 feet along said North meander line; thence
South 56°13'16" East (formerly described as South 56°30' East in said GLO Survey Notes), 196.49 feet along said North meander line to the intersection with the ordinary high water line of the North (right) bank of the Boise River, said intersection being the **REAL POINT OF BEGINNING**; thence continuing
South 56°13'16" East, 113.71 feet along said North meander line; thence
South 39°43'16" East, 660.00 feet (formerly described as South 40°00' East 660.00 feet in said GLO Survey Notes), along said North meander line; thence
South 62°28'16" East a distance of 1320.00 feet (formerly described as South 62°45' East, 1320.00 feet in said GLO Survey Notes) along said North meander line; thence
South 32°43'16" East (formerly described as South 33°00' East in said GLO Survey Notes), 196.95 feet along said North meander line to the intersection with the East line of the West half of Government Lot 3; thence leaving said North meander line,
South 0°25'54" West 658.32 feet along said East line to a 5/8" iron pin monument marking the intersection with the ordinary high water line of the North (right) bank of the Boise River; thence along the said ordinary high water line to a 5/8" iron pin monuments the following courses and distances:
North 85°00'10" West 290.65 feet; thence
North 73°30'40" West 157.48 feet; thence
North 56°57'50" West 178.96 feet; thence
North 47°21'15" West 190.62 feet; thence
North 36°38'05" West 400.82 feet; thence
North 32°16'03" West 171.01 feet; thence
North 27°50'38" West 88.54 feet; thence
North 33°09'57" West 207.74 feet; thence
North 43°19'22" West 86.24 feet; thence
North 28°28'00" West 50.35 feet; thence
North 26°16'29" East 26.61 feet; thence
North 11°01'36" West 126.73 feet; thence
North 26°42'22" West 143.78 feet; thence
North 51°23'40" West 298.34 feet; thence
North 29°51'00" West 319.07 feet; thence
North 15°22'23" West 109.33; thence
North 13°31'39" East 38.90 feet returning to the **REAL POINT OF BEGINNING**.

EXCEPT that portion thereof conveyed to the State of Idaho Department of Parks and Recreation, by deed recorded April 25, 1988 under Instrument No. 8819518, of Official Records;

AND EXCEPT that portion of Eckert Road which has not been vacated;

AND EXCEPT

A parcel of land lying in a portion of the Southeast Quarter Northwest Quarter of Section 29, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho and being particularly described as follows:

COMMENCING at a brass cap marking the One-Quarter corner between Sections 20 and 29; thence
North $89^{\circ}35'34''$ West along the North boundary of Section 29 a distance of 664.43 feet to a point, said point bears
South $89^{\circ}35'34''$ East a distance of 1993.28 feet from the Northwest corner of Section 29; thence
South $0^{\circ}25'53''$ West a distance of 1834.35 along the West boundary of the Idaho Power Company Corridor, Instrument No. 420137, to a point, said point being the REAL POINT OF BEGINNING; thence continuing along said boundary
South $0^{\circ}25'53''$ West a distance of 144.97 feet to the Northwest right of way line of Old Eckert Road; thence
South $49^{\circ}29'24''$ West along the right-of-way line, a distance of 165.00 feet; thence
North $40^{\circ}30'36''$ West a distance of 265.00 feet; thence
North $49^{\circ}29'24''$ East a distance of 260.00 feet; thence
South $40^{\circ}30'36''$ East a distance of 155.49 feet to the West line of said Idaho Power Company Corridor and the POINT OF BEGINNING.

AND EXCEPT that portion thereof lying within the following described property:

A portion of Government Lot 5 of Section 29 and a portion of Government Lot 8 of Section 30, all in Township 3 North, Range 3 East, Boise Meridian, and more particularly described as follows:

COMMENCING at a brass cap monument marking the Northwest corner of said Section 29 from which an aluminum cap monument marking the North One-Quarter ($1/4$) corner of said Section 29 bears
South $89^{\circ}35'29''$ East a distance of 2657.58 feet; thence
South $0^{\circ}16'44''$ West a distance of 2447.24 feet along the West line of the Northwest Quarter of said Section 29 to the intersection with the meander line of the North (right) bank of the Boise River as described in the original GLO Survey Notes of 1868, said intersection being the REAL POINT OF BEGINNING; thence
South $54^{\circ}43'16''$ East (formerly described as South $55^{\circ}00'$ East in said GLO Survey Notes), 23.27 feet along said North meander line; thence
South $56^{\circ}13'16''$ East (formerly described as South $56^{\circ}30'$ East in said GLO Survey Notes), 196.49 feet along said North meander line to the intersection with the ordinary high water line of the North (right) bank of the Boise River; thence along said ordinary high water line of the North (right) bank of the Boise River to $5/8''$ iron pin monuments the following courses and distances:
North $13^{\circ}31'39''$ East 54.63 feet; thence

North 5°06'39" East 237.01 feet; thence
North 15°09'13" West 177.42 feet; thence
North 80°09'11" West 70.03 feet; thence
North 47°01'28" West 349.12 feet; thence
North 54°21'53" West 71.40 feet; thence
North 55°32'34" West 367.84 feet; thence
North 75°17'00" West 132.39 feet; thence
North 69°08'03" West 92.50 feet; thence
North 82°45'14" West 25.67 feet to the intersection with the said North meander line;
thence
South 19°58'16" East (formerly described as South 20°15' East in said GLO Survey
Notes), 533.47 feet along said North meander line; thence
South 54°43'16" East (formerly described as South 55°00' East in said GLO Survey
Notes), 702.73 feet along said North meander line returning to the REAL POINT OF
BEGINNING.

AND EXCEPT that portion thereof conveyed to Ada County Highway District for
Realigned Eckert Road by deed recorded on January 18, 2002 under Instrument No.
102007187, of Official Records.

AND EXCEPT that portion thereof lying within the following described property:

A 35.00 foot wide strip of land being located in portions of Government Lots 8 and 9 of
Section 30, and Government Lots 4 and 5 of Section 29, Township 3 North, Range 3
East, Boise Meridian, City of Boise, Ada County, Idaho being more particularly
described as follows:

COMMENCING at the Northeast corner of said Section 30 from which the North
Quarter corner of said Section 30 bears
North 88°37'14" West, 2642.54 feet; thence
South 49°59'58" West, 1391.89 feet to the REAL POINT OF BEGINNING of said 35.00
foot wide strip of land; thence
South 55°29'27" East, 306.23 feet to reference Point A; thence continuing
South 55°29'27" East, a distance of 402.67 feet; thence 198.95 feet along the arc of a
curve to the left having a radius of 3,573.50 feet, a central angle of 03°11'24", and a
long chord which bears
South 57°05'09" East, a distance of 198.93 feet; thence 633.68 feet along the arc of a
reverse curve to the right having a radius of 7,140.53 feet, a central angle of 05°05'05",
and a long chord which bears
South 56°08'18" East, a distance of 633.47 feet; thence 74.69 feet along the arc of a
reverse curve to the left having a radius of 200.00 feet, a central angle of 21°23'54" and
a long chord which bears South 64°17'43" East, a distance of 74.26 feet; thence 80.69
feet along the arc of a reverse curve to the right having a radius of 200.00 feet, a central
angle of 23°06'53", and a long chord which bears
South 63°26'13" East, a distance of 80.14 feet; thence
South 51°52'47" East, 173.24 feet; thence 38.97 feet along the arc of a curve to the right
having a radius of 35.00 feet, a central angle of 63°48'02", and a long chord which bears
South 19°58'46" East, a distance of 36.99 feet; thence 589.70 feet along the arc of a
reverse curve to the left having a radius of 606.50 feet, a central angle of 55°42'31", and
a long chord which bears South 15°36'01" East, a distance of 566.74 feet; thence 190.25

feet along the arc of a reverse curve to the right having a radius of 548.41 feet, a central angle of $19^{\circ}52'35''$, and a long chord which bears South $33^{\circ}50'58''$ East, a distance of 189.30 feet; thence 59.60 feet along the arc of a reverse curve to the left having a radius of 200.00 feet, a central angle of $17^{\circ}04'26''$, and a long chord which bears South $32^{\circ}26'54''$ East, a distance of 59.38 feet; thence South $40^{\circ}59'08''$ East, 152.72 feet; thence 38.55 feet along the arc of a curve to the right having a radius of 100.00 feet, a central angle of $22^{\circ}05'14''$, and a long chord which bears South $29^{\circ}56'30''$ East, a distance of 38.31 feet; thence South $18^{\circ}53'53''$ East, 80.41 feet to a point on the curved Northerly right-of-way line of South Eckert Road said point also being the POINT OF TERMINUS of said 35.00 foot wide strip of land.

