Mission statement: North Idaho College meets the diverse educational needs of students, employers, and the northern Idaho communities it serves through a commitment to student success, educational excellence, community engagement, and lifelong learning.

4:00 p.m.
**EXECUTIVE SESSION**
Idaho Code Sections 67-2345(a), (b), (c)

Ken Howard

6:00 p.m. Lake Coeur d’Alene Room
**RECONVENE BOARD MEETING**

**CALL TO ORDER**
Pledge of Allegiance
Verification of Quorum/Introduction of Guests
Minutes Review/Approval
Public Comment**
Celebrating Success: Cardinal Card (One Card System)

Ken Howard

Marsha Nead

**SPECIAL REPORTS**
Idaho Business Education (IBE)

Rod Gramer

**OLD BUSINESS**
None

**NEW BUSINESS**
Tab 1: ACTION: Lease Agreement for Small Engine Repair Facility
Tab 2: ACTION: President’s Contract for FY2013-14
Tab 3: ACTION: Financing Agreement with City of Coeur d’Alene for Flood Dike Certification Project

Marc Lyons
Ken Howard
Mark Browning

**INFORMATION ITEMS**
Community Garden Location Update
Update on Burlington Northern Lease

Garry Stark
Marc Lyons

**BOARD CHAIR REPORT**
Professional Technical Education Facilities – what’s next?

Ken Howard

**REMARKS FOR THE GOOD OF THE ORDER**

**ADJOURN**

Executive sessions may be called for the purposes of considering personnel matters; conducting deliberations regarding labor negotiations or acquisition of an interest in real property; to consider records that are exempt from public disclosure; to consider preliminary negotiations involving matters of trade or commerce in which this governing body is in competition with another governing body; communicating with legal counsel regarding pending/imminently-likely claims; or to conduct labor negotiations.

Remarks are subject to NIC Policy and Procedure 2.01.03. Copies are available from the President’s Office.

NEXT BOARD MEETING
August 28, 2013
SUBJECT
Executive Session

BACKGROUND
From time to time the board will find it necessary to adjourn to executive session.

DISCUSSION
When an executive session is required, a number of specific steps must be taken. These steps are:

2. Cite one or more specific subsections in the code section.
3. Approve a motion to adjourn by two-thirds, roll call vote.
4. Take no action and make no final decisions in executive session.

COMMITTEE ACTION
Roll call vote of the members of the board of trustees with a two-thirds majority is necessary to adjourn to executive session.

FINANCIAL IMPACT
None.

REQUESTED BOARD ACTION
A motion under Idaho Code Section 67-2345 subsection:

_____ Consider personnel matters [Idaho Code § 67-2345(1)(a) & (b)]
_____ Deliberate regarding labor negotiations or acquisition of an interest in real property [Idaho Code § 67-2345(1)(c)]
_____ Consider records that are exempt from public disclosure [Idaho Code § 67-2345(1)(d)]
_____ Consider preliminary negotiations involving matters of trade or commerce in which this governing body is in competition with another governing body [Idaho Code § 67-2345(1)(e)]
_____ Communicate with legal counsel regarding pending/imminently-likely litigation [Idaho Code § 67-2345(1)(f)]
_____ Communicate with risk manager/insurer regarding pending/imminently-likely claims [Idaho Code § 67-2345(1)(j)]
_____ Conduct labor negotiations [Idaho Code § 67-2345(2)]

Moved by ________ Seconded by ________           Carried:       Yes _______ No ______

Roll call:   __________ Banducci
            __________ Howard
            __________ Meyer
            __________ Nilson
            __________ Wood
CALL TO ORDER
Chair Ken Howard convened the budget workshop at 6:10 p.m.

ATTENDANCE
Trustees:  Todd Banducci
          Ken Howard
          Judy Meyer
          Ron Nilson
          Christie Wood

Also present:  Joe Dunlap, President
               Ron Dorn, Vice President for Resource Management
               Graydon Stanley, Vice President for Student Services
               Lita Burns, Vice President for Instruction
               Laura Hill, Executive Director of Human Resources
               Sarah Garcia, Controller
               Christopher Deane, ASNIC President

Dr. Dunlap stated that the purpose of the workshop was to provide the board with additional information regarding the development of the budget and to provide the administration’s recommendations. He added that the administration would not be soliciting the board’s approval of the budget until the May 22 regular meeting.

VP Ron Dorn opened by discussing some assumptions the administration made during the budget process including an anticipated five percent decline in enrollment, which represents approximately $550,000 in revenue, a continued demand for career technical education, and growth in dual credit, eLearning, outreach, and aerospace.

He next explained that faculty and support staffing had remained relatively static over the past five years while enrollment rose over the same period of time and he reviewed the breakout of revenue sources. He went on to explain that NIC’s tuition had increased an average of $1.20 over the last 10 years, and he reviewed the tuition rates the colleges and universities in the region are proposing; highlighting that NIC is the lowest priced institution next to College of Southern Idaho.

There was some discussion about the cost of tuition and fees to students and the value of the education they receive.

Laura Hill, executive director of Human Resources reviewed the recommendations of the Meet and Confer Committee including a step increase of two percent or $496,080 for full time faculty and staff, a two percent increase to the base salaries for all full time staff, costing $550,894 and a two percent increase for part-time employees, costing $100,650. There was a discussion about the existing salary structure. Hill went on to highlight that the salary structure implemented in 2011, brought NIC’s staff salaries into the top one-third of the Mountain States Association of Community
Colleges. She went on to state that a column movement for faculty in recognition of advanced degree and credit attainment, would cost approximately $22,000.

VP Dorn reviewed President’s Cabinet recommendations including a five dollar per credit hour tuition increase to be used to establish a dedicated equipment/instructional media replacement fund/reserve fund for contingencies, emergencies and emerging initiatives. He added that this 4.22 percent increase would create a $600,000 reserve. He went on to state that President’s Cabinet recommends no property tax increase and they recommend the implementation of a salary column movement for faculty costing $22,000.

Trustee Wood commented that not implementing a step increase for staff and faculty may put salary levels behind and cause the institution to try and catch up in the future. There was a discussion about the impact of not implementing a step increase this year.

Trustee Nilson asked if the college had a list of equipment that will need replacing in the next several years for which the proposed reserve fund would be used. Dr. Dunlap responded that the college does have a list of equipment and he added that this fund will also cover the purchase of equipment needed for new programs.

Trustee Nilson asked if a reduction in faculty had been considered in light of the anticipated decline in enrollment. VP Lita Burns responded that the college fills faculty needs with adjuncts instead of full time faculty which allows the college to be flexible throughout the year and that is how the administration proposes to manage the anticipated enrollment decline this coming fall semester.

Dorn went on to show the impact to students a five dollar and ten dollar increase to tuition would have.

VP Graydon Stanley introduced ASNIC President Christopher Deane who stated that the students endorse the President’s Cabinet recommendation of a five dollar per credit tuition increase. He went on to state the students also recommend the implementation of a three dollar fee to support student clubs that currently have no funding, as well as the implementation of up to $100 fee per semester for construction and operation of a student recreation facility. Deane stated the three dollar fee should generate approximately $25,000 to be used by all student clubs.

A discussion ensued regarding market competition and the institution’s ability to hire certain faculty positions and provide competitive pay.

HR Executive Director Laura Hill reviewed the college’s faculty step increase trends since 2002.

The meeting adjourned at 7:50 p.m.
CALL TO ORDER AND VERIFICATION OF QUORUM
Chair Ken Howard called the meeting to order at 5:15 p.m. and verified that a quorum was present.

