

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made and executed on the 23rd day of July, 2009, by and between North Idaho College Foundation, an Idaho non-profit corporation, Lessor, herein referred to as "FOUNDATION", and North Idaho College, a community college district organized pursuant to the laws of the State of Idaho, Lessee, herein referred to as "COLLEGE".

WITNESSED:

- A. The COLLEGE would like to have the right to occupy and, if possible, acquire title to certain property which adjoins the college campus in Coeur d'Alene, Idaho, which property is generally referred to as the Mill Site and is more particularly described in Exhibit "A" which is attached hereto and by this reference made a part hereof (the "Property").
- B. The FOUNDATION will acquire title to the Property and is willing to lease the Property to the COLLEGE including granting the COLLEGE the right to acquire title to the Property.
- C. The COLLEGE currently has \$4,000,000 in legally available funds which includes the funds held in escrow for the FOUNDATION by North Idaho Title which can be used to prepay rent under a lease from the FOUNDATION to the COLLEGE to reduce the amount of future lease payments due under the lease but the COLLEGE cannot promise or otherwise obligate itself to make future payments under a lease with the FOUNDATION.
- D. The FOUNDATION, in consideration of the risk it faces if the COLLEGE does not make future payments under the lease, and in consideration for reducing the amount of future lease payments, is willing to accept \$4,000,000 from the COLLEGE for prepayment of rent under the lease.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements set forth herein and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Leased Property. FOUNDATION leases to COLLEGE and COLLEGE leases from FOUNDATION, for COLLEGE'S lawful purpose, real property with appurtenances attached thereto, generally described as the Mill Site and more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof. As used herein, the term "Property" refers to the real property above-described and to any improvements located thereon during the term hereof.

1.1 FOUNDATION acquired the Property from Mill Sites, LLC/Stimson Lumber Company for the benefit of the COLLEGE by issuing that certain promissory

note designated "North Idaho College Foundation Mill Site Project Promissory Note, 2009"(the "Note") to Mountain West Bank (the "Bank").

1.2 COLLEGE agrees as long as the Note remains outstanding, that the COLLEGE will use and permit the use of the Property only in a manner which will preserve the 501(c)3 status of the FOUNDATION and COLLEGE will not take any action or omit to take any action with respect to the Note, the proceeds thereof, any other funds of the COLLEGE or the proceeds thereof, or the Property financed if such action or omission (i) would cause the interest of the Note to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause the Note to become "specified private activity bonds" within the meaning of Section 57(a)(5)(C) of the Code, or (iii) would cause interest of the Note to lose its exclusion from Idaho taxable income under present Idaho law. This covenant does not preclude the COLLEGE from choosing not to renew this Lease pursuant to Section 2 below, and in the event the Lease is not renewed, the COLLEGE is no longer bound hereby.

2. Term. This Lease shall become effective July 23, 2009, and shall expire at midnight July 22, 2010, or as otherwise provided in this Lease or such sooner date as the Note and the interest thereon shall have been fully paid and retired.

2.1 COLLEGE may, solely at its option, and when it duly budgets and appropriates funds therefore from revenues legally available to it for the ensuing fiscal year, renew this Lease for an additional annual renewal term. Each annual renewal of this Lease shall be deemed to be exercised by the COLLEGE upon the adoption on or before June 30 of each year, of a budget for the ensuing fiscal year, duly budgeting and appropriating the amount of money required to make the Lease payments during such year. Within ten (10) days following the adoption of a budget duly budgeting and appropriating said funds for the ensuing year, COLLEGE shall deliver to the FOUNDATION a written statement certifying that it has duly budgeted and appropriated said funds for the ensuing year, which written statement shall be accompanied by a copy of the budget so adopted. Each renewal term shall commence on July 23 of the fiscal year following adoption of the budget as provided hereinabove and shall terminate on July 22 of the following calendar year.

2.2 Subject to the preceding sections, this Lease may be renewed for a total of not more than four (4) consecutive one-year terms commencing on July 23 and ending on July 22 of each following year.

