K&G Property Management
780 Falls Avenue, #309
Twin Falls, ID 83301
208.734.8004 office 208.734.2127 fax
kendra@idaprops.com

September 6, 2011

Urban Renewal Agency
Of the City of Twin Falls
PO Box 1907
Twin Falls, ID 83303-1907

Dear Melinda,

K & G Property Management is pleased to make the following budget proposal for the City of Twin Falls Urban Renewal Property located at 851 Poline Road, Twin Falls, Idaho.

This table summarizes the services requested by Urban renewal and attached is the proposed budget for October 1, 2011 through September 30, 2012 for the Urban Renewal. Please review this information and let us know if you have any questions.

Item	***Description***	***Annual Amount***
PARKING LOT	***Sweeping ($110/per week) some months have 5-weeks***	***$4,664.00***
	Snow Removal Per Push 2" rule $725/per push $85/hour (Ice Melt $425.00/per application)	***$6,502.50***
	Parking Lot Lighting Repair/Maintenance	***$2,550.00***
	Parking Lot General Maintenance	***$1,000.00***
HVAC PM's REPAIRS	***Quarterly PM's***	***$3,900.00***
	Projected HVAC Repair's and/or replacements	***$9,600.00***
ROOF REPAIRS	***Roof repair and Maintenance (Under Warranty)***	***$ 0000.00***
LANDSCAPING	***Annual to include weekly mowing, sprinkler's, prunning, full service pesticide and fertilization spray contract, Spring updates (bark, etc.)***	***$14,202.00***
General Maintenance	***Fire Systems, ceiling tiles, supplies, etc.***	***$ 800.00***
MANAGEMENT	***Monthly Management***	***$5,196.00***
	Pass thru administrative accounting fee for billing of all sub-contracted vendors of 5% of the total bill's per contract	***$2,121.03***
TOTAL	***FIXED COST total Annual charges***	***$50,535.53***

Thank you for the opportunity to continue servicing your properties. I look forward to continuing working with you.

Sincerely,

Kendra A. Jenks, Owner/Facility Manager

Twin Falls Urban Renewal
Concept 91, 851 Pole Line Road, Twin Falls, Idaho
2010-2011 October thru September
ACTUAL vs BUDGET

2010-2011 Actual vs Budget

	Oct 10 ACTUAL	Nov 10 ACTUAL	Dec 10 ACTUAL	Jan 11 ACTUAL	Feb 11 ACTUAL	Mar 11 ACTUAL	Apr 11 ACTUAL	May 11 ACTUAL	Jun 11 ACTUAL	Jul 11 ACTUAL	Aug 11 ACTUAL	Sep 11 Estimate	TOTAL ACTUAL	2010-2011 APPROVED BUDGET	Difference ACTUAL vs APPROVED Budget	
851 Poleline Road ON-Site Parking Lot																
Parking Lot Lighting Maintenance	547.02	0.00	0.00	451.76	0.00	0.00	411.50	0.00	0.00	0.00	0.00	350.00	**1,760.28**	3,100.00	-1,339.72	Lower than anticipated
Parking Lot Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	1,000.00	-1,000.00	Repairs done during Seal Coat
HVAC Maintenance	850.00	0.00	0.00	0.00	1,100.00	0.00	850.00	0.00	0.00	0.00	0.00	1,100.00	**3,900.00**	3,900.00	0.00	
HVAC Repair Maintenance	0.00	101.40	0.00	664.16	0.00	0.00	0.00	126.56	1,747.40	82.00	0.00	1,000.00	**3,721.52**	12,000.00	-8,278.48	No major issues this year
Landscaping	870.00	190.00	0.00	0.00	0.00	1,265.00	1,403.00	1,285.00	1,460.00	2,095.00	1,512.00	1,575.00	**11,655.00**	11,025.00	630.00	Overage due to Sprinkler Repairs
Management	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	**5,196.00**	5,196.00	0.00	
Admin/Actg. Fee	130.95	0.00	0.00	103.40	209.10	121.15	172.48	144.83	247.37	126.45	97.60	433.00	**1,786.33**	0.00	1,786.33	5% of work contracted by K&G
Monument Sign/Clock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	600.00	-600.00	Wilson Bates has been maintaining
Roof Repair	0.00	400.00	525.00	600.00	1,285.00	285.00	0.00	700.00	700.00	0.00	0.00	0.00	**4,495.00**	2,000.00	2,495.00	There were more leaks than anticipated.
Snow Removal	0.00	3,368.50	1,445.00	0.00	1,445.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**6,258.50**	5,057.50	1,201.00	There was more snow than anticipated
Sweeping	352.00	264.00	352.00	352.00	352.00	440.00	352.00	352.00	440.00	352.00	440.00	550.00	**4,598.00**	5,170.00	-572.00	Sweeping lower due to snow removal
General Maintenance (Fire Systems, ceiling tiles, misc.)	0.00	0.00	0.00	86.54	0.00	0.00	0.00	0.00	600.00	0.00	0.00	0.00	**686.54**	0.00	686.54	Ceiling tiles, Fire system repair
Total Urban Renewal (Concept 91)	3,182.97	4,756.90	2,755.00	2,690.86	4,824.10	2,544.15	3,621.98	3,041.39	5,627.77	3,088.45	2,482.60	5,441.00	**44,057.17**	49,048.50	-4,991.33	Approx. -10.18% Actual vs Approved Budget 2010-2011