ATTENDANCE
Trustees: Todd Banducci
          Ken Howard
          Judy Meyer
          Ron Nilson
          Christie Wood

EXECUTIVE SESSION
Motion was made by Trustee Nilson, seconded by Trustee Wood, to go into executive session under Idaho Code § 67-2345(a), (b) to consider personnel matters (c) to deliberate regarding labor negotiations or acquisition of an interest in real property. Roll call vote was taken as follows:

Todd Banducci  aye
Ken Howard     aye
Judy Meyer     aye
Ron Nilson     aye
Christie Wood  aye

A motion was made to return to open session by Trustee Meyer, seconded by Trustee Nilson. Chair Howard recessed the meeting to reconvene in the Lake Coeur d’Alene Room.

CALL TO ORDER AND VERIFICATION OF QUORUM
Chair Howard called the meeting to order at 6:00 p.m. and verified that a quorum was present.

ATTENDANCE
Trustees: Todd Banducci
          Ken Howard
          Judy Meyer
          Ron Nilson
          Christie Wood

Also present: Joe Dunlap, President
              Marc Lyons, Attorney for North Idaho College
              Mark Browning, Vice President for Community and Governmental Relations
              Lita Burns, Vice President for Instruction
Chair Howard led the board and meeting attendees in the Pledge of Allegiance. He then welcomed attendees and guests to the meeting.

APPROVAL OF MINUTES
Chair Howard called for remarks regarding the meeting minutes.

Trustee Meyer made a motion to adopt the minutes of the April 24, 2013 meeting. The motion, seconded by Trustee Nilson, carried unanimously.

PUBLIC COMMENT
Audrey Cameron requested that the board, during their deliberations over the budget, consider the faculty salary step schedule as a basic contractual obligation of the college and not as a supplemental item.

CELEBRATING SUCCESS
Sergeant Andrew West reviewed the history of the ROTC program at NIC and discussed some of the program’s leadership courses and activities. He pointed out that there is a misconception that NIC’s ROTC program creates any military obligation for participants.

CONSTITUENT REPORTS

ASNIC
Outgoing ASNIC President Christopher Deane introduced newly elected ASNIC President Benaiah Cheevers. Cheevers thanked several individuals for their help and support of students over the past year including members of ASNIC, student services staff and members of the administration. He continued by highlighting some of ASNIC’s goals for the coming year and stated ASNIC’s support of the proposed three dollar student fee to support leadership development opportunities for student clubs.

Staff Assembly
Newly elected Chair Nancy Edwards introduced herself and expressed her thanks for the work accomplished to make commencement day a success. She reported on the staff appreciation award winners and new officer elections.

Faculty Assembly
Newly elected Chair Michelle Lippert introduced herself and reported that officers were elected during the last Faculty Assembly meeting and she stated that should a board workshop on the topic of tenure be scheduled during the summer, there are several members of faculty that would be willing to attend.

Senate
Newly elected Chair Audry Bourne introduced herself. She went on to report that new senators were announced during their last meeting and new officers will be elected during their first fall meeting. She next reported that Senate had created a year-end statement
summarizing the past year’s events and anticipated goals for the upcoming year, which they will provide to Dr. Dunlap.

**PRESIDENT’S REPORT**

Dr. Dunlap opened by commenting on commencement day activities and he thanked everyone for their participation and for making it special for students.

Dr. Dunlap asked VP Browning to provide an update on Rosenberry Drive and on the upcoming JFAC visit and tour. VP Browning reported that a preliminary study would be required prior to any work being done to obtain independent certification for Rosenberry Drive. He stated the study would cost approximately $510,000, of which NIC would be responsible for half. He added that the actual work could cost the city between $750,000 and $1,000,000.

Browning went on to review the itinerary for JFAC’s visit to North Idaho scheduled for Jun 5-7. He outlined their plans with NIC including a dinner scheduled in Sandpoint at the NIC Outreach Center.

Dr. Dunlap asked VP Burns to report on measures the college will undertake to manage the anticipated decline in summer and fall enrollment. VP Burns reported that deans and division chairs had begun to analyze enrollment and were determining which sections to close for those courses with low to no enrollment. She added that they were ensuring enough core courses are being made available to allow students to obtain their core requirements for transfer.

Trustee Banducci took this opportunity to ask VP Stanley for an update on the recent pilot program for advising. VP Stanley responded that the pilot had shown some success and would be carried over to some programs this fall.

Trustee Banducci next asked about the college’s policy on communications with the board and expressed concern that employees’ rights to communicate with trustees may be violated. Dr. Dunlap responded that may be a topic for a board workshop. He added that one the intents of the policy is to ensure there is a differentiation between policy and operational issues.

Dr. Dunlap continued his report by recognizing Duncan Menzies who was recently selected for a Rotary Youth Leadership Award by the Coeur d’Alene Rotary.

Dr. Dunlap next reported that NIC is a finalist on a grant pursuit with the Forest Bird Charter Academy in the Sandpoint community through the Albertson’s Foundation and he provided some background on the pursuit.

Dunlap went on to report that the drawing for the Really BIG Raffle is scheduled for July 10 and encouraged everyone to purchase a ticket from the Foundation. He next reported that the college’s capital budget request to the Department of Public Works is being prepared and he asked the board for their input on prioritizing the PTE facility and the collaborative education facility with University of Idaho and Lewis-Clark State College. There was some discussion about the determining the intent of both of the partner institutions before stating
NIC’s priorities. Chair Howard commented that placing PTE as the second priority may send the wrong message.

OLD BUSINESS

RGU Report on PTE Facilities
Dr. Dunlap commented on the recent presentation and discussion about the report prepared by RGU and that now the intent is for the board to accept the report and release RGU from their responsibilities. Trustee Meyer commented that by accepting the report it does not imply any agreement with the recommendations made in the report.

Trustee Nilson made a motion to accept that the report by RGU has been completed. The motion, seconded by Trustee Wood, carried unanimously.

Student Recreation Center
Christopher Deane introduced the students’ proposal for a student recreation center. He provided information on costs for planning, construction and equipping of a new facility or for a remodel of Christianson Gymnasium, stating that the students had determined that a $90 per semester student fee would support the project. He added that ongoing maintenance and operations costs would be covered by revenue generated by facility use and activity fees. He requested that the board of trustees authorize the North Idaho College Administration to institute a fee of $90 per semester to fund the planning, construction, and operation of a student recreation center. He added that this action also includes authorization from the board requesting the Dormitory Housing Commission to act as the Bonding Authority for this project.

College Attorney Marc Lyons commented that the board does have the power to impose student fees, but they cannot impose fees for future capital improvements unless they are done as a revenue source to pay bonds issued by the Dormitory Housing Commission. He added that the board can forward the students’ proposal to the Dormitory Housing Commission with a recommendation regarding the financing, planning and construction.

Trustee Wood made a motion for the board to schedule a workshop within the next two weeks, if schedules allow, to discuss the project with the architect and gain an understanding of the entire process. Trustee Meyer seconded the motion.

A discussion took place, following which, the motion carried with four in favor. Chair Howard was opposed, stating that board can only recommend the project to the Dormitory Housing Commission.

Trustee Meyer made a motion for the board to request and recommend that the Dormitory Housing Commission move forward with the students’ proposal for a student recreation center. Trustee Wood seconded the motion. Trustee Nilson wanted it noted, for the record, that it be understood that the college was not committing tax payer funds for the ongoing maintenance and operations costs of a facility, but that those costs would be covered by student fees. Following some discussion, the motion carried unanimously.
**Tuition and Fees and College Budgets**

Chair Howard stated that recommendations to be presented in the second reading of the FY14 budget include some recommendations that were not presented during the first reading in April. He requested a motion to adopt the base budget presented in April in order for the board to review and discuss the recommendations that had come forward since.

