



Agenda: Thursday, August 3, 2017, 7:00 a.m.

City of Moscow Council Chambers • 206 E 3rd Street • Moscow, ID 83843

1. **Consent Agenda** - Any item will be removed from the consent agenda at the request of any member of the Board and that item will be considered separately later.
 - A. Minutes from July 20, 2017

ACTION: Approve the consent agenda or take such other action deemed appropriate.

2. **Public Comment for items *not on agenda*:** Three minute limit

3. **Announcements**

4. **Public Hearing: Proposed FY 2018 Agency Budget Approval – Bill Belknap**

During the Agency's recent strategic planning process a 5-year capital improvement plan (CIP) was developed that was intended to set a framework for long-term financial planning related to capital public investments within the Legacy Crossing District. This has necessitated the establishment of a capital fund in the Agency's annual budget to account for the accumulation of funding for future capital projects as shown within the CIP. Staff also restructured the budget document to more clearly delineate general fund and district specific funds to allow for the enhance ability to track all revenues and expenditures. Staff will present the draft budget document for the Board's consideration during the public hearing for the Board's approval and passage of the associated Resolution.

ACTION: After considering public testimony, adopt FY2018 Budget and the corresponding Budget Resolution 2017-02; or take such other action deemed appropriate.

5. **Development Report from Sangria Downtown LLC – Bill Belknap**

Representatives of Sangria Downtown LLC will provide an update on the status of their development plans for the 6th and Jackson property.

ACTION: Receive report and provide staff with direction as deemed appropriate.

6. **Presentation of Jackson Street Frontage Design and Cost Estimation – Bill Belknap**

On, April 20, 2017, the Board committed to fund \$6,370 for the engineering design for the Jackson Street public improvements that would be installed along the frontage of the Anderson Group property located just south of the MURA's 6th and Jackson Property in order to assist with redevelopment of the Anderson Property. Hodge and Associates have completed the design work and will present the design and cost estimates to the Board. The design is currently under review by the City's Engineering Department and once it has been approved, the Agency would reimburse the Anderson Group.

ACTION: Receive report and provide staff with direction as deemed appropriate

7. Request for Consent of Collateral Assignment of Owner Participation Agreement with FH Vandals LLC – Bill Belknap

The Agency recently received a request to consent to the collateral assignment of the Owner Participation Agreement (OPA) for the Identity on Main project to the benefit of the project lender as contributing collateral to the project financing. The agreement does not obligate the Agency to any additional responsibility and simply collaterally assigns the benefits of the OPA to the lender should the developer/owner of the project default upon the project loan.

ACTION: Approve the proposed Collateral Assignment Agreement; or take such other action deemed appropriate.

8. General Agency Updates – Bill Belknap

- Legacy Crossing District
- Alturas District
- General Agency Business

9. Executive Session: Pursuant to Idaho Code Section §74-206.1(c)

NOTICE: Individuals attending the meeting who require special assistance to accommodate physical, hearing, or other impairments are requested to please contact the City Clerk at (208) 883-7015 or TDD 883-7019, as soon as possible so that arrangements may be made.



Minutes: Thursday, July 20, 2017, 7:00 a.m.

City of Moscow Council Chambers • 206 E 3rd Street • Moscow, ID 83843

McGeehan called the meeting to order at 7:04a.m.

Commissioners Present	Commissioners Absent	Also in Attendance
Steve McGeehan, Chair	Art Bettge	Bill Belknap, MURA Executive Director
Steve Drown	Ron Smith	Anne Peterson, MURA Clerk
Dave McGraw	Brandy Sullivan	
John Weber		

1. **Consent Agenda** - Any item will be removed from the consent agenda at the request of any member of the Board and that item will be considered separately later.

A. *Minutes from June 15, 2017*

B. *June 2017 Payables*

C. *June 2017 Financials*

ACTION: *Approve the consent agenda or take such other action deemed appropriate.*

McGraw moved approval of the consent agenda, seconded by Weber. Motion carried.

2. **Public Comment for items *not on agenda***

No comments.

3. **Announcements**

No announcements.

4. **Review of Draft FY 2018 Agency Budget – Bill Belknap**

During the Agency's recent strategic planning process a 5-year capital improvement plan (CIP) was developed that was intended to set a framework for long-term financial planning related to capital public investments within the Legacy Crossing District. This has necessitated the establishment of a capital fund in the Agency's annual budget to account for the accumulation of funding for future capital projects as shown within the CIP. Staff also restructured the budget document to more clearly delineate general fund and district specific funds to allow for the enhance ability to track all revenues and expenditures. Staff will present the draft budget document for the Board's review and direction. The public hearing on the Agency's FY2018 budget has been set for the Agency's upcoming August 3rd meeting.

ACTION: *Review draft FY2018 Agency Budget and provide staff with direction as deemed appropriate.*

Belknap reviewed the revised budget structure and proposed budget figures. Weber applauded staff's work and appreciated that Belknap had already informed Agency members about the expected dip in fund balance for 2018. The hearing will proceed on August 3.

5. **Proposed Joint Meeting with Moscow City Council – Bill Belknap**

As the Board has discussed previously, Staff are recommending that the Board conduct a joint meeting with the Moscow City Council to discuss the proposed South Moscow District as well as the proposed amendment to the Legacy Crossing

District boundary to ensure that the Board and Council are in general agreement upon the direction forward. Staff are suggesting that the Board invite the City Council to the Agency's scheduled August 17th meeting date for the purpose of the proposed joint meeting.

ACTION: Set the joint meeting date with the City Council for August 17th; or take other action as deemed appropriate.

Belknap stated a conflict had arisen with the August date so instead recommended September 7. The Board was in agreement and Belknap will proceed with an invitation to Council. McGraw urged caution regarding the Legacy Crossing expansion based on problems that other agencies have encountered.

6. General Agency Updates – Bill Belknap

- Legacy Crossing District
 - The Identity project won't have as much environmental remediation because the contamination is only beneath commercial space which can be addressed through covenants on the property.
 - Belknap is anticipating a sponsorship request for a DEQ assessment.
 - Sangria Group will provide an update and the August 3 meeting.
 - There is a preconstruction meeting next week regarding the 6th & Jackson turn lane project. The anticipated completion date of August 30 will probably be extended a couple weeks.
- Alturas District
 - No report.
- General Agency Business
 - Already covered.