3. Payments. COLLEGE hereby pays FOUNDATION \$4,000,000 which includes the funds held in escrow for the Foundation by North Idaho Title as prepaid rent to reduce the number of annually renewable lease terms and lease payments hereunder including payments to be made in 2009. Such lease payments, when and if appropriated through the annual budgetary process of the COLLEGE as set forth in paragraph 2.1, will be payable semi-annually in the amount of \$1,074,134.02 commencing February 1, 2010 and thereafter on August 1 and February 1 of each year of said appropriation. Said payments shall be made from legally available, annually appropriated, funds of the COLLEGE.

4. Warranties of Title and Quiet Possession. FOUNDATION covenants that FOUNDATION has full right to make this Lease and that COLLEGE shall have quiet and peaceable possession of the Property during the term hereof.
5. Delivery of Possession. FOUNDATION shall deliver possession of the Property to COLLEGE at the commencement of the Lease term hereunder.
6. Subordination to Mortgage. COLLEGE agrees that this Lease is subject and subordinate to the Deed of Trust executed by FOUNDATION in favor of the Bank to secure the Note (the "Deed of Trust"), which Deed of Trust encumbers the Property. This clause is to be self-executing and no mortgagee shall require any further instrument of subordination.
7. Restrictions on Use. COLLEGE shall occupy and use the Property for lawful purposes. COLLEGE shall not use, or permit the Property or any part thereof, to be used for any unlawful purpose or purposes; and no use shall be made or permitted to be made of the Property, or acts done, which will cause a cancellation of any insurance policy covering any improvements located on the Property, or any part thereof, nor shall COLLEGE sell, or permit to be kept, used, or sold, in or about the Property, any article which may be prohibited by the standard form of fire insurance policies. COLLEGE shall, at its sole cost, comply with all requirements, pertaining to the Property, of any insurance organization or company, necessary for the maintenance of insurance, as herein provided, covering any improvements at any time located on the Property. COLLEGE shall perform all routine repairs and maintenance necessary to maintain the Mill Site in good condition.
8. Waste and Nuisance Prohibited. During the term of this Lease, COLLEGE shall comply with all applicable laws affecting the Property, the breach of which might result in any penalty on FOUNDATION or forfeiture of FOUNDATION'S title to the Property. COLLEGE shall not commit, or suffer to be committed, any waste on the Property, or any nuisance.
9. Encumbrance of COLLEGE'S Leasehold Interest. For so long as the Note is outstanding, with FOUNDATION'S written consent, which consent shall not be unreasonably withheld, COLLEGE may encumber by mortgage or deed of trust, or other proper instrument, its leasehold interest and estate in the Property, together with all buildings and improvements placed by COLLEGE thereon, as security for any indebtedness of COLLEGE. Notwithstanding the previous sentence hereof, COLLEGE agrees that such encumbrances, if any, shall be satisfied in full and terminated and released of record upon redemption of the Note.
10. Subletting and Assignment. COLLEGE shall not assign or transfer to any third party this Lease, or any interest herein, without the prior written consent of FOUNDATION, which shall not be unreasonably withheld, and any consent shall not be deemed to be consent to any subsequent assignment.
11. Signage and Easements. COLLEGE shall have the right to enter into reasonable agreements with utility companies creating easements in favor of such companies as are required in order to service any improvements made by COLLEGE on the Property. FOUNDATION covenants and agrees to consent thereto and to execute any and all documents, agreements and

instruments, and to take all other actions, in order to effectuate the same, all at COLLEGE'S cost and expense. FOUNDATION also agrees to allow COLLEGE to post signage on the Property.

12. Notices. All notices, demands, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered with receipt requested and postage prepaid, addressed as follows:

To Foundation: North Idaho College Foundation
 1000 West Garden Avenue
 Coeur d'Alene, Idaho 83814
 Attention: Executive Director

To College: North Idaho College
 1000 West Garden Avenue
 Coeur d'Alene, Idaho 83814
 Attention: President

Said address to which any notice, demand, or other writing may be given or made or sent to any party may be changed by written notice given by such party as above provided.

13. Taxes and Assessments.

13.1 Taxes and Additional Rent. During the entire term hereof, as additional rental hereunder, COLLEGE shall pay and discharge any and all taxes that may become due on the Property as they become due, promptly and before delinquency, along with all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, governmental charges related to the leasehold of COLLEGE, or on or against COLLEGE'S estate hereby created which may be a subject of taxation, or on or against FOUNDATION by reason of its ownership of the fee underlying this Lease.