Trustee Banducci made a motion to adopt the proposed FY14 base budget. Trustee Wood seconded the motion.

VP Ron Dorn stated that the administration recommends charging tuition for all credits taken including those credits taken between 12 and 16. He stated that currently the college does not charge for credits 12 through 16 and doing so would generate approximately $1.2 million in revenue.

Dorn went on to state that the administration recommends a five dollar per credit hour tuition increase that would generate approximately $600,000 in revenue to be used to replace instructional equipment.

He went on to state that the administration recommends funding faculty salary column movements in the amount of $22,000 as well as a three dollar per FTE student fee to fund student clubs and student leadership development. He added that this student fee would generate approximately $25,000.

Trustee Wood commented that the college is not in a budget crisis and that she feels that implementing salary step increases for employees is a budgetary obligation of the board. She made a motion to amend the original motion to increase tuition by $10 per credit hour which includes a five dollar increase to fund employee salary step increases and a five dollar increase to go into the facilities fund. Trustee Meyer seconded the motion. A discussion ensued regarding potential methods for funding step increases. The motion failed with Trustees Meyer and Wood in favor and Trustees Nilson, Banducci and Howard opposed.

At this time Chair Howard called for a five minute break.

The meeting was reconvened. Chair Howard called for a motion to amend the original motion to adopt the proposed FY14 base budget to include $22,000 to fund faculty salary column movements. Trustee Wood made a motion to approve the addition of the $22,000 to fund salary column movements. The motion, seconded by Trustee Meyer, carried unanimously.

Chair Howard next called for a motion to amend the original motion to adopt the proposed FY14 budget to include a five dollar per credit hour tuition increase for the creation of a dedicated fund for instructional equipment replacement. Trustee Meyer made a motion. Trustee Nilson seconded the motion. Following some discussion, the motion carried unanimously.

Chair Howard called for a motion to amend the original motion to adopt the proposed FY14 budget to include a three dollar per FTE student activity fee to help fund student clubs and
leadership training opportunities for students. Trustee Wood made a motion. The motion, seconded by Trustee Meyer, carried unanimously.

Following some discussion, during which Trustee Banducci stated he is opposed to charging tuition for those credits between 12 and 16, the motion to approve the proposed FY14 budget, as amended, carried unanimously.

NEW BUSINESS

Board of Trustees Meeting Calendar for FY2013-14
Dr. Dunlap presented the proposed calendar for the board of trustees meetings for next year stating that the April meeting is scheduled one week later than usual to accommodate the annual trip to Washington, DC for members of the administration. Trustee Wood made a motion to approve the proposed calendar, the motion, seconded by Trustee Nilson, carried unanimously.

BOARD CHAIR REPORT
Chair Howard reported on a meeting he and Dr. Dunlap recently attended with the Coeur d’Alene Tribal Council as well as a meeting they both recently attended with the presidents and board chairs with College of Southern Idaho and College of Western Idaho.

A discussion took place about holding a workshop to discuss financing options for a PTE facility in conjunction with the workshop to discuss the student recreation center.

Chair Howard closed his report by commenting on the commencement ceremony and he congratulated the college on providing a wonderful event for the students.

REMARKS FOR THE GOOD OF THE ORDER
Trustee Nilson announced that KTEC hired Tim Fortune as the new director. The board requested that Mr. Fortune provide a report during an upcoming board meeting.

Trustee Meyer commented that she had requested that the current president of Idaho Business for Education provide the board a report during the June 26 meeting. She added that on June 27 there will be a breakfast and meeting regarding the ways in which educators and businesses in Idaho can help with student recruitment. She finished by stating that the most watched public television station in the country is in Idaho.

The meeting was adjourned at 9:30 p.m.
CALL TO ORDER
Chair Ken Howard convened the workshop at 6:15 p.m.

ATTENDANCE
Trustees: Todd Banducci  
          Ken Howard  
          Judy Meyer  
          Christie Wood

Presenters: Rustin Hall and Dave Houtari - ALSC Architects  
            Jim Hammond – former Idaho State Senator  
            Bruce Cyr and Tom Stoesser – Riverbend Corp.  
            Jan Scharnweber Panhandle Area Council  
            Tim Komberec – NIC Foundation  
            Danielle Quade – Hawley & Troxell  
            Dick Schober and Michael Keith - Seattle Northwest Securities

Also attending:  
                Megan O’Dowd – Ramsden & Lyons  
                Leslie Damiano – Dormitory Housing Commission  
                Steve Roth – ALSC Architects

Chair Ken Howard welcomed attendees and presenters. He explained the purpose of the workshop was for the board to gain a better understanding into funding mechanisms for professional technical facilities and a student recreation center. He introduced individuals presenting information and explained the presentation outline.

Presentations began with Rustin Hall and Dave Houtari from ALSC Architects, who prepared the initial proposals for a student recreation center. Mr. Houtari reviewed the scope of work, schedule and associated costs for both a new 27,000 square foot facility at $8.2 million and a remodel and 27,000 square foot addition to Christianson Gymnasium at $9.2 million. He explained that an addition to Christianson Gymnasium could be built south toward the river or north toward Edminster Student Union Building.

Jim Hammond described two funding sources including the Idaho State Building Authority and the Permanent Building Fund Advisory Council. He stated that in recent years Permanent Building Funds have been used primarily for the state’s large backlog of deferred maintenance projects. He went on to explain that the Idaho State Building Authority allows the state to construct buildings by way of bonds approved of the legislature. He added that it would serve the college well to demonstrate, to either of these organizations, a local effort at raising a portion of the needed funds from other sources and request matching funds.
Bruce Cyr and Tom Stoesser presented a proposal to lease, with an option to purchase, 170,000 square feet of space owned by the Jacklin Seed Company in the Riverbend Commerce Park. A comparison of costs for this site and the other prospective sites for professional technical facilities was provided as well as landlord-provided infrastructure improvements for this site including finishing roads and driveways, sewer, parking and insulating the facility. Mr. Stoesser stated that the lease would cost .33 square foot per month on a 10 year lease with an option to purchase for $7.6 million at the end of the 10-year term. Stoesser closed with some recommendations for paying for this site option without bonds.

Jan Scharnweber from the Panhandle Area Council reviewed several approaches the college may take utilizing the services of the Council including assistance with accessing and pursuing grant funds. She explained the "loan to own" program in which the council acquires the asset utilizing a bank loan and they then lease the asset to the political entity on a one year renewable basis then they sell the asset to the entity at the end of the term for one dollar. She added that the Council can also assist in this way for equipment and she explained that lending institutions typically want to see a 15-25 percent equity position in the asset.

At this time Chair Howard asked NIC Foundation immediate Past President Tim Komberec to comment. Mr. Komberec stated that the foundation board is open to ideas and recommended that the board of trustees formulate a plan and make a request to the Foundation so that they can then determine how best to help bridge any shortfalls. He added that the Foundation would be unable to utilize endowment funds for these particular purposes.

Danielle Quade, bond attorney from Hawley and Troxell, presented information on financing options including general obligation bonds, lease financing, student fee bonds and the Idaho State Building Authority. She stated that general obligation bonds would require a 2/3 vote of the electorate, but that the college would be able to utilize its existing levy funds, only asking the electorate for the authority to issue the bonds and not seek an additional levy. She added that community colleges may hold bond elections the third Tuesday in May or the Tuesday following the first Monday in November. She went on to explain that lease financing would require judicial confirmation and obligates the college on an annual basis.