The meeting adjourned at 7:54 a.m.

Steve McGeehan, Agency Chair

Date



Memorandum

To: MURA Board; MURA Finance Committee
From: Bill J. Belknap, Executive Director
cc: Gary J. Riedner, Acting Treasurer
Date: June 29th, 2017
Re: MURA FY2018 Draft Budget Overview Summary

Over the course of the last several months, Staff have been working to prepare the FY2018 Budget for the Board's consideration. Through that process we have identified some recommended improvements to the budget document that provide greater transparency in tracking Agency expenses, enhanced separation of district-specific accounting, and the ability to allocate and accumulate funding for future capital improvement projects. As a result, the proposed budget document for FY2018 will appear different than prior year's budgets and this memorandum is intended to provide a general overview of the changes that have been incorporated to aid in the review of the budget document.

Budget Structural Changes

Greater Fund Separation

The Legacy Crossing District was established in 2008 as the second urban renewal district within the City. Legacy Crossing District expenditures were first incorporated into the Agency budget in FY2009 and the first revenues were receipted in the FY2010 budget. Since that time, revenues have been receipted within the Agency's budget documents jointly, with individual expenses and resulting fund balances tracked separately. While this allowed for the tracking of district expenses to ensure they were funded from district revenues as required under State Statute, it did not provide as clear of separation of funds as may be desired. For FY2018 the Agency funds are more fully separated including revenues, expenses, transfers, debt service, and fund balances, so as a result you will see that each of the funds now have separate line items for each of these revenues and expenses.

Alturas District Fund Closure

In 2015 the Agency closed the Alturas District revenue allocation area in accordance with the adopted closure plan. Any excess tax revenues were distributed to Latah County for disbursement to the taxing districts. The closure of the Alturas District required the reallocation of the Alturas fund assets to the General Fund in accordance with governmental account requirements. The large component

of these assets include the six lots that the Agency continues to own within the Alturas Technology Park. These are valued at \$530,000 and do not appear within the budget document but are reflected within the Agency's financial statements. The closure plan set aside \$45,000 of the excess Alturas tax revenues intended to fund ongoing maintenance and market expenses related to the agency lots. Those funds have been transferred to the General Fund where maintenance and marketing expenses will be funded through a new line item 890-880-10-644-15 with the balance of the original \$45,000 held in a separate, assigned Alturas fund balance 890-000-00910-01. As noted in the budget backup, should all six lots be sold by the Agency, any remaining funds from the original \$45,000 would be distributed to Latah County to be disbursed to the taxing districts.

Inter-fund Transfers

In previous Agency budgets, the transfers between District Funds and the General Fund were not clearly identified within the budget document and transfers occurred through ending fund balances. This year staff are proposing to establish transfer revenue line items within the General and District Funds and well as transfer expense line items within the District Funds. These transfers are intended to more clearly show the source of funding for the General Fund operations and the allocation of those expenses to the individual district(s). Additionally, these transfer line items are also necessary to support the creation of the Capital Fund intended to allow the accumulation of funding for projects identified within the Agency's Capital Improvement Plan adopted in conjunction with the Agency's Strategic Plan.

Capital Fund Establishment

In February of 2017 the Agency adopted a Strategic Plan intended to focus and direct the actions and financial resources of the Agency toward achieving long-term Agency and District goals and objectives. Within the Strategic Plan the Agency identified target allocations of District funds to be utilized for a variety of public infrastructure investments. A five year capital improvement plan was developed which identifies anticipated public investment projects anticipated to occur within the upcoming five year period. The FY2018 budget includes a new Capital Fund which is intended to facilitate the accumulation of funding necessary to support the projects identified within the capital improvement plan.

Notable Budget Revenues and Expenditures

General Fund Revenues

Within the FY2018 budget, the Agency General Fund will be funded through transfers from the districts of the Agency. For FY2018, the Legacy Crossing District is the only active district and will transfer \$65,391 (890-000-00-498-95) to the general fund to fund the general agency activities.

General Fund Expenditures

General Fund expenditures are budgeted to remain generally consistent with the FY2017 levels. Two notable exceptions include the inclusion of the Alturas maintenance and marketing expenses within the General Fund as a result of the closure of the Alturas District at \$4,500 (890-880-10-644-15), and the annual 3% increase in the Administrative Services line item (890-880-10-642-00) to reflect the

annual escalation provision included within the services agreement with the City of Moscow for administrative, financial and executive director services.

Alturas District

As noted previously, with the closure of the Alturas tax revenue allocation area in 2015 the Alturas Fund has been terminated with the excess tax revenues refunded to the taxing districts, land assets transferred to the General Fund, and future maintenance and market reserves held in an assigned general fund reserve account. There will be no future revenues or expenditures within the prior Alturas Fund.

Legacy Crossing District Revenues

The FY2018 budget projects tax increment revenues for the Legacy Crossing District to increase by approximately 25% in FY2018 to account for several new development projects reaching completion including the new Gritman Medical Office Building, Dawson's Corner, and the Varsity Diner.

Legacy Crossing District Expenditures

Legacy Crossing expenditures are budgeted to remain consistent with FY2017 levels with the exception of the Owner Participation Agreements (OPA) (890-895-10-676-17) which is budgeted to increase from \$8,340.00 to \$21,385 to reflect new additional owner participation agreement payments on the Gritman Medical, Dawson's Corner and Varsity Diner projects.

Legacy Crossing District Transfers

A new feature of the FY2018 Budget is fund transfers to support general agency activities as well as capital accumulation for infrastructure projects identified within the Agency's Strategic Plan which are budgeted at \$65,391 (890-895-10-890-00) and \$232,310 (890-895-10-890-01) respectively for FY2018.

Legacy Crossing Debt Service

Over the course of FY2017 there has been significant progress made with the development of the Sixth and Jackson Property including the completion of the environmental remediation work, the turn lane improvement project and the undergrounding of the overhead utility lines. At this time the Agency is moving forward with the sale of a portion of the property to Sangria Downtown LLC which will require the Agency to retire the outstanding bond debt upon the property. The FY2018 Budget assumes this transaction has occurred and no further debt service payments will be required. Should something else occur, the Agency may need to amend the budget and make any necessary amendments.