The sidelines of said 35.00 foot wide strip of land shall lengthen or shorten as necessary to intersect a line bearing North $34^{\circ}30'33''$ East at the point of beginning and the said curved Northerly right of way of South Eckert Road at the point of terminus.

Together with a 35.00 foot wide strip of land being more particularly described as follows:

Beginning at above said reference Point A; thence North $89^{\circ}10'17''$ West, 215.46 feet to the intersection with the Easterly boundary of a Boise City park parcel and the point of terminus.

The sidelines of said 35.00 foot wide strip of land shall lengthen or shorten as necessary to intersect the said Easterly boundary of a Boise City park parcel at the point of terminus.

AND EXCEPT that portion thereof described as follows:

A 35.00 foot wide strip of land located in portions of Government Lots 3 and 4 of Section 29, Township 3 North, Range 3 East, Boise Meridian, City of Boise, Ada County, Idaho the centerline of which is more particularly described as follows:

Commencing at the Southwest corner of said Section 29 from which the South Quarter corner of said Section 29 bears South $89^{\circ}12'32''$ East, 2639.22 feet; thence North $24^{\circ}40'30''$ East, 2,356.57 feet to a point on the curved Southerly right-of-way line of South Eckert Road, said point being the REAL POINT OF BEGINNING of said 35.00 foot wide strip of land; thence leaving said right-of-way line South $18^{\circ}53'53''$ East, 20.46 feet; thence 70.46 feet along the arc of a curve to the right having a radius of 50.00 feet, a central angle of $80^{\circ}44'38''$, and a long chord which bears South $21^{\circ}28'26''$ West, a distance of 64.77 feet; thence South $61^{\circ}50'45''$ West, 24.01 feet; thence 66.64 feet along the arc of a curve to the left having a radius of 76.25 feet, a central angle of $50^{\circ}04'39''$, and a long chord which bears South $36^{\circ}48'26''$ West, a distance of 64.54 feet; thence 26.28 feet along the arc of a compound curve to the left having a radius of 277.31 feet, a central angle of $05^{\circ}25'44''$, and a long chord which bears South $09^{\circ}03'14''$ West, a distance of 26.27 feet; thence 57.65 feet along the arc of a compound curve to the left having a radius of 46.09 feet, a central angle of $71^{\circ}40'09''$, and a long chord which bears South $29^{\circ}29'38''$ East, a distance of 53.96 feet; thence 77.08 feet along the arc of a reverse curve to the right having a radius of 125.12 feet, a central angle of $35^{\circ}17'45''$,

and a long chord which bears South 47°40'46" East, a distance of 75.86 feet; thence 79.46 feet along the arc of a compound curve to the right having a radius of 367.28 feet, a central angle of 12°23'47", and a long chord which bears South 23°50'00" East, a distance of 79.31 feet; thence 32.57 feet along the arc of a reverse curve to the left having a radius of 140.00 feet, a central angle of 13°19'48", and a long chord which bears South 24°18'01" East, a distance of 32.50 feet; thence South 30°57'55" East, 93.22 feet; thence 46.22 feet along the arc of a curve to the left having a radius of 50.00 feet, a central angle of 52°57'56", and a long chord which bears South 57°26'53" East, a distance of 44.59 feet; thence 179.50 feet along the arc of a reverse curve to the right having a radius of 230.00 feet, a central angle of 44°42'59", and a long chord which bears South 61°34'22" East, a distance of 174.98 feet; thence 122.70 feet along the arc of a compound curve to the right having a radius of 180.00 feet, a central angle of 39°03'21", and a long chord which bears South 19°41'11" East, a distance of 120.34 feet; thence 154.69 feet along the arc of a reverse curve to the left having a radius of 389.75 feet, a central angle of 22°44'25", and a long chord which bears South 11°31'43" East, a distance of 153.68 feet; thence 106.16 feet along the arc of a compound curve to the left having a radius of 159.82 feet, a central angle of 38°03'29", and a long chord which bears South 41°55'41" East, a distance of 104.22 feet; thence 238.02 feet along the arc of a reverse curve to the right having a radius of 361.46 feet, a central angle of 37°43'47", and a long chord which bears South 42°05'32" East, a distance of 233.75 feet; thence 181.55 feet along the arc of a reverse curve to the left having a radius of 246.00 feet, a central angle of 42°17'03", and a long chord which bears South 44°22'10" East, a distance of 177.46 feet; thence 63.42 feet along the arc of a compound curve to the left having a radius of 125.00 feet, a central angle of 24°29'11", and a long chord which bears South 77°45'17" East, a distance of 53.02 feet; thence South 89°59'53" East, 243.37 feet to a point on the Westerly boundary line of that certain parcel described in and recorded as Warranty Deed Instrument No. 420137, Records of Ada County, Idaho, said point also being the POINT OF TERMINUS of said 35.00 foot wide strip of land.

The sidelines of said 35.00 foot wide strip of land shall lengthen or shorten as necessary to intersect the said Southerly Right of Way of South Eckert Road at the point of beginning and the said Westerly boundary line of Warranty Deed Instrument No. 420137 at the point of terminus.

Parcel E:

Those portions of the South half of the Southeast Quarter of Section 19 and of Government Lots 8 and 9 of Section 30, all in Township 3 North, Range 3 East, Boise Meridian, in Ada County, Idaho, lying Southwesterly of that parcel of land conveyed to the State of Idaho, Department of Parks and Recreation by deed recorded under Instrument No. 8819518, and lying Southeasterly and Northeasterly of the following described line:

COMMENCING at the section corner common to Sections 19, 20, 29 and 30, Township 3 North, Range 3 East, Boise Meridian, in Ada County, Idaho; thence North 70°28'07" West, 1621.54 feet to an iron bar on the Southerly right of way of the Oregon Short Line Railroad at centerline Station 1271+23.14, being the **TRUE POINT OF BEGINNING** of this line description; thence South 25°12'28" West 741.38 feet to a 5/8" x 30" rebar; thence

South 82°34'44" East 49.70 feet to a 5/8" x 30" rebar; thence
South 44°43'59" East 75 feet, more or less, to its intersection with the meander line of
the North (right) bank of the Boise River as described in the original GLO Survey
Notes of 1868;

TOGETHER WITH

A portion of the Northeast Quarter of Section 30, Township 3 North, Range 3 East,
Boise Meridian, and more particularly described as follows:

COMMENCING at a brass cap monument marking the Northwest corner of said
Section 29, from which an aluminum cap monument marking the North One-Quarter
(1/4) corner of said Section 29 bears

South 89°35'29" East a distance of 2657.58 feet; thence

South 0°16'44" West a distance of 2,447.24 feet along the West line of the Northwest
Quarter of said Section 29 to the intersection with the meander line of the North (right)
bank of the Boise River as described in the original GLO Survey Notes of 1868; thence
North 54°43'16" West (formerly described as North 55°00' West in said GLO Survey
Notes), 702.73 feet along said North meander line; thence