She continued to explain that for a student fee bond, the Dormitory Housing Commission would issue bonds using, as security, fees and revenues from a facility and from student union fees imposed by the board of trustees. She went on to explain that the real benefit of using the Idaho State Building Authority, if the college is able to get the support of the state legislature, is that they bring new funds that are not from any tax base.

Dick Schober and Mike Keith from Seattle Northwest Securities outlined details, from a bond investment perspective, of facility financing options including general obligation bonds, lease revenue bonds and student fee bonds. Mr. Schober stated that the general obligation bonds provide investors the strongest security pledge and therefore he anticipates the college would have a bond rating of Aa2. He went on to say that lease revenue bonds do not create any new revenue source because they are subject to annual appropriation by the board and they expect a bond rating of A1. He continued by discussing student fee bonds; stating these have an anticipated bond rating of A2.

Mr. Keith continued with an analysis of repayment options for 15, 20 and 30 year-terms for general obligation and lease revenue bonds for a professional technical facility. He pointed out that on a lease, the college would be required to set the final lease payment in reserve. He went on to
review repayment options for a student recreation facility, pointing out that student fees related to repayment must be high enough to maintain a good bond rating.

Trustee Wood posed the question about the college’s fee window related to existing and future debt with the Dormitory Housing Commission and the expected decrease in enrollment. Vice President Dorn responded that enrollment will likely decrease even more than the anticipated five percent; therefore a fee higher than the $100 proposed by the students would likely be necessary to repay a bond.

Chair Howard thanked all of the presenters for participating in the discussion and he adjourned the meeting at 8:50 p.m.

____________________________________________________________________________________
Board of Trustees Chair ------------------ Board of Trustees Secretary
SUBJECT
Small engine repair facility lease

BACKGROUND
As part of the mission of the college, NIC has been seeking facilities to lease as a training facility. Such property has been located and the terms of the lease have been agreed.

DISCUSSION
NIC has worked with Kyle Helmhout to lease property located at 2705 E. Howard Street, Coeur d’Alene, Idaho. The term of this lease is three (3) years, commencing June 15, 2013, and ending June 14, 2016, unless sooner terminated according to the provisions of the Lease Agreement. The entirety of the property, including the building and parking areas, will be dedicated to the educational mission of NIC and function largely for the administration of such.

COMMITTEE ACTION
None.

FINANCIAL IMPACT
Base rent is $1,500/month. The lease is subject to a non-appropriation clause. Appropriation of rent must be approved annually by the Board of Trustees as part of the budget approval process.

REQUESTED BOARD ACTION
The board is requested to approve, by motion, the lease, as negotiated, and to approve a budget that includes funding for the lease.

Prepared by,
Marc Lyons, attorney for North Idaho College
LEASE AGREEMENT

THIS LEASE AGREEMENT (referred to herein as the “Lease”) is entered into by Kyle K. Helmhout, Suzan M. Helmhout and Delwin L. Helmhout (referred to herein as “Landlord”) and NORTH IDAHO COLLEGE, a duly formed and existing community college in the State of Idaho (referred to herein as “NIC” or the “TENANT”). In consideration of the mutual covenants contained herein and other valuable consideration received, Landlord and Tenant agree as follows:

1. PREMISES. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the real property located at approximately 2705 E. HOWARD ST, COEUR D' ALENE, IDAHO IN THE HOWARD SUBDIVISION; consisting of SECTIONS OF Parcel Number -C4725-00A-999C, AIN NUMBERS; 6675, 7206, 19436, and is particularly described as:

A portion of Block A, HOWARD SUBDIVISION, Kootenai County, State of Idaho, according to the plat recorded in Book "E" of Plats at page 12, described as: The Southerly 25 feet of the following described property:

BEGINNING at the Northeast corner of Block A, HOWARD SUBDIVISION; thence

South 0°31½' East, along the East line of said Block A and the West line of Howard Street, a distance of 124.24 feet to the TRUE POINT OF BEGINNING for this description; thence

West 277.50 feet; thence

South 0°31½' East and parallel to the West line of Howard Street, a distance of 125 feet, to a point. Said point being on the South line of a 25 foot alley way; thence

East, along the South line of said alley way 277.50 feet to a point, said point being on the West line of Howard Street and the East line of said Block A; thence

North 0°31½' West, along the East line of said Block A and the West line of Howard Street, 125.00 feet to the TRUE POINT OF BEGINNING.

EXCEPT the Easterly 187.85 feet thereof.

Including, without limitation, any improvements, tenements, hereditaments, amenities, entitlements and appurtenances thereunto belonging (hereinafter the “Premises”). The Premises are also depicted on the attached map identified as Exhibit A. The Premises contains several stand-alone buildings including without limitation: an office building consisting of approximately 1,150 square feet; a SHOP AREA consisting of approximately 2,250 SQUARE FEET; AN ADDITIONAL STORAGE AREA OF APPROXIMATELY 1,209 square feet; parking areas, and open spaces.

2. TERM. The term of this Lease will be for THREE (3) years, commencing on June 15, 2013, and ending at 11:59 p.m. on June 14, 2016, unless sooner terminated according to the provisions hereof (the “Term”)

3. OPTION TO RENEW. For good and valuable consideration, receipt of which is hereby
acknowledged by Landlord, Tenant shall have the right and exclusive option to renew the term of this Lease for an additional THREE (3) years subject to the terms and conditions as provided herein, commencing on June 15, 2016, and terminating at 11:59 p.m. on June 14, 2019 (“Renewal Term”). Should Tenant elect to exercise this option to renew, Tenant must provide Landlord with written notice of the same by no later than JANUARY 15, 2016.

4. BASE RENT. Tenant agrees to pay Landlord the base monthly rent, payable in equal monthly installments of ONE THOUSAND FIVE HUNDRED DOLLARS ($1,500.00) each, by the first day of each calendar month during the Term of the Lease and the Renewal Term (if any) (the “Base Rent”). The Base Rent will be prorated during the month of June in 2013 in the amount of SEVEN HUNDRED FIFTY DOLLARS ($750). Upon completion of the first lease year (JUNE 15, 2013 – JUNE 14, 2014), and each lease year (JUNE 15 – JUNE 14 of the current year of the Lease) thereafter, the Base Rent shall be adjusted according to the All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average index as of January 1 of that lease year; provided that, however, no increase shall exceed two (2) percent in any given year. If the CPI-U reflects a decrease, then there will be no change in the Base Rent for the lease year and the Base Rent will be adjusted in the following year(s) according to the CPI-U as of January 1 of the following lease year, which amount shall not exceed two (2) percent.

5. LATE CHARGES. If any sums payable by Tenant to Landlord under this Lease are not received within ten (10) Business Days (defined below) after their due date, Tenant shall include a one percent (1%) late payment fee, in addition to the rental amount called for herein.

6. ADDITIONAL RENT. While this Lease remains in effect, Tenant shall pay all insurance, and utility expenses as outlined herein during the Term and Renewal Term (if any) of this Lease as described herein (“Additional Rent”). Base Rent and Additional Rent are referred to herein collectively as the “Rent”.