13.2 Assessments Affecting Improvements. Specifically and without in any way limiting the generality of the foregoing, COLLEGE shall pay all special assessments and levies or charges made by any municipal or political subdivision for local improvements, and shall pay the same in cash as they shall fall due and before they shall become delinquent and as required by the act and proceedings under which any such assessments or levies or charges are made by any municipal or political subdivision. If the right is given to pay either in one sum or in installments, COLLEGE may elect either mode of payment and its election shall be binding on FOUNDATION. If, by making any such election to pay in installments, any of such installments shall be payable after the termination of this Lease or any extended term thereof, such unpaid installments shall be prorated as of the date of termination, and amounts payable after such date shall be paid by FOUNDATION. All of the taxes and charges under this section shall be prorated at the commencement and expiration of the term hereof.

13.3 Contesting Taxes. If COLLEGE shall in good faith desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge herein agreed to be paid by COLLEGE, COLLEGE shall be permitted to do so, and to defer payment of such tax or charge, until the validity or amount so contested is finally determined. FOUNDATION may by written notice, during the period of the contest, demand a good and sufficient surety bond or other security against any such tax, levy, assessment, rate, or governmental charge, and from any costs, liability, or damage arising out of any such contest.

13.4 Disposition of Rebates. All rebates on account of any such taxes, rates, levies, charges, or assessments required to be paid by COLLEGE under the provisions hereof shall belong to COLLEGE, and FOUNDATION will, on the request of COLLEGE, execute any receipts, assignments, or other acquittances that may be necessary to recover any such rebates, and FOUNDATION will pay over to COLLEGE any such rebates that may be received by FOUNDATION.

13.5 Receipts. If FOUNDATION shall require, COLLEGE shall obtain and deliver receipts or duplicate receipts for all taxes, assessments, and other items required hereunder to be paid by COLLEGE.

14. Construction/Improvements. COLLEGE shall have the right to construct improvements on the Property during the term of this Lease under the following conditions.

14.1 Plans and Specifications. On or before commencement of any construction of improvements the value of which exceeds \$100,000, COLLEGE shall, at COLLEGE'S sole expense, prepare pertinent plans and specifications. A copy of such plans and specifications shall be submitted to the FOUNDATION. COLLEGE shall, at COLLEGE'S sole expense, secure financing and such other permits as may be necessary to enable COLLEGE to construct such improvements.

14.2 Alterations, Improvements, and Changes Permitted. COLLEGE shall have the right to make such alterations, improvements, and changes to the improvements as COLLEGE may deem necessary so long as the value of the property is not adversely affected.

14.3 Cooperation. FOUNDATION agrees and covenants to cooperate fully with COLLEGE and with any public or private entity as to the securing of any zone changes or other land use regulation changes concerning the Property. This includes, without limitation the execution of any permit applications.

14.4 Disposition of New Improvements. The COLLEGE shall have the exclusive use of any new building and any alterations and improvements constructed thereto by COLLEGE on the Property, and should COLLEGE obtain title to the Property, such improvements shall remain on the Property and title thereto shall pass to COLLEGE.

15. Repairs and Destruction of Improvements. COLLEGE shall, throughout the term of this Lease, at its own cost, and without any expense to FOUNDATION, keep and maintain the Property, including all buildings and improvements of every kind which may be built thereon by COLLEGE and become a part thereof, and all appurtenances thereto, including sidewalks adjacent thereto, in good, sanitary, and neat order, condition and repair, and, except as specifically provided herein, restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty, or other cause whatsoever. FOUNDATION shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description, whatsoever to the Property or any buildings or improvements thereon. COLLEGE shall also comply with and abide by all federal, state, county, municipal, and other governmental statutes, ordinances, laws, and regulations affecting the Property, the improvements thereon or any activity or condition on or in such Property.

15.1 Damage to and Destruction of Improvements. The damage, destruction, or partial destruction of any building or other improvement which is part of the Property shall not release COLLEGE from any obligation hereunder, except as hereinafter expressly provided, and in case of damage to or destruction of any such building or improvement, COLLEGE shall at COLLEGE'S own expense promptly repair and restore the same to the same or better condition as existed prior to such damage or destruction. Without limiting such obligations of COLLEGE, it is agreed that the proceeds of any insurance covering such damage or destruction shall be made available to COLLEGE for such repair or replacement.