North 19°58'16" West (formerly described as North 20°15' West in said GLO Survey
Notes), 533.47 feet along said North meander line to the intersection with the ordinary
high water line of the North (right) bank of the Boise River, said intersection being the
REAL POINT OF BEGINNING; thence continuing

North 19°58'16" West a distance of 1347.53 feet along said North-meander line; thence
North 79°28'16" West (formerly described as North 80°00' West in said GLO Survey
Notes), 528.27 feet along said North meander line to the intersection with the
Northeasterly line of that certain parcel of land described in State of Idaho Disclaimer
of Interest No. 39, records as Instrument No. 8750961, records of said Ada County,
Idaho; thence

South 44°28'50" East (formerly described as South 44°43'59" East in said disclaimer),
95.54 feet along said Northeasterly line; thence

South 36°54'50" East, 326.62 feet (formerly described as South 37°09'59" East 326.62
feet in said disclaimer) along said Northeasterly line; thence

South 39°19'57" East 263.13 feet (formerly described as South 39°35'06" East 263.13
feet in said disclaimer) along said Northeasterly line; thence

South 53°08'27" East 166.87 feet (formerly described as South 53°23'36" East, 166.87
feet in said disclaimer) along said Northeasterly line; thence

South 31°59'42" East 265.87 feet (formerly described as South 32°14'51" East 265.87
feet in said disclaimer) along said Northeasterly line; thence

South 25°24'04" East 547.31 feet (formerly described as South 25°40'01" East 547.31
feet in said disclaimer) along said Northeasterly line to a 5/8" iron pin monument
marking the intersection with the ordinary high water line of the North (right) bank of
the Boise River; thence

South 49°01'03" East 9.15 feet along said ordinary high water line to a 5/8" iron pin
monument; thence

South 82°45'14" East 33.82 feet along said ordinary high water line returning to the
REAL POINT OF BEGINNING.

EXCEPT that portion thereof lying within the following described property:

A portion of Government Lot 5 of Section 29 and a portion of Government Lot 8 of Section 30, all in Township 3 North, Range 3 East, Boise Meridian, and more particularly described as follows:

COMMENCING at a brass cap monument marking the Northwest corner of said Section 29 from which an aluminum cap monument marking the North One-Quarter (1/4) corner of said Section 29 bears
South 89°35'29" East a distance of 2657.58 feet; thence
South 0°16'44" West a distance of 2447.24 feet along the West line of the Northwest Quarter of said Section 29 to the intersection with the meander line of the North (right) bank of the Boise River as described in the original GLO Survey Notes of 1868; said intersection being the **REAL POINT OF BEGINNING**; thence
South 54°43'16" East (formerly described as South 55°00" East in said GLO Survey Notes), 23.27 feet along said North meander line; thence
South 56°13'16" East (formerly described as South 56°30' East in said GLO Survey Notes), 196.49 feet along said North meander line to the intersection with the ordinary high water line of the of the North (right) bank of the Boise River; thence along said ordinary high water line of the North (right) bank of the Boise River to 5/8" iron pin monuments the following courses and distances:
North 13°31'39" East 54.63 feet; thence
North 5°06'39" East 237.01 feet; thence
North 15°09'13" West 177.42 feet; thence
North 80°09'11" West 70.03 feet; thence
North 47°01'28" West 349.12 feet; thence
North 54°21'53" West 71.40 feet; thence
North 55°32'34" West 367.84 feet; thence
North 75°17'00" West 132.39 feet; thence
North 69°08'03" West 92.50 feet; thence
North 82°45'14" West 25.67 feet to the intersection with the said North meander line; thence
South 19°58'16" East (formerly described as South 20°15' East in said GLO Survey Notes), 533.47 feet along said North meander line; thence
South 54°43'16" East (formerly described as South 55°00' East in said GLO Survey Notes), 702.73 feet along said North meander line returning to the **REAL POINT OF BEGINNING**.

AND EXCEPT

A tract of land, partially located in Sections 19 and 30, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, more particularly described as follows:

COMMENCING at the Section corner common to Sections 19, 20, 29 and 30, Township 3 North, Range 3 East, Boise Meridian; thence
South 89°55' West a distance of 290.5 feet to Station 1284+71 on the center line of the Union Pacific Railroad, Barber Spur; thence
North 64°28' West a distance of 858.00 feet to Station 1276+13; thence
South 25°32' West a distance of 475.00 feet to the **REAL POINT OF BEGINNING**; thence

South 25°32' West a distance of 432.40 feet to a point; thence
North 40°48' West a distance of 214.06 feet to a point; thence
North 44°30' West a distance of 306.90 feet to a point; thence
North 25°32' East a distance of 241.45 feet to a point; thence
South 64°28' East a distance of 486.00 feet to the REAL POINT OF BEGINNING.

AND EXCEPT

That portion of the South one-half Southeast Quarter of Section 19, and the North one-half Northeast Quarter of Section 30, both in Township 3 North, Range 3 East, Boise Meridian, described as follows:

COMMENCING at the Section corner common to Sections 19, 20, 29 and 30, Township 3 North, Range 3 East, Boise Meridian; thence
South 89°55' West 290.05 feet to a point on the center line of the Union Pacific Railroad, Barber Spur; thence
North 64°28' West 858.00 feet to a point; thence
South 25°31' West 50.00 feet to the REAL POINT OF BEGINNING; thence
South 25°32' West a distance of 425.00 feet to a point; thence
North 64°28' West a distance of 485.00 feet to a point; thence
North 25°32' East a distance of 425.00 feet to a point; thence
South 64°28' East a distance of 485.00 feet to the REAL POINT OF BEGINNING.

AND EXCEPT

A tract of land situated in portions of Sections 19 and 30, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, described as follows:

COMMENCING at a found brass cap monumenting the Southeast corner of said Section 19; thence along the Southerly line of said Section 19,
North 89°04'58" West a distance of 301.06 feet (formerly South 89°55' West a distance of 290.5 feet) to a point on the centerline of the Union Pacific Railroad, Barber Spur (from which a found brass cap monumenting the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 19 bears
North 89°04'58" West a distance of 1020.31 feet); thence leaving said Southerly line along said centerline
North 64°28'00" West a distance of 301.74 feet (formerly 314.0 feet) to a set P.K. nail; thence leaving said centerline
South 25°32'00" West a distance of 50.00 feet to a set steel pin monumenting the most Easterly corner of that certain tract of land described in Instrument No. 878550 (records of Ada County, Idaho), said steel pin being the REAL POINT OF BEGINNING; thence along the Southeasterly line of said Instrument No. 878550,
South 25°32'00" West a distance of 160.00 feet to a set steel pin; thence leaving said Southeasterly line,
North 64°28'00" West a distance of 349.00 feet to a set steel pin; thence
North 50°26'00" West a distance of 103.08 feet to a set steel pin on the Southeasterly line of that certain tract of land described in Instrument No. 8044257 (records of Ada County, Idaho); thence along said Southeasterly line,
North 25°32'00" East a distance of 135.00 feet to a found steel pin; thence leaving said Southeasterly line along the Northeasterly line of that certain tract of land described in said Instrument No. 878550,

South 64°28'00" East a distance of 449.00 feet to the REAL POINT OF BEGINNING.