7. SECURITY DEPOSIT. On the execution of this Lease, Tenant shall deposit with Landlord ONE THOUSAND FIVE HUNDRED DOLLARS ($1,500) as a security deposit. The deposit shall be a security deposit for Tenant's faithful performance of Tenant's obligations under this Lease. If Tenant fails to pay rent or other charges due under this Lease, or otherwise defaults with respect to any provision of this Lease, Landlord may retain all or any part of the deposit to cure the default or to compensate the Landlord for all damage sustained by it resulting from Tenant's default. If any part of the deposit is so applied, Tenant shall, upon demand, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount. Tenant's failure to do so shall be a material breach of this Lease. Landlord may maintain the security deposit separate from Landlord's general funds or may commingle the security deposit with security deposits received from other tenants. Tenant shall not be entitled to interest on the security deposit. If the Tenant shall fully and faithfully perform all of its obligations under this Lease, the security deposit or any balance of the security deposit shall be returned to Tenant at the expiration of the term of this Lease or after Tenant has vacated the Premises, whichever is later, provided that Landlord may retain the security deposit until such time as any amount due from Tenant has been paid in full.

8. TAXES. Landlord shall be responsible for, and pay in full, any real property taxes assessed or accruing against the Premises prior to the commencement date of this Lease on JUNE 15, 2013. Landlord understands and agrees that Tenant is a governmental entity in the State of Idaho that is not subject to Kootenai County real property tax assessments. Tenant will seek abatement of any real
property taxes assessed against the Premises during Tenant's occupancy of the Premises. Any savings or benefit incurred as a result of such abatement shall be in favor of the Tenant alone.

To the extent that Tenant is unable to abate the taxes accrued after the commencement date of this Lease on JUNE 15, 2013, Tenant shall pay the estimated monthly share of the property taxes that are accruing against the Premises as Additional Rent. When the actual amount of property tax is determined, if Tenant paid more than the actual amount of the property tax, Landlord will credit the overpayment against the next Base Rent payment. If Tenant paid less than the actual amount of property tax, Tenant will include the additional sum with the next Rent payment. The property tax payment shall be considered Additional Rent.

9. PERMITTED USE. The Tenant shall use the Premises for any legal purposes. The Tenant intends to occupy the Premises for the purpose of operating a small engine repair class. Tenant may terminate the Lease, without such termination constituting an event of default on behalf of the Tenant, should the Premises be subject to any change in zoning, condemnation, threat of condemnation, or any other change (whether cause by Landlord or by any cause whatsoever) that impedes, in Tenant's sole and absolute discretion, Tenant's ability sustain its intended purpose for the Premises.

10. NOTICE AND PAYMENT ADDRESS:

   Landlord:
   KYLE HELMHOUT
   P.O. BOX 1859
   COEUR D'ALENE, ID 83816-1859

   Tenant:
   NIC
   C/O Ron Dorn and/or Vice President for Resource Management
   100 West Garden Avenue
   Coeur d'Alene, ID 83814
   Phone: (208) 769-3340
   Email: Ron_Dorn@nic.edu

11. SUBORDINATION OF LEASE TO EXISTING AND FUTURE MORTGAGES. This Lease shall be subject to any mortgage or deed of trust that is now on or affects the Premises or that any owner of the Premises may in the future elect to place on the Premises, and to all advances already made or that may in the future be made on account of any such mortgage, to the full extent of the principal amount secured by the mortgage or deed of trust and interest on such principal. Furthermore, Tenant shall, on request, execute any document that Landlord's counsel may deem necessary to accomplish the subordination of Tenant's interests in this Lease, in default of which Landlord is by this Lease appointed as Tenant's attorney-in-fact to execute such documents in the name of Tenant and as the act and deed of Tenant. This authority is declared to be coupled with an interest and irrevocable. Notwithstanding the foregoing, Tenant's obligations under this section to subordinate in the future are conditioned on the holder of each Landlord's mortgage or deed of trust and, or, other interest in the Premises and each party acquiring the Premises at any sale or other proceeding under any such mortgage, deed of trust or other interest shall not disturb Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.
12. ACCEPTANCE OF PREMISES. Landlord warrants the integrity of the Premises to be sound and warrants that the existing structures, systems, (including without limitation mechanical systems, plumbing systems, heating and air conditioning systems, water systems, utility systems, and electrical systems), system components, roofs, exterior walls, foundations, and sub-floors to be sound and in good working order.

13. NON-APPROPRIATION. Landlord acknowledges and understands that this Lease shall be binding upon Tenant if, and only if, Tenant's Board of Trustees budgets and appropriates for such purpose when the Board of Trustees approves an annual budget that appropriates monies contemplated by the parties for this Lease. Landlord agrees that in the event any NIC Board of Trustees affirmatively fails or refuses to appropriate funds or in the event Tenant declares a financial exigency or emergency or manifests an anticipatory failure to meet the obligations of this Lease, Landlord's sole remedy in such circumstances shall be the Base Rent already appropriated by the NIC's Board of Trustees for the fiscal year. Tenant will endeavor to give Landlord at least ninety (90) days advance notice of Board action of non-appropriation contemplated by this section. Such termination shall not be an Event of Default.

14. COMPLIANCE WITH LAWS. Tenant shall not cause or permit the Premises to be used in any way which violates the law, ordinance, or governmental regulation or order. Landlord represents to Tenant that as of the commencement date of the Lease, the Premises comply with all applicable laws, rules, regulations, or orders; provided, however, the Premises may not comply with the Americans With Disabilities Act for the use proposed by Tenant. Landlord shall be responsible to promptly cure at its sole cost and expense any noncompliance which existed on the commencement date of the Lease other than noncompliance with the Americans with Disabilities Act. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the permitted use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's permitted use at its sole cost and expense including without limitation the Americans with Disabilities Act. Otherwise, if changes or alterations are required by law, rule, regulation, or order unrelated to the permitted use, Landlord shall make changes and alterations at its expense.

15. ALTERATIONS. Tenant may make alterations, additions, or improvements to the Premises, with the prior written consent of Landlord, which, with respect to alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord agrees that Tenant may install, at Tenant's expense, the Tenant improvements identified on Exhibit B attached hereto and incorporated herein by reference. Landlord shall have five (5) days in which to respond to Tenant's request for any additional alterations not identified on Exhibit B. For the purpose of this Lease, alterations shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be installed without damaging existing improvements or the structural integrity of the Premises, the buildings, or the property, and Landlord's consent shall not be required for tenant's installation or removal of those items and such items shall remain the sole property of the Tenant at the termination of this Lease. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein after the commencement date of this Lease. Landlord may require Tenant to remove certain items the Tenant has installed and to repair any damage caused by such removal upon notice of termination of this Lease. Maintenance and repair of any alterations performed by Tenant shall be strictly the responsibility of the Tenant.
16. REPAIRS AND MAINTENANCE; SURRENDER: Landlord warrants and represents that the systems listed in this Section 12 are in working order as of the commencement date of the Lease. Tenant has thirty (30) days from the commencement date of the Lease on June 15, 2013, in which to verify that such systems are in good and working order. Should Tenant identify any needed repairs to such systems within this timeframe, Landlord shall repair the same in a timely and workmanlike manner. After any and all such repairs are completed by Landlord, Tenant shall, at its own expense and in a timely and workmanlike manner, maintain all non-structural components of the utility systems, heating and cooling systems, electrical systems, plumbing systems, interior fire suppression sprinkler system, water systems, mechanical systems system components and to keep the Premises in good condition and promptly make all non-structural repairs and replacements to the Premises, that are not the responsibility of the Landlord as specified herein, as are necessary to maintain the Premises in good condition after commencement date of the Lease. Landlord shall maintain and repair, at its own expense and in a timely and workmanlike manner, all structures, roofs, foundations, exterior walls, and subfloors (EXCEPTION; STORAGE TRAILERS) located at the Premises throughout the Term of the Lease and the Renewal Term (if any). If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after ten (10) days prior notice to Tenant and put the same in good order, condition and repair and the cost thereof shall be due and payable as additional rent to Landlord together with Tenant's next installment of Base Rent. Upon expiration of the Term, whether by lapse of time or otherwise, Tenant shall promptly and peaceably surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord as before improved, reasonable wear and tear and insured casualty excepted.