Twin Falls Urban Renewal
Concept 91, 851 Pole Line Road, Twin Falls, Idaho
2011-2012 October thru September
Proposed Budget

2011-2012 Proposed Budget	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	2011-2012 Propose BUDGET TOTAL	2010-2011 APPROVED BUDGET	Difference	
851 Poleline Road ON-Site Parking Lot																
Parking Lot Lighting Maintenance	550.00	0.00	0.00	550.00	0.00	0.00	550.00	0.00	0.00	550.00	0.00	350.00	2,550.00	3,100.00	-550.00	Anticipating lower cost
Parking Lot Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	550.00	0.00	450.00	0.00	0.00	0.00	1,000.00	1,000.00	0.00	No Change
HVAC Maintenance	0.00	850.00	0.00	0.00	1,100.00	0.00	0.00	850.00	0.00	0.00	1,100.00	0.00	3,900.00	3,900.00	0.00	No Change
HVAC Repair Maintenance	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	9,600.00	12,000.00	-2,400.00	Anticipating lower cost
Landscaping	1,500.00	1,000.00	0.00	0.00	0.00	2,265.00	1,485.00	1,285.00	1,485.00	2,095.00	1,512.00	1,575.00	14,202.00	11,025.00	3,177.00	Landscape improvements - bark, tree trimming, removal of bushes, concrete curb repairs, etc.
Management	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	433.00	5,196.00	5,196.00	0.00	No Change
Admin/Actg. Fee	164.60	222.35	165.98	157.35	184.85	175.25	186.85	164.35	158.75	189.85	192.60	158.25	2,121.03	0.00	2,121.03	Not budgeted 2010-2011
Monument Sign/Clock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00	-600.00	Wilson Bates is taking care of
Roof Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	-2,000.00	Warranty
Snow Removal	0.00	1,445.00	2,167.50	1,445.00	1,445.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,502.50	5,057.50	1,445.00	Based on 2011 costs
Sweeping	440.00	352.00	352.00	352.00	352.00	440.00	352.00	352.00	440.00	352.00	440.00	440.00	4,664.00	5,170.00	-506.00	Based on Snow removal budgeted
General Maintenance (Fire Systems, ceiling tiles, misc.)			200.00			200.00			200.00			200.00	800.00	0.00	800.00	
	3,887.60	5,102.35	4,118.48	3,737.35	4,314.85	4,313.25	4,356.85	3,884.35	3,966.75	4,419.85	4,477.60	3,956.25	50,535.53	49,048.50	1,487.03	This is a 3.03% increase to the proposed 2010-2011 Budget

MANAGEMENT CONTRACT

AGREEMENT made this 9th day of September, 2011 between Kendra Jenks dba: K&G Property Management (herein called "Agent") and the City of Twin Falls Urban Renewal (herein called "Owner"):

Witnesseth

IN CONSIDERATION of the mutual premises and covenants herein contained, Owner and Agent agree as follows:

1. Owner hereby appoints and employs Agent as the sole and exclusive managing agent of Owner's premises, commonly known as the C3 (Call Center) Building and Concept 91 (Parking Lot) located at 851 Pole Line Road, Twin Falls, ID 83301, for the period from October 01, 2011 to September 30, 2012. Thereafter this agreement shall continue in effect from year to year unless and until terminated as hereinafter provided. Either party may terminate this Agreement by giving notice in writing of intention to terminate at least thirty (30) days prior to a month end period.

2. Agent hereby accepts such appointment and employment for and in consideration of the compensation hereinafter provided, and agrees to use its best efforts in managing said premises.