AND EXCEPT

A tract of land situated in portions of Sections 19 and 30, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, described as follows:

COMMENCING at a found brass cap monumenting the Southeast corner of said Section 19; thence along the Southerly line of said Section 19, North 89°04'58" West a distance of 301.06 feet (formerly South 89°55' West a distance of 290.5 feet) to a point on the centerline of the Union Pacific Railroad, Barber Spur (from which a found brass cap monumenting the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 19 bears, North 89°04'58" West a distance of 1020.31 feet); thence leaving said Southerly line along said centerline, North 64°28'00" West a distance of 301.74 feet (formerly 314.0 feet) to a set P.K. Nail; thence leaving said centerline, South 25°32'00" West a distance of 50.00 feet to a set steel pin at the most Easterly corner of that certain tract of land described in Instrument No. 878550 (records of Ada County, Idaho); thence along the Southeasterly boundary of said Instrument No. 878550, South 25°32'00" West a distance of 160.00 feet to a set steel pin; said steel pin being the REAL POINT OF BEGINNING; thence continuing along the boundary of said Instrument No. 878550, the following courses: South 25°32'00" West a distance of 290.00 feet to a set steel pin; thence North 64°28'00" West a distance of 449.00 feet to a found steel pin at the Southeast corner of that certain tract of land described in Instrument No. 8044257 (records of Ada County, Idaho); thence leaving the boundary of said Instrument No. 878550 along the Southeasterly boundary of said Instrument No. 8044257, North 25°32'00" East a distance of 315.00 feet to a set steel pin; thence leaving said Southeasterly boundary, South 50°26'00" East a distance of 103.08 feet to a set steel pin; thence South 64°28'00" East a distance of 349.00 feet to the REAL POINT OF BEGINNING.

AND EXCEPT that portion thereof conveyed to County of Ada by deed recorded December 24, 1968 under Instrument No. 706437, of Official Records;

AND EXCEPT that portion thereof conveyed to Ada County Highway District by deed recorded September 18, 1980, under Instrument No. 8044258, of Official Records;

AND EXCEPT

A portion of Government Lot 9, of Section 30, Township 3 North, Range 3 East, Boise Meridian, City of Boise, Ada County, Idaho being more particularly described as follows:

COMMENCING at the North Quarter corner of said Section 30 from which the Northeast corner of said Section 30 bears South 88°37'14" East, 2642.54 feet; thence

South 76°05'32" East, 895.83 feet to the REAL POINT OF BEGINNING; thence 22.76 feet along the arc of a curve to the right having a radius of 102.00 feet, a central angle of 12°47'01", and a long chord which bears South 51°47'24" East, a distance of 22.71 feet; thence South 45°23'54" East, 161.44 feet; thence South 47°14'10" East, 124.29 feet; thence 35.28 feet along the arc of a non-tangent curve to the right having a radius of 212.50 feet, a central angle of 09°30'48", and a long chord which bears South 42°49'05" West, a distance of 35.24 feet; thence North 36°54'46" West, 180.34 feet; thence North 44°28'46" West, 130.98 feet to the REAL POINT OF BEGINNING.

AND EXCEPT

A portion of Government Lot 9, of Section 30, Township 3 North, Range 3 East, Boise Meridian, City of Boise, Ada County, Idaho being more particularly described as follows:

COMMENCING at the North Quarter corner of said Section 30 from which the Northeast corner of said Section 30 bears South 88°37'14" East, 2642.54 feet; thence South 65°25'32" East, 1,221.72 feet to the REAL POINT OF BEGINNING; thence 35.21 feet along the arc of a curve to the right having a radius of 149.50 feet, a central angle of 13°29'36", and a long chord which bears North 75°15'45" East, a distance of 35.13 feet; thence 2.86 feet along the arc of a compound curve to the right having a radius of 57.50 feet a central angle of 2°51'16", and a long chord which bears North 83°26'11" East, a distance of 2.86 feet; thence South 36°54'46" East, 61.90 feet; thence South 39°19'53" East, 258.15 feet; thence South 53°08'23" East, 164.43 feet; thence South 47°15'05" East, 143.30 feet; thence South 34°30'33" West, 35.00 feet; thence North 55°29'27" West, 2.52 feet; thence North 47°15'05" West, 144.02 feet; thence North 53°08'23" West, 166.87 feet; thence North 39°19'53" West, 263.13 feet; thence North 36°54'46" West, 77.34 feet to the POINT OF BEGINNING.

AND EXCEPT that portion thereof lying within the following described property:

A 35.00 foot wide strip of land being located in portions of Government Lots 8 and 9 of Section 30, and Government Lots 4 and 5 of Section 29, Township 3 North, Range 3 East, Boise Meridian, City of Boise, Ada County, Idaho being more particularly described as follows:

COMMENCING at the Northeast corner of said Section 30 from which the North Quarter corner of said Section 30 bears North 88°37'14" West, 2642.54 feet; thence South 49°59'58" West, 1391.89 feet to the REAL POINT OF BEGINNING of said 35.00 foot wide strip of land; thence South 55°29'27" East, 306.23 feet to reference Point A; thence continuing South 55°29'27" East, a distance of 402.67 feet; thence 198.95 feet along the arc of a curve to the left having a radius of 3,573.50 feet a central angle of 03°11'24", and a long

chord which bears South $57^{\circ}05'09''$ East, a distance of 198.93 feet; thence 633.68 feet along the arc of a reverse curve to the right having a radius of 7,140.53 feet, a central angle of $05^{\circ}05'05''$, and a long chord which bears South $56^{\circ}08'18''$ East, a distance of 633.47 feet; thence 74.69 feet along the arc of a reverse curve to the left having a radius of 200.00 feet, a central angle of $21^{\circ}23'54''$, and a long chord which bears South $64^{\circ}17'43''$ East, a distance of 74.26 feet; thence 80.69 feet along the arc of a reverse curve to the right having a radius of 200.00 feet, a central angle of $23^{\circ}06'53''$, and a long chord which bears South $63^{\circ}26'13''$ East, a distance of 80.14 feet; thence South $51^{\circ}52'47''$ East, 173.24 feet; thence 38.97 feet along the arc of a curve to the right having a radius of 35.00 feet, a central angle of $63^{\circ}48'02''$, and a long chord which bears South $19^{\circ}58'46''$ East, a distance of 36.99 feet; thence 589.70 feet along the arc of a reverse curve to the left having a radius of 606.50 feet, a central angle of $55^{\circ}42'31''$, and a long chord which bears South $15^{\circ}56'01''$ East, a distance of 566.74 feet; thence 190.25 feet along the arc of a reverse curve to the right having a radius of 548.41 feet a central angle of $19^{\circ}52'35''$, and a long chord which bears South $33^{\circ}50'58''$ East, a distance of 189.30 feet; thence 59.60 feet along the arc of a reverse curve to the left having a radius of 200.00 feet, a central angle of $17^{\circ}04'26''$, and a long chord which bears South $32^{\circ}26'54''$ East a distance of 59.38 feet; thence South $40^{\circ}59'08''$ East, 152.72 feet; thence 38.55 feet along the arc of a curve to the right having a radius of 100.00 feet, a central angle of $22^{\circ}05'14''$, and a long chord which bears South $29^{\circ}56'30''$ East, a distance of 38.31 feet; thence South $18^{\circ}53'53''$ East, 80.41 feet to a point on the curved Northerly right-of-way line of South Eckert Road said point also being the POINT OF TERMINUS of said 35.00 foot wide strip of land.

The sidelines of said 35.00 foot wide strip of land shall lengthen or shorten as necessary to intersect a line bearing North $34^{\circ}30'33''$ East at the point of beginning and the said curved Northerly right of way of South Eckert Road at the POINT OF TERMINUS.

Together with a 35.00 foot wide strip of land being more particularly described as follows:

BEGINNING at above said reference Point A; thence North $89^{\circ}10'17''$ West, 215.46 feet to the intersection with the Easterly boundary of a Boise City park parcel and the POINT OF TERMINUS.