17. UTILITIES. All utilities (gas, electricity, sewer (if any), water, garbage, outdoor lighting) shall be procured by Tenant at its own expense, as of the commencement date of this Lease on JUNE 15, 2013. Tenant may add additional lighting, heating or air conditioning if so desired, at its sole expense and upon receipt of Landlord's written authorization. Tenant shall require all providers of utilities and services to open accounts in its name as of the commencement date of the Lease. The Base Rent amount does not include the cost of utilities that are paid directly by the Tenant.

18. ACCESS AND RIGHT OF ENTRY. After twenty-four (24) hours notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective Tenants within one hundred and eighty (180) days prior to the expiration of the Term or the Renewal Term (if any).

19. SIGNAGE. Landlord authorizes Tenant to place signage at the Premises at Tenant's sole cost and expense and in compliance with all applicable laws. It is understood that Tenant's signage will be consistent with signage normally used for NIC purposes. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

20. DESTRUCTION OR CONDEMNATION.

A. Condemnation. If the Premises, or 50% or more of the rentable area of the building of the
Premises, are made untenantable by eminent domain, or are under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant and such termination will not be an Event of Default (defined below). In the event of such termination, Tenant is not entitled to any recovery from the Landlord except for a refund on any unearned Base Rent or Additional Rent paid to Landlord.

B. Damage and Repair.

a. Partial Damage to the Premises. If the Premises, including the portion of the building or the property necessary for Tenant's occupancy, are partially damaged, but not rendered untenantable, by fire or other insured casualty, the Landlord may, in its sole and absolute discretion, elect to apply any applicable insurance proceeds (see Section 21.C Landlord's Insurance) to restore the Premises and the terms of this Lease shall remain in full force and effect; or Tenant may, in its sole and absolute discretion, elect to terminate the Lease, without breach or default, when Tenant determines that such damage cannot be reasonably cured to sustain its intended purpose for the Premises. If landlord elects to have the Premises restored: (1) the parties agree to cooperate and work together for the purpose of such restoration; (2) Tenant shall direct such restoration and will manage the same in a timely and workmanlike manner; and (3) Tenant shall pay any costs for such restoration that exceed any applicable insurance proceeds where such costs can be attributed to design and or construction decisions made by Tenant. Landlord shall pay any costs for such restoration that exceeds any applicable insurance proceeds where such costs can be attributed to design and or construction decisions made by Landlord. The Base Rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises until the damaged part is ready for re-occupancy. Should Tenant elect to terminate the Lease pursuant to this Subsection, Tenant shall provide Landlord with written notice of this election thirty (30) days prior to the effective date of termination.

b. Damage that Renders the Premises Untenantable. If the Premises including the portion of the building or the property necessary for Tenant's occupancy or 50% or more of the entire rentable area of the property, are destroyed or partially damaged and rendered untenantable by fire or casualty, then Landlord may, in its sole and absolute discretion, apply any applicable insurance proceeds (see Section 21.C Landlord's Insurance) to restore the Premises and the terms of this Lease shall remain in full force and effect; or Tenant may, in its sole and absolute discretion, elect to terminate the Lease, without breach or default, when it determines that such damage cannot be reasonably cured to sustain its intended purpose for the Premises. If Landlord elects to have the Premises restored: (1) the parties agree to cooperate and work together for the purposes of such restoration; (2) Tenant shall direct such restoration and will manage the same in a timely and workmanlike manner; and (3) Tenant shall pay any costs for such restoration that exceed any applicable insurance proceeds where such costs can be attributed to design and or construction decisions made by Tenant. Landlord shall pay any costs for such restoration that exceeds any applicable insurance proceeds where such costs can be attributed to design and or construction decisions made by Landlord. The Base Rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises until the damaged part is ready for re-occupancy.
The Term of the Lease shall be extended by the period of reconstruction. Should Tenant elect to terminate the Lease pursuant to this Subsection, Tenant shall provide Landlord with written notice of the election thirty (30) days prior to the effective date of termination.

Should either party elect to terminate the Lease pursuant to this Section, such election shall not constitute a breach of this Lease.

21. INSURANCE.

A. Tenant's Liability Insurance. During the Term and the Renewal Term (if any), Tenant shall pay for and maintain commercial general liability insurance with broad form property damage. This policy shall insure Tenant's activities and those of Tenant's employees, officers, and agents with respect to the Premises against loss, damage, or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit loss of not less than Five Hundred Thousand Dollars ($500,000.00) and a deductible of not more than Ten Thousand Dollars ($10,000.00). Such policy shall name Landlord as an additional insured.

B. Tenant's Property Insurance. During the Term and Renewal Term (if any), Tenant shall pay for and maintain loss coverage property insurance for all of Tenant's personal property, fixtures and equipment as necessary and in amounts and coverage to be determined by Tenant.

C. Landlord's Insurance. Landlord shall carry broad form fire and extended coverage insurance policy on the Premises for full replacement value of the existing buildings and improvements on the Premises. The maximum deductible for such policy shall be Ten Thousand Dollars ($10,000.00). Tenant shall reimburse Landlord for the cost of this insurance on a monthly prorated basis. Such policy shall name Tenant as an additional insured.

D. Proof of Insurance. All policies of insurance contemplated by this Lease shall be issued by responsible insurance companies, qualified to do business in the State of Idaho. Upon written demand by either party, the other party shall provide sufficient proof of such insurance contemplated by this Lease within ten (10) days of the demand.

22. INDEMNIFICATION

A. Indemnification by Tenant. Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorney's fees, for personal injury, bodily injury, (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, or agents, on or around the Premises or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.

B. Indemnification by Landlord. Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs and expenses, including attorney's fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, or agents, on or around the Premises or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.
C. Survival. The provisions of this Section shall survive expiration or termination of this Lease.

23. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a “Transfer”) or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreements and documents.

24. LIENS. Tenant shall not subject the Landlord's assets to any liens or claim of liens. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within ten (10) days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs, and expenses, including attorney's fees, which Landlord could reasonably incur as a result of such lien(s).

25. DEFAULT. The following occurrences shall each constitute a default by Tenant (an “Event of Default”)

A. Failure to Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days notice from Landlord of the failure to pay when due.

B. Vacation/Abandonment. Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without approval by Landlord), or abandonment by Tenant of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant’s vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

C. Other Non-Monetary Defaults. Breaching by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.

D. Failure to Take Possession. Failure by Tenant to take possession of the Premises within a reasonable time, but in no event more than thirty (30) days, after the commencement date of the Lease.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant’s sole remedy, other than Lease termination and any other remedies described herein, shall be to seek actual money damages for loss arising from Landlord’s failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform any of its obligations to the standards described in this Lease. Without limiting the generality of the foregoing, Landlord shall be in breach of this Lease, and Tenant shall have the option to terminate the Lease, if Landlord becomes insolvent or
files for bankruptcy (whether voluntary or involuntary); or if there is an appointment of a receiver, assignee or other liquidating officer for Landlord; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

26. REMEDIES. The parties shall have the following remedies upon an Event of Default. Landlord’s rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

A. Termination of Lease. Landlord or Tenant may terminate this Lease, pursuant to the terms and conditions outlined in the Lease by providing the other party with written notice of termination at least ten (10) days prior to the effective date of termination. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease due to Tenant’s default, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Term, less the net proceeds, if any, of any re-letting of the Premises by landlord subsequent to the termination, after deducting all of Landlord’s actual, directly related and reasonable re-letting expenses.