15.2 Waiver of Subrogation Rights. Anything in this Lease to the contrary notwithstanding, COLLEGE and FOUNDATION each hereby waives any and all rights of recovery, claim, action or cause of action, against the other, its agents, officers, directors, shareholders or employees, for any loss or damage that may occur to the Property, or any improvements thereto or said buildings of which the Property is a part, or any improvements thereto or any personal property of such party therein, by reason of fire, the elements, or any other cause which could be insured against under the terms of standard fire, extended coverage and all other perils insurance policies, regardless of cause or origin, including negligence of the other party hereto, its agents, officers or employees, and covenants that no insurer shall hold any right to subrogation against such other party. This subrogation waiver shall not relieve either party of liability for loss or damage that is expected or intended or otherwise not covered by property and/or casualty insurance.

16. Liens Except for those encumbrances referenced in Section 9 above, COLLEGE shall keep all of the Property and improvements located thereon free and clear of any and all liens, and at all times COLLEGE shall promptly and fully pay and discharge any and all claims on which any lien may be based, and indemnify FOUNDATION and all of the Property and all buildings and improvements thereon against all such liens and claims of lien and suits or other proceedings pertaining thereto.

17. Environmental Matters. Based upon the Phase I and Phase II Environmental Site Assessments and the Voluntary Remediation Plan between Stimson Lumber Company and the Idaho Department of Environmental Quality, the COLLEGE and FOUNDATION are satisfied with the condition of the Property. COLLEGE shall fully indemnify and hold harmless FOUNDATION from any and all liability and costs, including attorney's fees, hiring of consultants, undertaking of sampling, performing of any clean up necessary and all costs related to environmental violations due to the actions of COLLEGE or COLLEGE'S use of the property occurring after closing of the transaction and purchase of the Mill Site by the FOUNDATION.

18. Indemnification of FOUNDATION. FOUNDATION shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by COLLEGE or by any person whosoever may at any time be using or occupying or visiting the Property or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of COLLEGE or of any occupant, subtenant, visitor, or user of any portion of the Property, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth. COLLEGE shall indemnify FOUNDATION against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage. COLLEGE hereby waives all claims against FOUNDATION for damages to the buildings and improvements that are now on or may hereafter be placed or built on the Property and to the property of COLLEGE in, on, or about the Property, and for injuries to persons or property in or about the Property, from any cause arising at any time. However, this indemnification shall not apply to loss, injury, death, or damage arising by reason of the sole negligence or misconduct of FOUNDATION, FOUNDATION'S agents, or employees.

19. Attorney's Fees. If any litigation shall be commenced concerning this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees whether incurred in district or appellate court.

20. Title to the Mill Site to Vest in COLLEGE. Upon payment, defeasance or retirement of the Note, the FOUNDATION shall convey unencumbered fee simple title and exclusive possession and use of the Mill Site to the COLLEGE for no additional consideration. The Mill Site itself shall be delivered in an "as is" condition. COLLEGE agrees to accept title to the Mill Site upon payment, defeasance or retirement of the Note.

21. Option to Purchase Mill Site Upon Default. The FOUNDATION does hereby grant the COLLEGE an option to purchase the Mill Site if the FOUNDATION shall at any time default on the Note. The FOUNDATION agrees to provide the COLLEGE with a copy of any notice of default it receives under the Deed of Trust, the Note, or any other document which evidences or secures the indebtedness evidenced by the Note within 10 days of receipt thereof. The COLLEGE shall have the right, but not the obligation, to exercise the option by sending written notice thereof to the FOUNDATION at the address set forth below within 90 days following the receipt by COLLEGE of the notice of default and COLLEGE shall have not less than 90 days from the date it exercises the option to purchase the Property. The COLLEGE shall have the right but not the obligation to purchase the Note at a purchase price equal to the amount then required to pay and redeem the Note in accordance with its terms. Upon such defeasance

and discharge of the Note, unencumbered fee title to the Mill Site shall be conveyed by warranty deed to the COLLEGE.