The sidelines of said 35.00 foot wide strip of land shall lengthen or shorten as necessary to intersect the said Easterly boundary of a Boise City park parcel at the POINT OF TERMINUS.

Parcel F:

A tract of land, partially located in Sections 19 and 30, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, more particularly described as follows:

COMMENCING at the Section corner common to Sections 19, 20, 29 and 30, Township 3 North, Range 3 East, Boise Meridian; thence South $89^{\circ}55'$ West a distance of 290.5 feet to Station 1284+71 on the center line of the Union Pacific Railroad, Barber Spur; thence North $64^{\circ}28'$ West a distance of 858.00 feet to Station 1276+13; thence South $25^{\circ}32'$ West a distance of 475.00 feet to the REAL POINT OF BEGINNING;

thence

South 25°32' West a distance of 432.40 feet to a point; thence
North 40°48' West a distance of 214.06 feet to a point; thence
North 44°30' West a distance of 306.90 feet to a point; thence
North 25°32' East a distance of 241.45 feet to a point; thence
South 64°28' East a distance of 486.00 feet to REAL POINT OF BEGINNING.

Parcel I:

All that portion of Government Lots 4 and 5 of Section 19, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, lying South and East of Barber Road and North of Highway No. 21.

EXCEPT that portion thereof conveyed to Ada County Highway District by Deed recorded February 12, 2009 as Instrument No. 109015741.

Parcel J:

All that portion of the Northeast Quarter Southeast Quarter of Section 19, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, lying South of an Old Wagon Road commonly called Barber Road.

AND

All that portion of the South half, Southeast Quarter of Section 19, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, lying North of State Highway No. 21.

EXCEPT that portion thereof conveyed to Ada County Highway District by Deed recorded April 17, 2009 as Instrument No. 109043680;

AND EXCEPT that portion thereof described as follows:

A parcel of land located in the Southeast Quarter of Section 19, and the West half of the Southwest Quarter of Section 20, Township 3 North, Range 3 East, Boise Meridian, City of Boise, Ada County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 19, from which the South Quarter corner of said Section 19 bears North 88°37'14" West, 2642.54 feet; thence North 25°32'37" East, 1199.44 feet to the beginning of a non-tangent curve to the left; thence 850.03 feet along the arc of said non-tangent curve to the left, having a radius of 1949.80 feet, a central angle of 24°59'20" and a long chord bearing North 77°32'48" West, 843.31 feet; thence South 89°57'32" West, 278.98 feet to the REAL POINT OF BEGINNING.

Thence continuing

South 89°57'32" West, 585.51 feet to the beginning of a curve to the right; thence 41.30 feet along the arc of said curve to the right, having a radius of 22.00 feet, a central angle of 107°33'36", and a long chord bearing North 36°15'40" West, 35.50 feet to the intersection with the Easterly right-of-way of East Warm Springs Avenue, a public

Parcel R

A parcel of land located in the South half of Section 19 and the Northeast Quarter of the Northeast Quarter of Section 30, Township 3 North, Range 3 East of the Boise Meridian, Ada County, Idaho, more particularly described to wit:

COMMENCING at the Section Corner common to Sections 19 and 30 of said Township 3 North, Range 3 East and Sections 24 and 25 of Township 3 North, Range 2 East, Boise Meridian; thence

South $87^{\circ}18'52''$ East 2449.93 feet on the section line common to Sections 19 and 30 to the Quarter Section Corner common to said Sections 19 and 30; thence

South $88^{\circ}37'00''$ East 1104.02 feet on the section line common to Sections 19 and 30 to a point; thence leaving said section line,

North $01^{\circ}23'00''$ East 511.98 feet to a point on the Southerly boundary line of the Old Railroad right of way; thence

South $64^{\circ}00'54''$ East 11.40 feet along the said Southerly railroad right of way to the INITIAL POINT of this description; thence

North $25^{\circ}58'46''$ East 100.00 to a point on the Northerly line of said railroad right of way; thence

South $64^{\circ}00'54''$ East 1637.04 feet along the Northerly line of said railroad right of way to a point; thence

South $00^{\circ}16'45''$ West 110.98 feet to a point on the Southerly line of the said railroad right of way; thence

North $64^{\circ}00'54''$ West 1685.17 feet along the said Southerly line of the railroad right of way to the INITIAL POINT of this description.

Parcel S:

All that portion of a tract of land in the Northwest Quarter of Section 29, Township 3 North, Range 3 East, Boise Meridian, Ada County, Idaho, previously described in part by Instrument No. 8856669 and referencing Parcel 2 of said Instrument more particularly described as follows:

COMMENCING at the Northwest corner of Section 29, Township 3 North, Range 3 East, Boise Meridian, a found brass monument in a concrete pillar; thence South along the Westerly boundary of the said Northwest Quarter of Section 29, approximately 84 feet, more or less, to the Northeasterly right of way of Boise City Railway and Terminal Company right of way, the REAL POINT OF BEGINNING; thence continuing South along the Westerly boundary of the said Northwest Quarter of Section 29, approximately 111 feet, more or less, to the Southwesterly right of way of the Boise City Railway and Terminal Company 100 foot right of way; thence Southeasterly along the said Southwesterly right of way approximately 2906 feet, more or less, to the intersection of the Northwesterly S. Old Eckert Road right of way; thence Northeasterly along the said Northwesterly S. Old Eckert Road right of way, approximately 100 feet, more or less, to the intersection of the Northeasterly right of way of the Boise City Railway and Terminal Company 100 foot right of way, which is also the Southwesterly right of way of Warm Springs Avenue; thence Northwesterly, approximately 2968 feet, along the Northeasterly right of way of the Boise City Railway and Terminal Company 100 foot right of way, which is also the Southwesterly right of way of Warm Springs Avenue to the POINT OF BEGINNING of this description.

Parcel T:

All of that certain strip of land heretofore acquired by Oregon Short Line Railroad Company from Intermountain Railway Company by Deed dated October 15, 1935, filed for record in Book 215 of Deeds at Page 235 of the Records of Ada County, Idaho, being described in said Deed as follows:

All the following described real estate situate in Ada County, State of Idaho, to-wit; A tract of land in Section 29, Township 3 North, Range 3 East of the Boise Meridian, containing 1.38 acres, more or less, being more particularly described as follows:

A strip of land 60 feet in width, being 30 feet on each side of the centerline of the Intermountain Railway, which centerline is more particularly described as follows:

BEGINNING at a point on the Western boundary of the Northeast Quarter of Section 29, Township 3 North, Range 3 East, Boise Meridian and 1429.2 feet South of the North Quarter corner of said section; thence following the arc of a 2° curve to the right a distance of 377.6 feet to the point of tangent of said curve; thence South 51°43' East 622.4 feet.

ALSO, a triangular shaped parcel of land situate in the East half Northwest Quarter of Section 29, Township 3 North, Range 3 East of the Boise Meridian in Ada County, Idaho, being more particularly described as follows:

BEGINNING at the intersection of the North-South centerline of said Section 29 with the Northwest boundary line of that certain public road running Southwesterly across the Southeast Quarter Northwest Quarter of said Section 29 at a point that is 1384.79 feet distant Southerly, measured along said North-South centerline, from the North Quarter corner of said Section 29; thence South 43°19' West along said Northwest boundary line of said public road, a distance of 120.49 feet, more or less, to the Easterly corner of that certain parcel of land heretofore acquired by Oregon Short Line Railroad Company from Boise Payette, Inc., by Deed dated October 15, 1935, filed for record January 29, 1936, in Book 215 of Deeds at Page 238 of the Records of Ada County, Idaho, said point also being the beginning of a nontangent curve concave Southwesterly, having a radius of 1382.7 feet; thence Southeasterly along said curve, having a long chord that bears South 46°47'01" East a distance of 116.10 feet, through a central angle of 4°48'44", a distance of 116.13 feet, more or less, to said North-South centerline of Section 29; thence North 0°41' West along said North-South centerline, a distance of 167.18 feet, more or less, to the POINT OF BEGINNING.