B. Non-Appropriation. An act of non-appropriation by Tenant’s Board of Trustees, as contemplated by Section 12, will result in termination of this Lease, but is not an Event of Default.

C. Nonpayment of Additional Rent. All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.

D. Failure to Remove Property. If Tenant fails to remove any of its property from the Premises at Landlord’s request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant’s expense and risk. If Tenant does not pay the storage cost within five (5) days of the Landlord’s request, Landlord may, at its option, have all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in a reasonably commercial manner, with prior notice to Tenant. Landlord shall apply the proceeds of such sale; (i) to the expense of such sale, including reasonable attorney’s fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant.

27. NON-WAIVER. Landlord’s or Tenant’s waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts.

28. HOLDOVER. If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return the Premises to Landlord after the expiration or termination of this Lease, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be
terminated according to Idaho Law. During such tenancy, Tenant agrees to pay to Landlord the Base Rent and Additional Rent payments established herein, all other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.

29. NOTICES. All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 10; or (iii) upon confirmed transmission by electronic mail to the other party at the email addresses set forth in Section 10. The addresses for notices and payment of Rent set forth in Section 10 may be modified by either party only by notice delivered in conformance of this Section.

30. COSTS AND ATTORNEYS' FEES. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments or possession of the Premises, the prevailing party shall be entitled to a reasonable sum for attorney's fees in such action, whether mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.

31. RIGHT TO PERFORM. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of non-payment of sums due under this Section as in the case of default by Tenant in the payment of rent.

32. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.

33. GENERAL.

A. Heirs and Assigns. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

B. Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.

C. Severability. Any provisions of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions of this Lease.

D. Force Majeure. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental
regulations, acts of God, public enemy, war or other strife.

E. Governing Law and Venue. This Lease shall be governed by and construed in accordance with the laws of the State of Idaho and venue for any action arising from this Lease shall be in Kootenai County, Idaho.

F. Memorandum of Lease. The parties agree that a memorandum of this Lease may be duly recorded in Kootenai County, Idaho.

G. Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them and approved by a majority of the Tenant's Board of Trustees.

H. Authority of Parties. Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such signing and delivery, this Lease shall be binding upon and enforceable against the party on signing. Provided that, however, this Lease must be approved by a majority of the Tenant's Board of Trustees in order to be binding and effective for Tenant.

I. Time. “Day” as used herein means a calendar day and a Business Day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the Property is physically located. A Business Day shall not include any Saturday or Sunday, nor shall a Business Day include any legal holiday recognized by the state of Idaho as found in Idaho Code § 73-108. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence in this Lease.

34. COVENANTS RUN WITH THE LAND. The terms of this Lease shall run with the land and be binding upon any future grantee, assignee or transferee of the interest described herein.

35. EXHIBITS. The following exhibit(s) are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease.
   - Exhibit A: Premises Map
   - Exhibit B: Tenant Improvements

36. BROKERAGES/COMMISSIONS. Each party to this Agreement warrants and represents to the other that, in connection with the Lease herein contemplated, such party has dealt with no other person in the capacity of a broker, finder, or like function or capacity giving rise, by reason of such party's conduct, to a claim of commission or fee payable to such person.

37. RIGHT TO RETAIN OR SELL PERSONAL PROPERTY ON ABANDONMENT. If Tenant abandons the Premises in violation of this Lease, any property that Tenant leaves on the Premises shall be deemed to have been abandoned and may either be retained by Landlord as the property of Landlord or may be disposed of at public or private sales as Landlord sees fit.

38. HAZARDOUS SUBSTANCES. Tenant represents and warrants that it will not, on or about the Premises, make, store, use, treat, transport or dispose of any hazardous or toxic waste, contaminants, oil,
radioactive or other materials the removal of which is required or the maintenance of which is prohibited, regulated (unless such regulations are adhered to and Landlord is notified thereof) or penalized by any local, state or federal agency, authority or governmental unit. Landlord acknowledges that Tenant will be running various activities pertaining to automotive repair and similar activities at the Premises. Tenant will comply with any applicable environmental laws, rules or regulations which apply to the same.

39. ESTOPPEL CERTIFICATE TO BE FURNISHED BY TENANT TO LANDLORD. Tenant shall, from time to time, upon not less than ten (10) days' prior written request by Landlord, execute, acknowledge and deliver to Landlord a written estoppel certificate in such form as Landlord may reasonably require, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), the dates to which the rent and other charges have been paid, whether or not to the best of Tenant's knowledge Landlord is in default under this Lease Agreement (and if so, specifying the nature of default), and such other matters as may be required by Landlord or the holder of any mortgage to which the Premises are subject, it being intended that any such statement delivered may be relied upon by a prospective purchaser of Landlord's interest or mortgagee of Landlord's interest or assignee of any mortgage or deed of trust upon Landlord's interest in the Premises.

[SIGNATURE PAGE TO FOLLOW]
SIGNATURES; By their signatures below, all parties to this Lease signify their acceptance of all obligations, rights and duties specified within; provided that, however, the Lease must be approved by a majority of the Board of Trustees of NIC in order to be binding and effective.

Landlord

North Idaho College

Kyle Helmhout

By Ron Dorn

Its Vice President for Resource Management

Date _________ Time _______ am/pm

Tenant

By

Date _________ Time _______ am/pm

BOARD OF TRUSTEES

Board Chair

Kenneth Howard

Date _________ Time _______ am/pm
EXHIBIT B-TENANT IMPROVEMENTS

Tenant may install the following tenant improvements (identified costs are for reference purposes only for the benefit of the Tenant):

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<thead>
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<th>OPRV One-time Expenditures</th>
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</tr>
<tr>
<td>2 Sink Wash Basin</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Office door</td>
<td>500.00</td>
</tr>
<tr>
<td>3 Phase converter</td>
<td>700.00</td>
</tr>
<tr>
<td>Moving expenses</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Ceiling panels</td>
<td>200.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,000.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$7,800.00</td>
</tr>
<tr>
<td>10% cost variable</td>
<td>780.00</td>
</tr>
<tr>
<td><strong>Total Building Costs</strong></td>
<td>$8,580.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>IT Costs</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>APC NetShelter equipment rack enclosure</td>
<td>$600</td>
</tr>
<tr>
<td>Patch panels and patch cords</td>
<td>900</td>
</tr>
<tr>
<td>Mikrotik router</td>
<td>400</td>
</tr>
<tr>
<td>UPS - TrippLite 1500KVA w/ mgmt.</td>
<td>0</td>
</tr>
<tr>
<td>Cisco 3560 data switch w/POE</td>
<td>0</td>
</tr>
<tr>
<td>Wire segments - Cat. 6 installed</td>
<td>1,800</td>
</tr>
<tr>
<td>Wireless Access Points (WAPs) w/support</td>
<td>1,788</td>
</tr>
<tr>
<td><strong>Total IT Costs</strong></td>
<td>$5,488</td>
</tr>
</tbody>
</table>

**Total One-time Expenditures** $14,068.00
SUBJECT
Approval of President’s Contract

BACKGROUND
The North Idaho College President is hired by the board of trustees and, consistent with past practice, the president’s contract is renewed annually. The contract renewal is agreed to and executed by the president and the board chair, consistent with the approval and authorization of the board of trustees.