3. Owner hereby authorizes Agent to perform the following in the name of, for the account of, and at the expense of Owner:

    A. Visit site 1-time monthly to perform and prepare an external parking lot inspection report and discuss any tenant issues and or deficiencies to report back to Owner.
    B. Negotiate any service contracts, including contracts for electricity, gas, fuel, steam, water, telephone, window cleaning, rubbish removal, laundry service, exterminating, equipment maintenance, sweeping, security, landscaping and other services, or such of them as Agent shall deem advisable with Owner's approval.
    C. Make or cause to be made all repairs, replacements, alterations, additions, improvements and decorations in and to said premises as Agent may determine advisable. The expense incurred for any one item of same shall not exceed the sum of One hundred Dollars ($100.00) unless authorized by Owner, except under such circumstances as Agent shall deem to be an emergency.
    D. Purchase all supplies and materials as Agent may determine advisable.
    E. Handle routine contacts and contracts with vendors.
    F. Hire, promote, discharge and supervise vendors/employees as Agent may determine advisable to be employed in the care, management or operation of said premises. It is understood and agreed that all such vendor/employees are in the employ of Owner solely, and the Agent is in no way liable to such employees for their wages or other compensation, nor to Owner or others for any action of omission on the part of such employees.

4. Agent shall render to Owner a monthly statement of receipts and disbursements.

   A. Owner shall pay all obligations, liabilities, costs, expenses and fees arising on account of or in connection with this Agreement.
   B. Owner shall reimburse Agent promptly for any monies, which Agent may elect to advance for the account of Owner. Nothing herein contained, however, shall be construed to obligate Agent to make any such advances.
   C. Agent shall not pay such account(s) interest or amortization on mortgages, taxes or assessments unless Owner, in writing, directs Agent to do so.

5. Agent is clothed with such other general authority and powers as may be necessary or advisable to carry out the intent of this Agreement.

6. Owner agrees to comply with all statutes, ordinances, laws, rules and orders of any federal, state or local government or department or offices thereof having jurisdiction in said premises respecting the use, operation or construction thereof, as well as with all orders and requirements of the local Board of Fire Underwriters or any other body exercising similar functions.

7. A. Owner agrees to indemnify and hold and save Agent free and harmless from any and all damages or injuries to person (s) or property, or claims, actions, obligations, liabilities, costs, expenses and fees by reason of any cause whatsoever when Agent is carrying out the provisions of this Agreement or acting upon the directions of Owner. It is expressly agreed that the foregoing provision of this sub-paragraph shall survive the termination of this Agreement, but shall not be construed to mean that Owner's liability does not survive as to other provisions of this Agreement.

   B. Agent shall not be liable to Owner for any error in judgement, nor for any good faith act or omission in the execution of this Agreement.

   C. Owner agrees to procure and maintain during the term of this Agreement comprehensive general public liability insurance, including property damage insurance, elevator liability insurance, steam boiler insurance, workmen's compensation insurance, and such other insurance as may be advisable for the protection of Owner and Agent. In each such policy of insurance, Owner agrees upon request of Agent, to designate Agent and its officers, employees and agents as assureds. The insurance carrier and the amount of coverage in each such policy shall be mutually agreed upon by Owner and Agent. A certificate of each such policy issued by the carrier shall be delivered to Agent, and shall provide that Agent shall receive at least ten (10) days prior written notice from the carrier in the event of cancellation or any material change herein.

   D. To the extent permitted by its insurance policies, Owner does hereby waive and release any and all claims which it may have against Agent for damages to said premises or contents therein to the extent that, such damage is covered by Owner's insurance policies.

8. Owner hereby grants Agent the privilege of displaying Agent's signs in and upon said premises announcing that said premises is under Agent's management.

9. A. Owner agrees to pay Agent:
   a) **For management**: $433.00 Monthly for Management Services plus approved reimbursement for all sub-contractor and maintenance work performed on the property by & thru Agent including a 5% administrative accounting fee on all sub-contracted repair/maintenance work.
   b) **For Emergency/after hour charges**: A $60.00 per hour for after hours emergency calls will be charged when an Agents presence is required after normal business office hours of Monday-Friday from 8:00 a.m. to 5:00 p.m.
   c) **For consulting and additional site visitations**: A $60.00 per hour charge for services rendered outside of the routine site management visit specifications.

10. All notices to be given hereunder shall be in writing and shall be sent by United States registered mail, return requested, postage prepaid addressed to Owner at c/o Melinda Anderson, City of Twin Falls, PO Box 1907, Twin Falls, ID 83303-1907 or to such other addresses as may from time to time be given and provided in this Paragraph 14. Any notice mailed as herein provided shall be deemed and treated to have been received on the date of mailing.

11. Agent is not and never shall be liable to any creditor of Owner or to any claimant against the property of Owner. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between Owner and Agent. This Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and assigns, and may not be changed orally but only by a writing signed by the party to be changed thereby.

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

BY OWNER_____ BY AGENT_____

_____ _____

_____ _____

_____ _____