Capital Fund Legacy Crossing Expenses

The FY2018 budget anticipates the expenditure of \$15,000 in general streetscape improvements (895-300-100-770-76), \$40,000 in entryway beautification work near the south couplet intersection (895-300-100-770-77) and \$175,000 for the completion of the Hello Walk across the Sixth and Jackson Property (895-300-100-770-78) after the completion of the Sangria Downtown LLC project.

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

General Fund						
	General Agency Revenues	2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
890-000-00-471-00	Investment Earnings	4,964	3,842	1,000	2,271	1,000
890-000-00-478-10	Sale of Land-Alturas	0	0	0	0	0
890-000-00-479-01	Refunds & Reimbursements	0	0	0	0	0
890-000-00-498-90	Transfer In: Alturas	0	58,024	0	0	0
890-000-00-498-95	Transfer In: Legacy	0	0	0	35,000	65,391
	Subtotal General Agency Revenues	4,964	61,866	1,000	37,271	66,391
	Total General Agency Revenues	4,964	61,866	1,000	37,271	66,391

Fiscal Year 2018
Moscow Urban Renewal Agency - General Agency Budget
890-000-00-

Line Item	Description	Adopted
471-00 Investment Earnings	Interest earned on investments will be determined by the amount of dollars receipted through land sales and balances in the Agency's accounts throughout the fiscal year.	1,000
478-10 Sale of Land - Alturas	Revenues from the sale of Alturas lots owned by the Agency.	0
479-01 Refunds & Reimbursements	Unforeseen refunds or reimbursements made to/from General Agency.	0
498-90 Transfer In: Alturas	Transfer to General Agency from Alturas to cover General Agency Expenses.	0
498-95 Transfer In: Legacy	Transfer to General Agency from Legacy to cover General Agency Expenses.	65,391

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

General Agency Expenses		2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
890-880-10-631-10	Postage Expense	0	24	100	50	100
890-880-10-631-20	Printing and Binding	102	70	400	50	400
890-880-10-642-00	Administrative Services	30,000	45,000	46,350	46,350	47,741
890-880-10-642-10	Professional Services - Executive Director	51,420	0	0	0	0
890-880-10-642-15	Professional Services - Other	2,808	4,925	6,000	4,500	6,000
890-880-10-642-20	Professional Services - Auditing	4,500	4,600	5,000	4,700	5,000
890-880-10-642-30	Professional Services - Computer	20	255	1,000	2,500	1,000
890-880-10-644-10	Advertising & Marketing Expense	557	462	1,000	60	1,000
890-880-10-644-15	Alturas Marketing/Maintenance	0	0	0	2,000	4,500
890-880-10-647-10	Travel & Meetings	282	839	1,000	0	1,000
890-880-10-649-10	Professional Development	0	0	1,000	0	1,000
890-880-10-668-10	Liability Insurance	1,492	1,507	1,650	1,507	1,650
890-880-10-669-10	Miscellaneous Expense	182	342	500	350	500
Subtotal General Agency Expenses		91,364	58,024	64,000	62,067	69,891
Total General Agency Expenses		91,364	58,024	64,000	62,067	69,891

Fiscal Year 2018
Moscow Urban Renewal Agency – General Agency Budget
890-880-10-

Line Item	Description	Adopted
631-10 Postage Expense	Postage expenses.	100
631-20 Printing and Binding	Printing and binding expenses.	400
642-00 Administrative Services	The administrative fee is reimbursement to the City of Moscow for executive, administration, finance, legal, engineering, information systems, and community development staff time related to services rendered to the URA.	47,741
642-10 Professional Services - Executive Director	Contract for services with the City of Moscow for the URA Executive Director.	0
642-15 Professional Services - Other	Professional services including legal services fees, dues, and memberships, including \$2,000 for the Redevelopment Association of Idaho.	6,000
642-20 Professional Services - Auditing	Expenses related to the annual financial audit.	5,000
642-30 Professional Services - Computer	An annual shared cost with the City of Moscow for an online software application –WebLOCI and ESRI Business Solutions.	1,000
644-10 Advertising & Marketing Expense	Costs related to general advertising & marketing.	1,000
644-15 Alturas Marketing/Maintenance	Costs related to Marketing and maintaining the Alturas lots held for resale.	4,500
647-10 Travel & Meetings	Commissioners and/or support staff's traveling and meetings expense related to the Agency's business.	1,000
649-10 Professional Development	Expenses related to potential training costs for Executive Director, commissioners and other support staff as appropriate.	1,000
668-10 Liability Insurance	This represents the annual insurance premium for liability, errors and omissions for public officials. 100% of the insurance will be paid by the General Agency.	1,650
669-10 Miscellaneous Expenses	These fees are for incidental expenses incurred by the Agency that are not captured in other categories.	500

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Account Number	General Agency Fund Balances Account Description	2015 Actual	2016 Actual	2017 Budget	2017 12 Month Est.	2018 Proposed
890-000-00-910-00	Beginning Fund Balance Unassigned-General	46,705	50,961	55,461	40,477	17,681
890-899-10-990-00	Ending Fund Balance Unassigned-General	50,961	77,875	56,461	17,681	18,681
890-000-00-910-01	Beginning Fund Balance Assigned - Alturas Portion	0	0	0	32,900	30,900
890-899-10-990-01	Ending Fund Balance Assigned - Alturas Portion	0	0	0	30,900	26,400
	Total General Ending Fund Balances	50,961	77,875	56,461	48,581	45,081

Fiscal Year 2018
Moscow Urban Renewal Agency - General Agency Budget
890-

Line Item	Description	Adopted
000-00-910-00 Beginning Fund Balance Unassigned	Beginning Fund Balance is a resource available from income derived from sources other than tax increment generated by the Legacy District revenue allocation area. This resource is eligible for FY2018 for General Agency expenses.	17,681
899-10-990-00 Ending Fund Balance Unassigned	Ending Fund Balance is funds remaining after all projected expenditures are made against all resources available during the FY2018. The ending fund balance is monies derived from sources other than tax increment generated by the Legacy District revenue allocation area.	18,681
000-00-910-01 Beginning Fund Balance Assigned-Alturas Portion	Beginning Fund Balance is funds for maintenance and marketing of the Alturas lots derived from Alturas Technology Park Urban Renewal Agency Termination Plan.	30,900
899-10-990-01 Ending Fund Balance Assigned-Alturas Portion	Ending Fund Balance is funds remaining after marketing Alturas lots for the budgeted fiscal year. The portion of the Alturas Marketing/Maintenance line (\$4,500) that is not used during this fiscal year will remain in this Fund Balance at fiscal year-end.	26,400