EXHIBIT B

**FORM OF NOTICE INVITING BIDS
TO BE USED SHALL BE SUBSTANTIALLY IN THE FORM OF
NOTICE USED BY THE CITY OF BOISE FOR WORK BID PURSUANT TO
CHAPTER 28, TITLE 67 OF THE IDAHO CODE
AS MAY BE MODIFIED BY THE DISTRICT**

Sealed bids will be received by _____ until 10:00 a.m. MST, on _____, 20__ at _____. At this time, the bids will be publicly opened and read aloud and award will be made to the lowest responsible bidder. Each bid shall be accompanied by a cashier's check or a bid bond acceptable to _____ for a sum of not less than ten percent (10%) of the amount of the bid, made payable to _____.

No bid will be considered unless it is submitted on the provided bid form. _____ reserves the right to reject all or any part of any bid.

A Bid may not be withdrawn after the date and time specified for the opening of bids. Failure by the successful bidder to execute the contract may result in forfeiture of the bid bond.

Contact _____, Construction Coordinator, at _____ or _____, the District Engineer, for additional information.

Plans, specifications and bid forms may be obtained for the sum of \$ _____ from the Construction Coordinator, _____, or by calling _____. This fee is non-refundable. Construction documents will not be available before _____.

Objections to specifications or bidding procedures must be made in writing and must be received by the [clerk/secretary/authorized agent] of _____ at least three (3) business days before the date and time specified above for the opening of bids.

Any participating bidder objecting to the award of the contract shall respond in writing within seven (7) calendar days of the date of transmittal of the notice of award. Such written objection shall set forth the express reason or reasons that the award decision of _____ is in error.

For those interested in purchasing plans and specifications by mail, there will be an additional advance charge of \$ _____ to cover postage and handling. Therefore, a check made payable to _____ in the amount of \$ _____ should accompany the request. Please allow four to five days for delivery.

The infrastructure which is the subject of the bids is being bid and constructed pursuant to the terms of District Development Agreement No. 1 between the City of Boise, Idaho and Harris Ranch Community Infrastructure District No. 1. The successful contractor will not have recourse, directly or indirectly, to the City of Boise or Harris

Ranch Community Infrastructure District No. 1 for any costs under any construction contract or any liability, claim or expense arising therefrom.

A pre-bid conference will be held at _____,
_____, at 10:00 a.m. MST. The work consists of construction of:

(insert description of Project/Segment)

All bids received in response to this Notice Inviting Bids shall be in conformance with the applicable Idaho State Law.

EXHIBIT C

**CERTIFICATE OF THE ENGINEERS FOR CONVEYANCE
OF SEGMENT OF PROJECT**

(insert description of Project/Segment)

STATE OF IDAHO)
COUNTY OF ADA)
CITY OF BOISE) ss.
HARRIS RANCH COMMUNITY
INFRASTRUCTURE DISTRICT NO. 1

We the undersigned, being Professional Engineers in the State of Idaho and, respectively, the duly appointed District Engineer for Harris Ranch Community Infrastructure District No. 1 (hereinafter referred to as the "*District*"), and the engineer employed by Harris Family Limited Partnership (hereinafter referred to as the "*Owner*"), each hereby certify for purposes of the District Development Agreement, dated _____, 2010 (hereinafter referred to as the "*District Development Agreement*"), by and among the District, the City of Eagle, Idaho and the Owner that:

1. The Segment indicated above has been performed in every detail pursuant to the Plans and Specifications (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) and the Acquisition Project Construction Contract (as modified by any change orders permitted by the Agreement) for such Segment.
2. The Segment Price as publicly bid and including the cost of approved change orders, excluding financing costs and other eligible costs pursuant to Section 3.2(a) of the District Development Agreement for such Segment is \$ _____, as further described in the "Improvements Conveyed" portion of Exhibit A attached hereto.
3. The Owner provided for compliance with the requirements for public bidding for such Segment as required by the Agreement (including, particularly but not by way of limitation, Chapter 28, Title 67, Idaho Code, as amended) in connection with award of the Acquisition Project Construction Contract for such Segment.
4. The Owner filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.
5. The Owner obtained good and sufficient performance and payment bonds in connection with such Contract.

DATED AND SEALED THIS DAY OF, 20.....

[P.E. SEAL]

By.....
_____, District Engineer

[P.E. SEAL]

By.....
_____, Engineer for City

Confirmed for purposes of Section 3.5 of the
District Development Agreement by

.....
_____, Manager for Harris
Ranch Community Infrastructure District
No.1

EXHIBIT A

**Harris Ranch Community Infrastructure District No. 1
Segment Conveyed**

Improvements Conveyed

Section I				
Scope of Work	Unit	Unit Cost	Quantity	Amount
		\$ -		\$ -
		\$ -		\$ -
Sub-Total				\$ -

		\$ -		\$ -
		\$ -		\$ -
Sub-Total				\$ -

TOTAL Section I \$ -

Improvements Paid Through Bond 20

Section II				
Scope of Work	Unit	Unit Cost	Quantity	Amount
		\$ -		\$ -
		\$ -		\$ -
Sub-Total				\$ -

		\$ -		\$ -
		\$ -		\$ -
Sub-Total				\$ -

TOTAL Section II \$ -

Improvements Costs Remaining for Future CID Bond Issuances

Section III				
Scope of Work	Unit	Unit Cost	Quantity	Amount
		\$ -		\$ -
		\$ -		\$ -
Sub-Total				\$ -

		\$ -		\$ -
		\$ -		\$ -
Sub-Total				\$ -

TOTAL Section III \$ -

EXHIBIT D

CONVEYANCE OF SEGMENT OF PROJECT

(insert description of Project/Segment)

STATE OF IDAHO)
COUNTY OF ADA)
CITY OF BOISE) ss.
HARRIS RANCH COMMUNITY
INFRASTRUCTURE DISTRICT NO. 1

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Harris Family Limited Partnership (the "*Owner*"), for good and valuable consideration received by the Owner from Harris Ranch Community Infrastructure District No. 1, a community infrastructure district formed by the City of Boise, Idaho (the "*Municipality*"), and duly organized and validly existing pursuant to the laws of the State of Idaho (the "*District*"), to hereafter pay \$ _____ combined with the promise to pay \$ _____ exclusive of financing costs and other eligible costs pursuant to Section 3.2(a) of the Harris Ranch Community Infrastructure District No 1, District Development Agreement, dated _____, 20____, (hereinafter referred to as the "*District Development Agreement*") and as further described in *Exhibit A* attached hereto, does by these presents grant, bargain, sell and convey to the District, its successors and assigns, all right, title and interest in and to the following described property, being the subject of the District Development Agreement, by and among the Owner, the Municipality and the District and more completely described in such District Development Agreement:

(Attached *Exhibit A* for segment detail)

Together with any and all benefits, including warranties and performance and payment bonds, under the Acquisition Project Construction Contract (as such term is defined in such District Development Agreement) or relating thereto, all of which are or shall be located within utility or other public easements dedicated or to be dedicated by plat or otherwise free and clear of any and all liens, easements, restrictions, conditions, or encumbrances affecting the same, such subsequent dedications not affecting the promise of the District to hereafter pay the amounts described in such District Development Agreement, but subject to all taxes and other assessments, reservations in patents, and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, leases, and liabilities or other matters as set forth on *Exhibit A* hereto.