22. Arbitration. The parties agree that the only method for settling certain disagreements as stated herein shall be compulsory and binding arbitration in accordance with the following: In the event that a disagreement shall arise, either the COLLEGE or FOUNDATION may call for arbitration by appointing an arbitrator who is reasonably qualified for the issue on which there is disagreement, who shall be paid for by said appointing party. The other party shall then select an arbitrator who is similarly qualified and shall pay the expenses for said second arbitrator. The two arbitrators so selected shall select a third arbitrator whose expense shall be borne equally by FOUNDATION and COLLEGE, and the three arbitrators so selected shall settle the disagreement within ten (10) days from the appointment of the third arbitrator. In the event that either FOUNDATION or COLLEGE shall fail to appoint an arbitrator within ten (10) days of receiving notice of the appointment of the first arbitrator, or in the event the first two arbitrators shall fail to select a third arbitrator within ten (10) days after they have been selected, then the arbitrator in question shall be appointed by the Administrative District Judge of the First Judicial District of the State of Idaho, at the request of either party or of either of the first two arbitrators as the case may be.

23. Insurance. COLLEGE shall obtain and maintain at all times during the term of this Lease and at COLLEGE'S sole expense, any and all insurance required to be maintained by FOUNDATION and all conditions thereunder pursuant to the Deed of Trust. All of the policies of insurance required hereunder shall be written in forms satisfactory to FOUNDATION and by insurance companies satisfactory to FOUNDATION. COLLEGE shall pay all of the premiums. In the event of the failure of COLLEGE, either to effect such insurance in the names or amounts herein called for or to pay the premiums therefor, FOUNDATION shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefor, which premiums shall be repayable to FOUNDATION with the next installment of rent, and failure to repay the same shall carry with it the same consequence as failure to pay any installment of rent. Each insurer mentioned in this section shall agree, by endorsement on the policy or policies issued by it, or by independent instrument furnished to FOUNDATION, that it will give to FOUNDATION thirty (30) days written notice before the policy or policies in question shall be altered or canceled. FOUNDATION agrees that it will not unreasonably withhold its approval as to the form of such policies, or to the insurance companies selected by COLLEGE.

24. Default. In the event that COLLEGE by failing or neglecting to do or perform any act or thing required herein shall be in default hereunder and such failure shall continue for a period of thirty (30) days after written notice from FOUNDATION specifying the nature of the act or thing to be done or performed, then FOUNDATION may, but shall not be required to, enter on the Property or pursue any other lawful remedy, including but not limited to termination of this Lease, and FOUNDATION shall be held harmless for any loss, inconvenience, annoyance, or damage resulting to COLLEGE on account thereof. Provided, that if COLLEGE is using its best efforts in curing the default, then it shall have 30 days additional time in which to cure the default or breach before FOUNDATION can exercise any remedy in this Lease.

24.1 Any act or failure to act by FOUNDATION pursuant to the provisions of this section shall not be or be construed as a waiver of any such default by COLLEGE, or as a waiver of any covenant, term, or condition herein contained or the performance thereof, or of any other lawful right or remedy of FOUNDATION, hereunder or otherwise.

24.2 All amounts payable by COLLEGE to FOUNDATION under any act of the provisions of this Lease, if not paid when the same become due as in this Lease provided, shall bear interest from the date they become due until paid at the rate of 8% per annum, compounded annually.

24.3 In addition to the other rights or remedies it may have, FOUNDATION shall have the right of re-entry and may remove all persons and property from the Property; such property may be removed and stored in a public warehouse or elsewhere at the cost of COLLEGE.

25. Effect of Eminent Domain.

25.1 Effect of Total Condemnation. In the event the entire Property shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and COLLEGE shall thereupon be released from any liability thereafter accruing hereunder.

25.2 Effect of Partial Condemnation. In the event a portion of the Property shall be so appropriated or taken and the remainder of the Property shall not be suitable for the use then being made of the Property by COLLEGE, or if the remainder of the Property is not one undivided parcel of property, COLLEGE shall have the right to terminate this Lease as of the date of such taking on giving to FOUNDATION written notice of such termination within sixty (60) days after FOUNDATION has notified COLLEGE in writing that the Property has been so appropriated or taken. In the event of such partial taking and COLLEGE does not so terminate this Lease, then this Lease shall continue in full force and effect as to the part not taken, and the rental to be paid by COLLEGE during the remainder of the term shall be abated in the ratio of the land taken to the area theretofore included in the Property.