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Alturas Fund

Alturas Revenues		2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
890-000-00-410-00	Property Taxes-Alturas	407,516	0	0	0	0
890-000-00-478-10	Sale of Land-Alturas	0	50	0	0	0
890-000-00-479-01	Refunds & Reimbursements	0	0	0	0	0
Subtotal Alturas Revenues		407,516	50	0	0	0
Total Alturas Revenues		407,516	50	0	0	0

Alturas Expenses						
Account Number	Account Description					
Operational Expenses						
890-890-10-642-10	Professional Services	5,038	154	0	0	0
890-890-10-642-12	Land Sale Expense	0	0	0	0	0
890-890-10-644-10	Advertising & Marketing Expense	711	108	4,000	0	0
890-890-10-647-10	Travel & Meetings	0	0	0	0	0
890-890-10-658-10	Repairs & Maintenance & CC&Rs	14,969	4,017	5,000	0	0
890-890-10-669-10	Miscellaneous Expense	0	0	0	0	0
890-890-10-800-00	Termination Plan		849,956	0	0	0
Subtotal Operational Expenses		20,718	854,235	9,000	0	0

Capital Outlay						
Account Number	Account Description					
890-890-10-770-73	Improvements	0	0	0	0	0
Subtotal Capital Outlay		0	0	0	0	0

Alturas Transfers						
Account Number	Account Description					
890-890-10-890-00	Transfer to: General Fund	0	58,024	0	0	0
Subtotal Transfers		0	58,024	0	0	0

Fiscal Year 2018
Moscow Urban Renewal Agency - Alturas Budget
890

Line Item	Description	Adopted
000-00-410-00 Property Taxes-Alturas	The Alturas Technology Park Urban Renewal District Revenue Allocation Area will be closed in 2015 and no additional tax revenues will be received by the Agency from the District.	0
000-00-478-10 Sales of Land-Alturas	Sale of lots in Alturas park.	0
890-10-642-10 Professional Services	Professional services including legal, engineering support, appraisal & valuation and expenses associated with the development of the Alturas Technology Park Close-Out Plan.	0
890-10-642-12 Land Sale Expense	This cost represents expenses relating to land sales.	0
890-10-644-10 Advertising & Marketing Expense	Advertising & marketing expenses the Agency may incur in relation to lot sales, publications, and hearing notices.	0
890-10-647-10 Travel & Meetings	Executive Director, commissioners and/or support staff's traveling and meetings expense directly related to Alturas Technology Park.	0
890-10-658-10 Repairs & Maintenance & CC&Rs	Costs associated with necessary repairs and maintenance for Alturas Technology Park. This item has been moved to the General Agency Expenses after the termination of the Alturas District.	0
890-10-669-10 Miscellaneous Expense	Expenses directly related to Alturas Technology Park not specifically covered in other line items.	0
800-00 RAA Termination Plan	This cost represents the anticipated tax increment funds to be disbursed to the taxing entities at the closure of the Alturas Revenue Allocation Area.	0
890-10-890-00 Transfer to: General Agency Fund	Transfers to cover General Agency Expenses.	0

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Alturas Debt Service		2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
890-899-11-790-01	Bond Principal-Alturas	109,948	0	0	0	0
890-899-11-791-01	Bond Interest-Alturas	4,890	0	0	0	0
	Subtotal Debt Service	114,838	0	0	0	0
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	Total Alturas Expenses	135,556	912,259	9,000	0	0
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Alturas Fund Balances						
Account Number	Account Description					
890-000-00-911-00	Beginning Fund Balance Assigned-Alturas	639,513	935,281	0	0	0
890-000-00-911-01	Beginning Fund Balance Restricted-Alturas	115,171	0	50,900	0	0
890-899-11-990-00	Ending Fund Balance Assigned-Alturas	935,281	0	0	0	0
890-899-11-990-01	Ending Fund Balance Restricted-Alturas	0	0	41,900	0	0
	Total Alturas Ending Fund Balances	935,281	0	0	0	0

Fiscal Year 2018
Moscow Urban Renewal Agency Debt Service – Alturas Budget
890

Line Item	Description	Adopted
11-790-01 Bond Principal - Alturas	This Bond was paid in full FY 2015.	0
11-791-01 Bond Interest - Alturas	This Bond was paid in full FY 2015.	0
911-00 Assigned - Alturas	Following the termination of the Alturas District Revenue allocation area all remaining fund has been distributed back to the taxing districts in accordance with the termination plan.	0
11-990-00 Assigned - Alturas	Following the termination of the Alturas District Revenue allocation area all remaining fund has been distributed back to the taxing districts in accordance with the termination plan.	0
911-01 Restricted - Alturas	Following the termination of the Alturas District Revenue allocation area all remaining fund has been distributed back to the taxing districts in accordance with the termination plan.	0
11-990-01 Restricted - Alturas	Following the termination of the Alturas District Revenue allocation area all remaining fund has been distributed back to the taxing districts in accordance with the termination plan.	0

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Legacy Crossing Fund						
	Legacy Crossing Revenues	2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
890-000-00-410-01	Property Taxes-Legacy	179,241	179,552	182,500	199,264	228,980
890-000-00-431-11	EPA Clean-up Grant - Legacy	4,513	145,940	0	39,985	0
890-000-00-478-11	Sale of Land-Legacy	0	0	500,000	218,500	0
	Total Legacy Crossing Revenues	183,754	325,492	682,500	457,749	228,980
	Legacy Crossing Transfer In					
Account Number	Account Description					
890-000-00-498-01	Transfer In: Capital Fund - Legacy	0	0	0	0	0
	Transfer In: Capital Fund	0	0	0	0	0
	Legacy Crossing Expenses					
Account Number	Account Description					
890-895-10-642-10	Professional Services	7,867	4,447	10,000	6,500	10,000
890-895-10-642-12	Land Sale Expense	0	3,850	10,000	5,000	0
890-895-10-644-10	Advertising & Marketing Expense	198	0	2,000	0	2,000
890-895-10-647-10	Travel & Meetings	0	0	1,000	0	1,000
890-895-10-652-10	Heat, Lights & Utilities	2,022	2,151	2,000	2,000	2,000
890-895-10-669-10	Miscellaneous Expense	0	171	1,000	0	1,000
890-895-10-675-00	Fiscal Agent Trustee Fees	1,500	1,500	1,750	1,750	1,750
890-895-10-676-17	Owner Participation Agreements	5,423	10,966	8,340	8,029	21,385
	Subtotal Operational Expenses	17,010	23,085	36,090	23,279	39,135
	Legacy Crossing Contingency					
Account Number	Account Description					
890-895-10-900-01	Contingency	0	0	15,000	0	15,000
	Subtotal Contingency	0	0	15,000	0	15,000