TO HAVE AND TO HOLD the above-described property, together with all and singular the rights and appurtenances thereunto in anywise belonging, including all necessary rights of ingress, egress, and regress, subject, however, to the above-described exception(s) and reservation(s), unto the District, its successors and assigns, forever; and the Owner does hereby bind itself, its successors and assigns to warrant and forever defend, all and singular, the above-described property, subject to such exception(s) and reservation(s), unto the District, its successors and assigns, against the acts of the Owner and no other.

The Owner binds and obligates itself, its successors and assigns, to execute and deliver at the request of the District any other or additional instruments of transfer, bills of sale, conveyances, releases, or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the transfer to the District of the above-described property, subject to the exception(s) and reservation(s) hereinabove provided.

This conveyance is made pursuant to such District Development Agreement, and the Owner hereby agrees that the amounts specified above and paid or promised to be paid to the Owner hereunder upon final payment will satisfy in full the obligations of the District under such District Development Agreement and hereby releases the District from any further responsibility to make payment to the Owner under such District Development Agreement except as above provided.

The Owner, in addition to the other representations and warranties herein, specifically makes the following representations and warranties:

1. The Owner has the full legal right and authority to make the sale, transfer, and assignment herein provided.
2. The Owner is not a party to any written or oral contract which adversely affects this Conveyance.
3. The Owner is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.
4. The Owner is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of this Conveyance.
5. The person executing this Conveyance on behalf of the Owner has full authority to do so, and no further official action need be taken by the Owner to validate this Conveyance.
6. The facilities conveyed hereunder are all located within property owned by the Owner or utility or other public easements dedicated or to be dedicated by plat or otherwise.

IN WITNESS WHEREOF, the Owner has caused this Conveyance to be executed and delivered this day of, 20__.

.....

By.....

By.....

Title:.....

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, member of Harris Family Limited Partnership, an Idaho limited partnership, known or identified to me to be the Manager of Harris Family Limited Partnership, the limited liability partnership that executed the instrument, or the person who executed the instrument on behalf of said limited liability partnership, and acknowledged to me that such limited liability partnership executed the same.

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

Notary Public for _____
Residing at: _____
My commission Expires: _____

EXHIBIT A

**Harris Ranch Community Infrastructure District No. 1
Segment Conveyed**

Improvements Conveyed

Section I				
Scope of Work	Unit	Unit Cost	Quantity	Amount
		\$ -		\$ -
		\$ -		\$ -
			Sub-Total	\$ -

		\$ -		\$ -
		\$ -		\$ -
			Sub-Total	\$ -

TOTAL Section I \$ -

Improvements Paid Through Bond 20

Section II				
Scope of Work	Unit	Unit Cost	Quantity	Amount
		\$ -		\$ -
		\$ -		\$ -
			Sub-Total	\$ -

		\$ -		\$ -
		\$ -		\$ -
			Sub-Total	\$ -

TOTAL Section II \$ -

Improvements Costs Remaining for Future CID Bond Issuances

Section III				
Scope of Work	Unit	Unit Cost	Quantity	Amount
		\$ -		\$ -
		\$ -		\$ -
			Sub-Total	\$ -

		\$ -		\$ -
		\$ -		\$ -
			Sub-Total	\$ -

TOTAL Section III \$ -

EXHIBIT E

**HARRIS RANCH
COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
DISCLOSURE STATEMENT**

Buyer(s): _____
Development: _____
Parcel: _____
Lot: _____
County: _____
Date of Sale: _____
Homebuilder: _____

General CID Provisions

The home you are purchasing is within the Harris Ranch Community Infrastructure District (the "CID"). The CID was formed on _____, 20__ to finance the acquisition and construction of community infrastructure. The CID issues and/or will issue general obligation ("GO") and special assessment ("SA") to raise funds to pay for the acquisition and construction of these infrastructure improvements. The CID also obtains funds from ad valorem property taxes and special assessment(s) levied against all property located within the CID.

Ad Valorem Taxes of the CID

GO bonds and the CID's operational expenses are paid from ad valorem property taxes levied against all property within the CID. Currently 0.0031 (3 mills debt service, and .1 mills administration expenses) is added to the property tax rate; however, such adjustment to the tax rate could vary depending upon factors including the amount financed with GO bonds, the terms of financing, and the assessed valuation (i.e., for tax purposes) of property within the CID. Your share of the GO bond payments and expenses are included as part of your regular Ada County property tax statement and are shown separately. This tax is in addition to taxes levied by the City of Boise and other political subdivisions of the State of Idaho.

Special Assessments of the CID

SA bonds are paid from SA payments secured by an assessment lien on each benefited lot within a Special Assessment Area ("Special Assessment Area"). Special Assessment Areas are formed from time to time based on the public infrastructure improvements being constructed and/or acquired with proceeds from the SA bonds. The amount of the special assessment liens vary depending upon the size of the lot within the Special Assessment Area, the benefits estimated to be received by each such lot, the cost of the public infrastructure

improvements to be financed, and the financing terms of the applicable SA bonds. Twice a year the CID will send the bills for the SA payments, as well as the applicable administrative charges; these special assessment bills are different and separate from your regular Ada County property tax bill.

Initial Financing's Cost to Homeowner

At the request of the Developer, the prior owner of Parcel _____, the CID has formed a Special Assessment Area that includes Parcel _____ for the construction and/or acquisition of certain public infrastructure improvements. The CID has assessed each lot within Parcel _____ in the amount of \$ _____ (the annual "Assessment").

The following table illustrates estimated total annual CID taxes for CID maintenance and operation expenses, repayment of expected CID GO bonds, and repayment of the Assessments.

**Harris Ranch Community Infrastructure District No. 1
Tax Liability**

<u>Estimated Home Price</u>	<u>(A) Estimated Annual General Obligation & Expense Payment (1)</u>	<u>(B) Estimated Annual Special Assessment Payment (2)</u>	<u>(A) + (B) Estimated Total Annual CID Tax Payments (3)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Footnotes:

- (1) Represents the repayment of CID general obligation bond indebtedness and CID expenses based upon a _____ increase in the ad valorem property tax rate.
- (2) Based upon (a) special assessment lien of \$ _____ per lot and (b) special assessment bond terms of _____% interest rate, _____-year amortization period, one year of capitalized interest, _____% reserve fund, and issuance expenses. This figure *does not include* any administrative charges (estimated at _____% per year), which may be charged by the District and/or third party administrators, if any.
- (3) All of the taxes, assessments and charges described above are in addition to any taxes, fees and charges imposed by Ada County, the City of Boise or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

Homeowner's Acknowledgments

By signing this disclosure statement, you as a contract purchaser of a lot located within the CID and the Special Assessment Area:

- (i) acknowledge receipt of this Disclosure;
- (ii) agree that you have been granted an opportunity to review the material contained in this Disclosure; and
- (iii) agree that you accept an assessment lien of \$_____ against your lot that secures your share of the special assessments due for the Special Assessment Area. The Assessment will be paid by you, the owner of the assessed lot, in semiannual payments of principal and interest over the 29-year term of the bonds. If any semiannual payment is not paid, the CID has the right to institute proceedings to foreclose the assessment lien and sell your lot.

The obligation to retire the bonds will be the responsibility of the property owners in the CID through the payment of real property taxes and special assessments collected by the county treasurer that is in addition to all other property tax payments. All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the City of Boise, other political subdivisions and in addition to any assessments or fees imposed by the homeowner association.

In the event of the failure to maintain the tax rates, the tax rate on your parcel will increase, as needed to provide for bond payment.

Your signature below acknowledges that you have received, read and understood this document at the time you have signed our purchase contract and agree to its terms.