DISCUSSION
The president’s contract is a two-year contract, but is renewed annually. Thus, the proposed annual renewal is for fiscal year July 1, 2013 through June 30, 2014. The employment contract terms are essentially the same as the prior contract, with no increase in salary. There was a one-time relocation supplement offered in the first year of the employment contract that is not applicable during this renewal year.

COMMITTEE ACTION
No committee action is necessary.

FINANCIAL IMPACT
The financial impact is consistent with the president’s contract from the prior year.

REQUESTED BOARD ACTION
The board is requested to consider a motion approving the proposed contract and authorizing the board chair to execute the contract on behalf of the board of trustees and North Idaho College.

Prepared by
Marc Lyons, attorney for North Idaho College
SUBJECT
Approval of expenditure to pay for college's share of the independent feasibility study related to the recertification of levee.

BACKGROUND
In August of 2011, VP for Resource Management Ron Dorn presented to the North Idaho College Board of Trustees information that stated the Federal Emergency Management Agency (FEMA) had notified the college that they would no longer certify the levee. Certification is necessary to obtain the required levels of flood insurance for the college and homeowners in the Fort Ground area. Additionally, in the report, VP Dorn stated that the Army Corps of Engineers had recommended complete removal of all trees before they (Army Corps) could/would certify the levee. The Army Corps stated that independent certification is a possibility. This concept has been pursued and recommended by Staff in cooperation with the City of Coeur d'Alene.

DISCUSSION
The board has received a number of updates on the topic; August 2011, September 2011 and February 2012, March 2013. Staff was assigned the task to obtain the independent certification as an operational issue by the previous administration. An agreement between NIC and the city of Coeur d’Alene was reached to share in the cost of a consultant whose primary responsibility would be to determine what exactly would need to be done in order to secure certification. Payment for the college’s share (50%) of the feasibility study is now due and staff is asking for Board approval to proceed with payment.

FINANCIAL IMPACT
Payment will result in a reduction of $250,000 in current fund balances.

REQUESTED BOARD ACTION
Staff recommends approval of the expenditure, as certification of the levee is crucial to the continued basic operation of the college and safety of students, staff, faculty and residents in the area. Request the board consider a motion authorizing the board chair to execute the Agreement for Financing of the city of Coeur d’Alene flood works certification project.

Prepared by
J. Mark Browning, Vice-President for
Community/Governmental Relations and Marketing,
Ronald Dorn, VP for Resource Management
AGREEMENT FOR FINANCING of the
City of Coeur d' Alene Flood Works Certification Project

This Agreement, entered into as of the ___ day of June, 2013 between the City of Coeur d'Alene, Idaho (the “City”) and North Idaho College (“NIC”) relating to the financing of the City of Coeur d’ Alene Flood Works Certification Project, located in Coeur d’Alene, Idaho (the “Project”).

WHEREAS, the City is a municipal corporation duly organized, existing and operating under the laws and Constitution of the State of Idaho (the “State”); and North Idaho College is a duly formed and existing community college in the State; and

WHEREAS, the City and/or NIC own or control certain real property more commonly known as City Beach, Rosenberry Drive and Harbor Center which contain the Flood works located in Coeur d’Alene, Idaho (the “Project Site”) and have undertaken the Project to obtain FEMA certification; and

WHEREAS, the City Council of the City approved the award of contract for Phase 1 of the Flood Works Certification Project to Ruen-Yeager, Inc. per Resolution No. 13-012 on March 05, 2013; and

WHEREAS, the City Council intends to execute Amendment #1 to Ruen-Yeager’s contract, for Phase 2 of the Flood Works Certification Project at their July 02, 2013 meeting.

WHEREAS, the total cost for Phase 1 of the Project is estimated at $81,228.00 and the total cost of Phase 2 of the Project is estimated at $415,021.00 for a total Project cost of $496,249.00. Phase 1 and Phase 2 Scope of Services are attached hereto as Exhibit’s A and B, and incorporated herein by reference; and

WHEREAS, NIC has agreed to share in the costs associated with the Project as more specifically outlined below.

NOW THEREFORE, it is agreed as follows:

I. Effective Date The effective date of this Agreement shall be the date when this Agreement has been signed by the City and NIC (including the signature of the Board Chair indicating approval by a majority of the Board of Trustees of NIC) and shall continue until the completion of all obligations of each Party.

II. Financing of Project The City and NIC have agreed to equally share the estimated costs incurred for the assessment, engineering, and related costs of the Project, with fifty percent (50%) to be paid by the City and fifty percent (50%) to be paid by NIC. Provided that, however, regardless of the final costs and fees charged for the Project, NIC will not be obligated to pay more than the total amount of $248,124.50.
1. Payments by NIC. NIC will make payment to the City as established in this section provided that the City is in compliance with the terms and conditions of this Agreement. NIC will make payment to the City in two installments of One Hundred Twenty Four Thousand Sixty Two Dollars and No/100 ($124,062.00). The first installment will be due and payable on or before July 10, 2013 and the second installment will be due and payable on or before October 01, 2013.

III. Access to Reports. All parties agree to provide all information regarding the Project to all other parties upon reasonable request, with the City providing NIC with a copy of the completed study.

IV. Captions and Headings. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

V. No Joint Venture or Partnership. NIC and City agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making NIC and the City a joint venture or partners.

VI. Assignment. The rights, obligations and duties of NIC and the City under this Agreement shall not be assigned or transferred, in whole or in part, without the prior written permission of the other Party.

VII. Notice and Receipt.

(a) Notices. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate Party at the address set forth below:

If to City:  
City Clerk  
City of Coeur d'Alene  
710 E. Mullan Avenue  
Coeur d'Alene, Idaho 83814

If to NIC:  
Business Office  
Attn: Vice President for Resource Management  
North Idaho College  
1000 West Garden Avenue  
Coeur d'Alene, Idaho 83814

The person and address to which notices are to be given may be changed at any time by any Party upon written notice to the other Party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

(b) Receipt. For the purpose of this Agreement, the term “receipt” shall mean the earlier of any of the following:
(i) the date of delivery of the notice or other document to the address specified above as shown on the return receipt;

(ii) the date of actual receipt of the notice or other document by the person or entity specified above; or

(iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of:

(a) the date of the attempted delivery or refusal to accept delivery,

(b) the date of the postmark on the return receipt, or

(c) the date of receipt of notice of refusal or notice of non-delivery by the sending Party.

VIII. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

IX. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties.

X. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and NIC any right, remedy, or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the City and NIC.

XI. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

XII. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

[Signature Pages Follow]
IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective as outlined in Section 1 "Effective Date" herein.

DATED this ___ day of ________, 2013.

CITY OF COEUR D'ALENE, IDAHO

By __________________________
SANDI BLOEM, MAYOR

ATTEST

By __________________________
Renata McLeod, City Clerk

DATED this ___ day of ________, 2013.

NORTH IDAHO COLLEGE

By __________________________
RON DORN, VICE PRESIDENT FOR
RESOURCE MANAGEMENT

ATTEST

By __________________________
DATED this ___ day of _________, 2013.

NORTH IDAHO COLLEGE
BOARD OF TRUSTEES

KENNETH HOWARD, BOARD CHAIR

ATTEST

By ______________________________