Fiscal Year 2018
Moscow Urban Renewal Legacy - Legacy Crossing Budget
890

Line Item	Description	Adopted
000-00-410-01 Property Taxes - Legacy	The estimate of tax increment from the Legacy Crossing District has stabilized since 2013 after a dramatic decrease due to a Latah County tax increment calculation error discovered in FY 2012. We are estimating an increase of 25% over the FY 2017 tax increment due to new development within the Legacy tax allocation area including the Gritman Medical Office project, Varsity Diner and Dawson's Corner building.	228,980
000-00431-11 EPA Clean-up Grant	Environmental Protection Agency (EPA) Grant for Brownfield Clean-up at 6 th and Jackson lot owned by Legacy Crossing District. This grant was closed out in 2017 and no additional revenues will be received.	0
000-00-478-11 Sale of Land - Legacy	Sale of Legacy Crossing property at 6th and Jackson.	0
000-00-498-01 Transfer In: Capital Fund Legacy	Transfers from the Legacy Capital Fund to the Legacy Fund	0
895-10-642-10 Professional Services	Legal fees relating to the preparation of the disposition and development agreement for the property located at 6th & Jackson. Predevelopment soft costs for design, engineering and permits relating to items like "Hello Walk project or other participation costs.	10,000
895-10-642-12 Land Sale Expense	Costs associated with the sale of 6th and Jackson property.	0
895-10-644-10 Advertising & Marketing Expense	Advertising & marketing expenses the Agency may incur in relation to Legacy Crossing District.	2,000
895-10-647-10 Travel & Meetings	Executive Director, commissioners and/or support staff's traveling and meetings expense directly related to Legacy Crossing.	1,000
895-10-652-10 Heat, Lights & Utilities	Utilities directly related to the property located at 6 th & Jackson.	2,000
895-10-669-10 Miscellaneous Expense	Expenses directly related to Legacy Crossing District not specifically covered in other line items.	1,000
895-10-675-00 Fiscal Agent Trustee Fees	This expense is the annual fees associated with the Bond held by Legacy Crossing.	1,750
895-10-676-17 Owner Participation Agreements	Owner Participation Agreements between the Agency and the owners/developers are based on 50% of increment generated from the remodeled/re-purposed property (50% of the increment will be retained by the Agency). Participants include: Fields Holding Company, Gritman Medical, Dawson's Corner, Larry Swanger, and Anderson Group, LLC.	21,385
895-10-900-01 Contingency	Contingency for Legacy Crossing District to address unanticipated shortfalls in either revenue or unanticipated expenses.	15,000

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Legacy Crossing Capital Outlay		2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
890-895-10-770-73	Improvements	0	145,940	500,000	369,384	0
	Subtotal Capital Outlay	4,513	145,940	500,000	369,384	0
Legacy Crossing Transfers						
Account Number	Account Description					
890-895-10-890-00	Transfer To: General Agency Fund	0	0	0	35,000	65,391
890-895-10-890-01	Transfer To: Capital Fund	0	0	1,825	10,721	232,310
	Subtotal Transfers	0	0	1,825	45,721	297,700
Legacy Crossing Debt Service						
Account Number	Account Description					
890-899-12-790-01	Bond Principal-Legacy	24,000	25,000	374,000	374,000	0
890-899-12-791-01	Bond Interest-Legacy	19,486	15,632	17,286	17,287	0
890-895-10-676-15	Latah County Reimbursement Agreement	4,000	2,000	2,000	3,500	3,500
	Subtotal Debt Service	47,486	42,632	393,286	394,787	3,500
	Total Legacy Crossing Expenses	69,009	211,657	946,201	833,170	355,336
Legacy Crossing Fund Balances						
Account Number	Account Description					
890-000-00-912-00	Beginning Fund Balance Assigned-Legacy	226,568	367,021	418,603	480,855	149,746
890-000-00-912-01	Beginning Fund Balance Restricted-Legacy	69,312	44,312	69,315	44,312	0
890-899-12-990-00	Ending Fund Balance Assigned-Legacy	367,021	480,855	160,217	149,746	23,390
890-899-12-990-01	Ending Fund Balance Restricted-Legacy	44,312	44,312	0	0	0
	Total Legacy Crossing Ending Fund Balances	411,333	525,167	160,217	149,746	23,390

Fiscal Year 2018
Moscow Urban Renewal Agency - Legacy Crossing Budget
890-

Line Item	Description	Adopted
895-10-770-73 Improvements	This item is for various infrastructure improvement projects within the Legacy Crossing District. These expenditures have been moved to the Legacy Capital Fund beginning in FY2018.	0
895-10-890-00 Transfer To: General Agency	Transfer to General Agency to cover administrative and general expenses.	65,391
958-10-890-01 Transfer To: Capital Fund	Transfer to Legacy Capital Fund to cover capital projects.	232,310
899-12-790-01 Bond Principal - Legacy	The Series 2010A Bonds were issued in the aggregate principal amount of \$510,000, payable on September 1 annually with final maturity on September 1, 2027 or until called on a prior redemption. For fiscal year beginning October 1, 2018 the balance is \$0.00.	0
899-12-791-01 Bond Interest - Legacy	The average coupon rate for the 2010A bond series is 4.527%.	0
895-10-676-15 Latah County Reimbursement Agreement	In 2012 Latah County Assessor's office discovered a miscalculation in assessments resulting in reduced tax increment revenue. An agreement with Latah County was negotiated to repay the mistaken overage of \$115,000. The proposed repayment schedule is attached as Exhibit D.	3,500
000-00-912-00 Beginning Fund Balance Assigned-Legacy	Beginning Fund Balance for FY2018 is a resource made available from income derived from tax increment generated by the Legacy tax allocation area. This resource is eligible for FY2017 as Legacy Crossing District expenses.	149,746
000-00-912-01 Beginning Fund Balance Restricted-Legacy	This resource is restricted for FY2017 for the Legacy Crossing Districts annual debt service payment and is segregated by the bond covenants. It is assumed the bond debt will be retired in FY2017 and this restricted fund will be no longer necessary.	0
899-12-990-00 Ending Fund Balance Assigned-Legacy	Ending Fund Balance for FY2018 and is a resource available from income derived from tax increment generated by the Legacy tax allocation.	23,390
899-12-990-01 Ending Fund Balance Restricted-Legacy	Ending Fund Balance for FY2018 is funds remaining after all projected debt service expenditures are made against Legacy tax resources made available during the FY2018.	0