Delivery Instructions: After purchaser has reviewed, signed and acknowledged the CID disclosure statement, a complete copy must be sent to the District:

Harris Ranch Community Infrastructure No. 1
District (City of Boise, Idaho)
c/o City of Boise, Idaho
150 N Capitol Blvd
Boise, Idaho 83701-0500

[SIGNATURE PAGE TO FOLLOW]

[name]

[address]

[name]

[address]

(STATE OF IDAHO)

(_____)ss.

(County of Ada)

On the _____ day of _____, in the year of 20____, before me, the undersigned, a Notary Public, in and for the State of Idaho, personally appeared _____, know or identified to me to be person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same.

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

Notary Public for _____
Residing at: _____
My commission Expires: _____

Petition-Exhibit E

**Harris Ranch Community Infrastructure District No. 1
Ada County Tax Assessor Information**

**Harris Ranch
Community Infrastructure District No. 1
Ada County Tax Assessor Information**

<u>Parcel Number</u>	<u>Owner</u>	<u>Acres</u>	<u>Valuation</u>
S0920212000	Harris Family Ltd Partnership	80.00	\$ 3,200
S0929315000	Harris Family Ltd Partnership	22.79	\$ 32,600
S0929326000	Harris Family Ltd Partnership	23.46	\$ 351,900
S0929233600	Harris Family Ltd Partnership	84.90	\$ 49,600
S0930110200	Harris Family Ltd Partnership	27.88	\$ 1,254,600
S0930120900	Harris Family Ltd Partnership	13.18	\$ 291,000
S0930120650	Alta M Harris/ Harris Family Ltd Partnership	3.75	\$ 90,100
S0920314810	Harris Family Ltd Partnership	106.97	N/A (1)
S0929212501	Harris Family Ltd Partnership	21.62	\$ 29,500
S0919449900	Harris Family Ltd Partnership	18.33	N/A (1)
S0919449250	Harris Family Ltd Partnership	23.09	N/A (1)
S0919449600	Harris Family Ltd Partnership	3.81	\$ 5,700
S0919417500	Harris Family Ltd Partnership	6.67	N/A (1)
S0919417400	Harris Family Ltd Partnership	2.46	N/A (1)
S0919317405	Harris Family Ltd Partnership	4.80	N/A (1)
S0929212630	Harris Family Ltd Partnership	1.53	N/A (1)
		445.24	\$ 2,108,200

FOOTNOTES:

Source: Ada County Assessor.

(1) Indicates a recent parcel split, no valuation data available.

Petition- Exhibit F

**Harris Ranch Community Infrastructure District No. 1
Ada County Elections Statement**

Matthew Look

From: carter.froelich@dpfg.com
Sent: Tuesday, February 16, 2010 1:08 PM
To: Matthew Look
Subject: Fw:
Attachments: DOC003.PDF

From: "Susan Kirkpatrick" <AUKIRKSM@adaweb.net>
Date: Tue, 16 Feb 2010 11:55:32 -0700
To: <carter.froelich@dpfg.com>
Subject:

Mr.. Froelich,
Per our earlier conversation, I have attached the copy of the form you gave me. There were 8 new parcels that needed to be checked the others had already been done back in January.
As of today February 16, 2010 there are no registered voters at any of the parcels you asked to have checked.

Susan Kirkpatrick
Election specialist
400 N Benjamin Lane
(208) 287-6862
Fax: (208) 287-6939
aukirksm@adaweb.net



Date: January 13, 2010

Meuleman Mollerup, LLP
755 W Front St, Ste 200
Boise, ID 83702-5802
Attention: Richard Mollerup

250 S. 5th Street, Suite 100
Boise, ID 83702
Phone: (208) 947-9100
Fax: (208) 947-9199

ORDER NO: 5000949486SRJ

Customer No.:
Our Order No.: 5000949486SRJ
Your Order No.:

Buyer/Seller: Gary Dallas Harris and Bonnie Jean Harris, husband and wife, and Harris Family Limited Partnership, an Idaho limited partnership, as to Parcels A and H; Alta M. Harris, as to a Life Estate, and Harris Family Limited Partnership, an Idaho limited partnership, as to the remainder, as to Parcel F; Gary D. Harris, a married man as his separate estate, and Harris Family Limited Partnership, an Idaho limited partnership, as to Parcel G; And Harris Family Limited Partnership, an Idaho limited partnership, as to Parcels B, C, D, E, I, J, K, L, M, N, O, P, Q-1, Q-2, R, 5, and T VI

Legal Desc.: /

Property Add: Warm Springs Ave, Boise, ID 83716

Tax Parcel: S0917230000, S0919317405, S0919449250, S0919449900, S0919417400, S0919417500, S0930110200, S0919449565, S0919438502, S0930120650, S0919449600, S0920212000, S0920230000, S0920314810, S0920111000, S0920438400, S0921220000, S0928211010, S0929110010, S0929131452, S0929427850, S0929438710, S0929438800, S0929131200, S0929244250, S0929212600, S0929212501, S0929233600, S0929326000, S0929315000, S0929212630, S0930120900, S0930110200

Code	Description		Charges
	Title research at \$65 per hour	51 hr	3315.00
	\$25 per hour legal description	32 hr	800.00
	SUBTOTAL		
	Less Credits		0
	BALANCE DUE		\$4115.00

DUE UPON RECEIPT

Please remit payment to:
Alliance Title & Escrow Corp.
380 E. Parkcenter Boulevard, Suite 105
Boise, ID 83706

Silvia Rico

From: Susan Kirkpatrick [AUKIRKSM@adaweb.net]

Sent: Tuesday, January 26, 2010 8:18 AM

To: Silvia Rico

Subject: RE: Concerning Harris Ranch Development

Good morning Silvia,

I have checked all the parcels that you have sent to me. At this time our voter system does not show any registered voters on any of the parcels in question.

Thank you

Susan Kirkpatrick
Election specialist
400 N Benjamin Lane
(208) 287-6862
Fax: (208) 287-6939
aukirksm@adaweb.net

From: Silvia Rico [mailto:silvia.rico@dpg.com]

Sent: Monday, January 25, 2010 11:59 AM

To: Susan Kirkpatrick

Subject: Concerning Harris Ranch Development

Susan,

On the 13th of this month Matthew Look and I had a conversation w/ Ms. Spencer from your office related to a letter and/or some type of proof that we have contacted the county regarding any qualified resident elector's on the parcels listed below/attached for the Harris Ranch development.

Per our conversation w/ Ms. Spencer your office can not provide a letter, but could send an e-mail instead stating that the parcels below/attached as of today and/or the date you reply that there are no qualified resident elector's at this time, this e-mail will suffice for our purposes.

Would you be able to provide such e-mail for the parcels below?

R1621740020
SO909131100
SO917230000
SO919214101
SO919411700
SO919438700
SO920111000
SO920212000
SO920314800
SO920438400
SO921220000
SO928211010

1/26/2010

SO929110010
SO929131452
SO929212501
So929212630
SO929427850
SO930120650
SO919438502
SO919449565
SO920230000
S0929233600
SO919449600
S0929212630
S0929244250
S0929315000
S0929326000
S0929438710
S0929438730
S0929438800
S0930110200
S0930120900

Give me a call if you have any questions.

Thanks.

Silvia Rico
Senior Associate



DEVELOPMENT PLANNING & FINANCING GROUP, INC.

Tel: (602) 381-3226 ext. 13

Fax: (602) 381-1203

Email: silvia.rico@dpfg.com

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From: Silvia Rico
Sent: Wednesday, January 06, 2010 12:52 PM
To: 'Susan Kirkpatrick'
Subject: FW: concerning Harris Ranch Development

Hello Susan,

As promised attached is the new parcel list.
Per our conversation last month, there are no qualified electors on these parcels.
I have attached a sample letter of what I'm looking for to adhere to the County statute.

1/26/2010