25.3 Condemnation Award. In the event of the termination of this Lease by reason of the total or partial taking of the Property by eminent domain, then in any such condemnation proceedings FOUNDATION and COLLEGE shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result thereof.

26. Surrender of Lease. Upon COLLEGE exercising its rights under the contingency sections herein, or other surrender of this Lease by COLLEGE, or a mutual cancellation thereof, the same shall not work a merger, and shall, at the option of FOUNDATION, terminate all or any existing subleases or subtenancies, or may, at the option of FOUNDATION, operate as an assignment to it of any or all such subleases or subtenancies. Upon such surrender or

cancellation, or in the event of termination of this Lease for any reason which does not accompany COLLEGE taking title to the Property, COLLEGE shall take any and all actions to timely remove any recorded encumbrances that cloud title to the Property, including but not limited to the recorded Memorandum of this Lease.

27. Waiver. The waiver by FOUNDATION of or the failure of FOUNDATION to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition therein contained. The subsequent acceptance of rent hereunder by FOUNDATION shall not be deemed to be a waiver of any preceding breach by COLLEGE of any term, covenant, or condition of this Lease, other than the failure of COLLEGE to pay the particular rental so accepted, regardless of FOUNDATION'S knowledge of such preceding breach at the time of acceptance of such rent.

28. Parties Bound. The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer, and sub-letting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

29. Time of the Essence. Time is of the essence of this Lease, and of each and every covenant, term, condition, and provision hereof.

30. Modification. This Lease Agreement may not be amended or altered or modified except in writing and signed by all parties hereto.

31. Section Captions. The captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

32. Interpretation. This Lease Agreement has been drafted by Wetzel, Wetzel & Holt, P.L.L.C., as counsel for FOUNDATION. Wetzel, Wetzel & Holt, P.L.L.C. do not represent COLLEGE. However, COLLEGE has had the opportunity to have its legal counsel review this Lease Agreement. The parties therefore agree that this Lease Agreement should be interpreted according to its fair and simple meaning and not strictly for or against either party. In the event that any provision or clause of this Lease Agreement conflicts with applicable laws, such conflicts shall not affect other provisions which can be given effect without the conflicting provisions, and to this end each provision of the Lease Agreement is declared to be severable.

33. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Idaho.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties have executed this Lease at the times and places shown in the acknowledgements hereto.

NORTH IDAHO COLLEGE

By Christie Wood
Christie Wood Chairman, Board of Trustees

By Priscilla Bell
Priscilla Bell, President

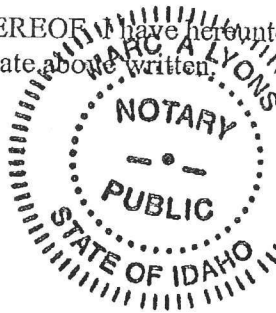
NORTH IDAHO COLLEGE FOUNDATION,
An Idaho nonprofit corporation

By David A. Wold
David A. Wold, President

STATE OF IDAHO)
) ss
County of Kootenai)

On this 21st day of July, 2009, before me, the undersigned, a Notary Public in and for the State of Idaho personally appeared Priscilla Bell known or identified to me to be the President of North Idaho College and Christie Wood known or identified to me to be the Chairman of the Board of Trustees, the public agency that executed said instrument and acknowledged to me that such public agency executed the same.

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

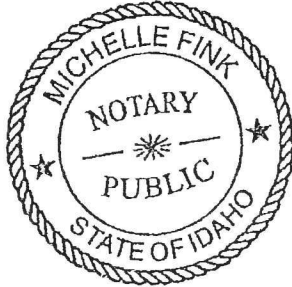


Marc A. Lyons
Notary Public in and for the State
of Idaho, residing at Hayden Lake
My commission expires 4-14-14

STATE OF IDAHO)
) ss
County of Kootenai)

On this 23 day of July, 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Dr. David Wold, known or identified by me to be the President of North Idaho College Foundation, an Idaho non-profit corporation, and the person that executed said instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Michelle Fink
Notary Public in and for the State
of Idaho, residing at IDAHO
My commission expires 10-14-10