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Capital Fund						
Account Number	Legacy Capital Revenues Account Description	2015 Actual	2016 Actual	2017 Budget	2017 12 Month Est.	2018 Proposed
895-000-00-498-95	Transfers In: Legacy	0	0	0	10,721	232,310
	Transfers In	0	0	0	10,721	232,310
Capital Fund Earnings						
Account Number	Account Description					
895-000-00-471-00	Investment Earnings	0	0	0	0	0
	Investment Earnings	0	0	0	0	0
Capital Fund Refunds & Reimbursements						
Account Number	Account Description					
895-000-00-479-01	Refunds & Reimbursements	0	0	0	0	0
	Refunds & Reimbursements	0	0	0	0	0
Capital Fund Balance						
Account Number	Account Description					
895-000-00-900-00	Beginning Fund Balance - Assigned	0	0	0	0	10,721
	Beginning Fund Balance - Assigned	0	0	0	0	10,721
	Total Capital Fund Revenue	0	0	0	10,721	243,031

Fiscal Year 2018
Moscow Urban Renewal Agency – Capital Fund Budget
895-000-00

Line Item

Description

Adopted

498-95 Transfers In: Legacy	Transfers in from Legacy.	232,310
471-00 Investment Earnings	Interest earning from investments.	0
479-01 Refunds & Reimbursements	Refunds and reimbursements from outside source.	0
900-00 Beginning Fund Balance - Assigned	Beginning Capital Fund balance.	10,721

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Capital Fund Legacy Expenses		2015	2016	2017	2017	2018
Account Number	Account Description	Actual	Actual	Budget	12 Month Est.	Proposed
895-300-10-770-74	Legacy Public Art Fund	0	0	0	0	0
895-300-10-770-75	Legacy Public Infrastructure	0	0	0	0	0
895-300-10-770-76	Legacy Streetscape	0	0	0	0	15,000
895-300-10-770-77	Legacy Placemaking	0	0	0	0	40,000
895-300-10-770-78	Legacy Special Projects	0	0	0	0	175,000
	Total Capital Fund Expenditures	0	0	0	0	230,000
Capital Fund - Transfers						
Account Number	Account Description					
895-300-10-890-95	Transfers To: Legacy	0	0	0	0	0
	Transfers To: Legacy	0	0	0	0	0
Capital Fund Balances						
Account Number	Account Description					
895-300-10-990-00	Ending Fund Balance - Assigned	0	0	0	10,721	13,031
	Ending Fund Balance - Assigned	0	0	0	10,721	13,031
	Total Capital Fund Expenditures and Balance	0	0	0	10,721	243,031

Fiscal Year 2018
Moscow Urban Renewal Legacy – Capital Fund Budget
895-300-10

Line Item	Description	Adopted
770-74 Legacy Public Art Fund	Expenditures related to public art installations within the Legacy Crossing District	0
770-75 Legacy Public Infrastructure	Expenditures related to public infrastructure improvements within the Legacy Crossing District	0
770-76 Legacy Streetscape	Anticipated general streetscape improvements within the Legacy Crossing District in accordance with the Agency's adopted Capital Improvement Plan	15,000
770-77 Legacy Placemaking	Funding for the South Couplet Beautification Improvements in accordance with the (\$20,000) and public art installation at the 6 th and Jackson Property (\$20,000)	40,000
770-78 Legacy Special Projects	Funding for the completion of the Hello Walk Improvement across the Agency's Sixth and Jackson Property (\$175,000)	175,000
890-95 Transfers To: Legacy	Transfers to Legacy operational fund	0
990-00 Ending Fund Balance - Assigned	Assigned for Capital Projects	13,031

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Sources and Uses Budget Statement	2015	2016	2017	2017	2018
	Actual	Actual	Budget	12 Month Est.	Proposed
Sources					
Revenue	596,234	387,408	683,500	495,020	295,370
Beginning Fund Balance	1,097,269	1,397,575	594,279	598,544	198,327
Total Sources	1,693,503	1,784,983	1,277,779	1,093,564	493,697
Uses					
Expenses	295,929	1,181,941	1,019,201	895,237	425,226
Ending Fund Balance	1,397,575	603,042	258,578	198,327	68,471
Total Uses	1,693,504	1,784,983	1,277,779	1,093,564	493,697
	(\$0)	\$0	\$0	\$0	\$0

MOSCOW URBAN RENEWAL AGENCY FY 2018 BUDGET

FISCAL YEAR October 1, 2017 to September 30, 2018

Account Description	PROPOSED REVENUES:			
	2016 Actual	2017 Adopted Budget	2017 12 Month Est.	2018 Proposed Budget
Total Tax Increment	\$ 179,552	\$ 182,500	\$ 199,264	\$ 228,980
Total Intergovernmental Revenue	\$ 145,940	\$ -	\$ 39,985	\$ -
Total Miscellaneous Income	\$ 61,916	\$ 501,000	\$ 255,771	\$ 66,391
Total Revenue	\$ 387,408	\$ 683,500	\$ 495,020	\$ 295,370
Beginning Fund Balance	\$ 1,397,575	\$ 594,279	\$ 598,544	\$ 198,327
Total Resources Available	\$ 1,784,983	\$ 1,277,779	\$ 1,093,564	\$ 493,697

Account Description	PROPOSED EXPENDITURES:			
	2016 Actual	2017 Adopted Budget	2017 12 Month Est.	2018 Proposed Budget
Total Expenses	\$ 143,412	\$ 125,915	\$ 500,450	\$ 191,726
Total Debt Service	\$ 42,632	\$ 393,286	\$ 394,787	\$ 3,500
Total Other Financing Uses	\$ 849,956	\$ -	\$ -	\$ -
Total Capital Outlay	\$ 145,940	\$ 500,000	\$ -	\$ 230,000
Total Expenditures	\$ 1,181,941	\$ 1,019,201	\$ 895,237	\$ 425,226
Ending Fund Balance	\$ 603,042	\$ 258,578	\$ 198,327	\$ 68,471
Total Expenditures	\$ 1,784,983	\$ 1,277,779	\$ 1,093,564	\$ 493,697

**MOSCOW URBAN RENEWAL AGENCY
RESOLUTION NO. 2017-02**

A RESOLUTION OF THE MOSCOW URBAN RENEWAL AGENCY, AUTHORIZING THE ADOPTION OF AN ANNUAL BUDGET FOR FILING WITH THE LOCAL GOVERNING BODY, FOR INFORMATIONAL PURPOSES, PURSUANT TO IDAHO CODE 50-2006; AND PROVIDING THAT THIS RESOLUTION BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

WHEREAS, the Moscow Urban Renewal Agency (Agency) was duly created pursuant to Idaho law by the Moscow City Council via Resolution 95-13; and

WHEREAS, the Agency is required to adopt an annual budget for filing with the local governing body, the City of Moscow; pursuant to Idaho Code 50-2006(3)(d); and

WHEREAS, the Agency is further required to comply with the open meetings law pursuant to Chapter 23, Title 67, Idaho Code, and as such set an annual budget hearing, noticed for August 3rd, 2017; and

WHEREAS, the Agency conducted a public hearing and approved budget Resolution 2017-02 on August 3rd, 2017.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MOSCOW URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1: There is hereby appropriated out of any monies in the treasury of the Urban Renewal Agency of Latah County, City of Moscow, Idaho, not otherwise appropriated, and out of any revenue which said Urban Renewal Agency may acquire between the first day of October, 2017, and the thirtieth day of September, 2018, in the amount of four hundred ninety three thousand six hundred and ninety seven dollars (\$493,697) for the purpose of defraying all necessary expenses and liabilities of such agency for the fiscal year beginning the first day of October, 2017, and ending the thirtieth day of September, 2018.

Section 2: The following provides the total revenues, beginning fund balance, total resources, total expenditures, ending fund balance, and total budget for the Moscow Urban Renewal Agency for the fiscal year beginning the first day of October, 2017, and ending the thirtieth day of September, 2018:

Total Revenue	\$	295,370	Total Expenditures	\$	425,226
Beginning Fund Balance	\$	198,327	Ending Fund Balance	\$	68,471
Total Resources	\$	493,697	Total Urban Renewal Budget	\$	493,697

Section 3: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Moscow Urban Renewal Agency, this 3rd day of August, 2017.

, Acting Chair

ATTEST:

Gary Riedner, Interim Treasurer

**NOTICE OF PUBLIC HEARING
MOSCOW URBAN RENEWAL AGENCY (MURA)
PROPOSED BUDGET FOR FISCAL YEAR 2017-2018 (FY2018)**

A PUBLIC HEARING, PURSUANT TO IDAHO CODE 50-1002, 50-2001 et seq. and 50-2903 will be held for consideration of the proposed budget for the fiscal year from October 1, 2017 to September 30, 2018. The hearing will be held at Moscow City Hall Council Chambers, 206 East Third Street, Moscow, Idaho, on **August 3rd, 2017 at 7:00 a.m.** All interested persons are invited to appear and show cause, if any, why such budget should or should not be adopted. City Hall is accessible to persons with disabilities. Anyone desiring accommodations for disabilities please call the MURA Clerk's office at 208-883-7035 at least 48 hours prior to the public hearing. Detailed copies of the proposed budget are available at the Paul Mann Building, 221 E. Second Street, during regular office hours (8:00 a.m. to 5:00 p.m. weekdays). You may also call the MURA Executive Director's office at 208-883-7011, or submit written comments or questions to MURA Executive Director, 221 E. Second Street, Moscow, ID 83843. The proposed FY2018 budget is shown below as FY2018 proposed revenues and expenditures.

PROPOSED REVENUES:			
Account Description	FY2016 Actual	FY 2017 Adopted Budget	FY2018 Proposed Budget
Total Tax Increment Revenue	\$ 179,552	\$ 182,500	\$ 228,980
Total Intergovernmental Income	\$ 145,940	\$ -	\$ -
Total Miscellaneous Income	\$ 61,916	\$ 501,000	\$ 66,391
Total Revenue	\$ 387,408	\$ 683,500	\$ 295,370
Beginning Fund Balance	\$ 1,397,575	\$ 594,279	\$ 198,327
Total Resources Available	\$ 1,784,983	\$ 1,277,779	\$ 493,697

PROPOSED REVENUES:			
Account Description	FY2016 Actuals	FY 2017 Adopted Budget	FY2018 Proposed Budget
Total Expenses	\$ 143,412	\$ 125,915	\$ 191,726
Total Debt Service	\$ 42,632	\$ 393,286	\$ 3,500
Total Other Financing Uses	\$ 849,956	\$ -	\$ -
Total Capital Outlay	\$ 145,941	\$ 500,000	\$ 230,000
Total Expenditures	\$ 1,181,941	\$ 1,019,201	\$ 425,226
Ending Fund Balance	\$ 603,042	\$ 258,578	\$ 68,471
Totals	\$ 1,784,983	\$ 1,277,779	\$ 493,697

Submission Date: July 19, 2017
Publication Dates: July 22 and July 29, 2017

Gary J. Riedner, Interim Treasurer

Bill Belknap

From: Danielle Quade <DQuade@hawleytroxell.com>
Sent: Friday, July 21, 2017 2:54 PM
To: Gary Riedner; Bill Belknap
Cc: Ryan Armbruster; Kristin Bjorkman
Subject: Consent to Campus Partners Assignment of URA Reimbursement [IWOV-IMANAGE.FID854842]
Attachments: image003.png; image005.png; image007.png; image009.jpg; image011.png; image018.png; 4829-9789-8316.1 - Collateral Assignment of Contract Rights (Participation Agreement)-c.docx

Gary and Bill,

As I described in my conversation with Gary a couple of weeks ago, one of my partners is representing Campus Moscow Property Owner LLC who is the successor in interest to FH Vandals LLC in an Owner Participation Agreement with Moscow URA. They have received a loan from Great Southern Bank and a requirement of the first draw is that they provide an assignment of their rights under the OPA. As I expected, lender's counsel has requested the Agency's consent to the assignment. The form of the Assignment and Agency consent is attached. I've copied Ryan, as your counsel. Please review the consent and let us know it is acceptable or if you have comments.

Thanks much,

DQ

S. C. DANIELLE QUADE

Partner

direct 208.765.7693

fax 208.954.5285

email dquade@hawleytroxell.com

HAWLEY TROXELL

Attorneys and Counselors



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COLLATERAL ASSIGNMENT OF CONTRACT RIGHTS

This Collateral Assignment of Contract Rights ("**Assignment**") is made effective the _____ day of 2017, by **CAMPUS MOSCOW PROPERTY OWNER, LLC**, a Delaware limited liability company (the "**Assignor**"), in favor of **GREAT SOUTHERN BANK**, a Missouri state chartered trust company, its successors and assigns ("**Agent**"), as agent for the Lenders (as defined below).

WHEREAS, Assignor's predecessor-in-interest entered into that certain Owner Participation Agreement dated June 16, 2016 (the "**Participation Agreement**"), with the Moscow Urban Renewal Agency, an Idaho Urban Renewal agency (the "**Agency**"), wherein, among other things, Assignor agrees to advance funds to construct the project described therein with the agreement of Agency to reimburse to Assignor for a portion of the total amount of funds advanced;

WHEREAS, on February 4, 2016, the Agency resolved to reimburse to Assignor the total amount of \$350,000.00 ("**Reimbursement Payments**"), to be paid from tax increment revenues in the _____ Urban Renewal District, as such revenues become available to the Agency and in accordance with Agency policies;

WHEREAS, pursuant to the terms of a certain Construction Loan Agreement (the "**Loan Agreement**") dated as of July 7, 2017 by and among Agent, Assignor, and the financial institutions described therein (the "**Lenders**"), the Lenders have made a loan (the "**Loan**") to Assignor in the original principal amount of \$18,720,000.00;

WHEREAS, Assignor has executed and delivered to Lenders those certain Syndicated Promissory Notes dated July 7, 2017 payable to Lenders in the aggregate principal amount of \$18,720,000.00 (said notes and any and all extensions and renewals thereof, amendments thereto and substitutions or replacements therefor are referred to herein as the "**Note**"), which Note evidences the Loan;

WHEREAS, in consideration of the Loan and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor desires to collaterally assign to Agent all of Assignor's right, title and interest in the Reimbursement Payments, and Agent desires to accept a collateral assignment of all of Assignor's right, title and interest in the Reimbursement Payments;

WHEREAS, pursuant to the Loan Agreement, to secure payments under the Note, Assignor grants to the Agent, and as additional security, Agent has required, among other terms and conditions, full execution and delivery of this Assignment.

THEREFORE:

1. To further secure its obligations under the Note, Assignor hereby collaterally assigns to Agent and grants to Agent a security interest in all of Assignor's presently existing and hereafter arising contract rights in the Participation Agreement, together with all renewals, modifications, amendments and extensions thereof, and all existing and hereafter arising accounts and/or rights to receive payments associated therewith, rights to any claims and/or damages with respect thereof, and any and all proceeds from any of the foregoing, including but not limited to the Reimbursement Payments (collectively the "**Contract Rights**").

2. Assignor covenants to Agent as follows:

- A. Assignor shall duly perform its obligations under the Participation Agreement, and shall not cause or allow a default on its part thereunder.
- B. Assignor hereby agrees that it will not enter into any agreement to amend the Participation Agreement in any respect without Agent's prior written consent, which consent Agent may withhold in its absolute discretion for so long as the Note is outstanding.
- C. Assignor covenants to Agent that it shall not grant or allow any security interest or lien to attach to the Contract Rights, except for the security interest provided for herein.
- D. Assignor agrees to take such action that Agent may reasonably request at any time to perfect Agent's security interest in the Contract Rights, whether currently existing or hereafter arising.
- E. Assignor warrants that it has not previously assigned or otherwise transferred to any person or entity other than Assignee any of the rights, title or interests to the Contract Rights being assigned by this Assignment.

3. Assignor agrees that upon a default under the Loan and any documents related thereto, including but not limited to the Note, without any agreement or acknowledgment of such default by Assignor, Agent may notify Agency in writing of Assignor's default and if Agent so notifies Agency, Agent may proceed to obtain a direct assignment of the Contract Rights, without further acknowledgment or agreement by Assignor.

4. This Assignment shall remain in full force and effect until full satisfaction of the Note by Assignor.

5. This Assignment may not be modified except by means of a writing signed by both parties. This Assignment shall be binding upon and shall inure to the benefit of Agent and its successors, and assigns. No third party shall have any rights or benefits hereunder. This Assignment shall be construed and enforced according to the laws of the State of Idaho.

*[The remainder of this page has been left blank intentionally;
the following page is the signature page.]*

WHEREFORE, the Assignor does hereby make this Assignment to Agent, on the dates indicated by their respective signatures.

Date: _____

Assignor:

**CAMPUS MOSCOW PROPERTY
OWNER, LLC**, a Delaware limited liability
company

By: _____

Name: Thomas M. Scott

Title: Authorized Signatory

CONSENT TO ASSIGNMENT AND AGREEMENT

Moscow Urban Renewal Agency (the "Agency") consents to Assignor's collateral assignment herein of the Contract Rights to Agent. Upon written notice by Agent to Agency that Assignor is in default of the Loan and any documents related thereto, including but not limited to the Note (and without any agreement or acknowledgment of such default by Assignor), Agency hereby agrees to make all Contract Rights after the date it receives such notice of Agent of Assignor's default of the Loan and any documents related thereto, including but not limited to the Note, directly to Agent or Agent's heirs, successors or assigns on a semi-annual basis as tax increment revenue becomes available and otherwise according to the terms of the Participation Agreement. Notices to Agent shall be sent to: 221 East Second Street, Moscow, Idaho, Attn: _____.

MOSCOW URBAN RENEWAL AGENCY

Date: _____

By: _____
Its: _____