

OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT  
(Existing Plan & District)

THIS AGREEMENT made and entered into this 31<sup>st</sup> day of July, 2007, by and between the POST FALLS URBAN DEVELOPMENT AGENCY, an Idaho urban development agency, P.O. Box 236, Post Falls, ID, 83877-0236, hereinafter referred to as the Agency, and Greystone Kootenai

a Developer, of 1421 N. Meadowood Ln. Liberty Lake, WA. hereinafter referred to as the Participant. 99019

WITNESSETH:

WHEREAS the Agency is an independent public body, corporate and politic, and is an Idaho urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act of 1988, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, hereinafter collectively referred to as the Act, and

WHEREAS the City of Post Falls by the adoption of Ordinance No. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, duly formed and adopted the Blight and Deteriorated Conditions Urban Renewal Plan and created the West Seltice II Urban Renewal District, hereinafter referred at as the Plan and the District, and

WHEREAS the Participant owns or controls real property located within the boundaries of the District, and more specifically described in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Site, and

WHEREAS the Participant intends to construct public infrastructure improvements on the Site, as more specifically described in Exhibit B, attached hereto and incorporated by reference herein, and hereinafter referred to as the Project, and

WHEREAS the Agency has reviewed the elements of the Project and feels that the Project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan, and

WHEREAS the Agency and the Participant seek to cooperate in the construction of public infrastructure improvements, and

WHEREAS until such time as the Project is completed the tax increment revenues from the District would be insufficient to pay for construction of the Project, and

WHEREAS the Participant is willing to construct and pay for the Project with the expectation of being reimbursed from future tax increment revenues received by the Agency from the District as those revenues are received, and

WHEREAS the Parties seek to memorialize understandings relating to the conditions associated with Agency funded reimbursement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, the Parties agree as follows:

1. EFFECTIVE DATE: The effective date of this Agreement shall be the date first above-written, and shall continue until all obligations of each Party are completed or until the termination of the Plan, whichever shall first occur.

2. PUBLIC INFRASTRUCTURE AND OTHER PUBLIC FACILITIES: The Parties agree that the public infrastructure and other public facilities and their estimated costs that are the subject of this Agreement are those listed on Exhibit C, attached hereto and incorporated by reference herein, and hereinafter referred to as the Agency Funded Public Improvements. Any other public improvements that are constructed by the Participant as part of the Project are not eligible for reimbursement pursuant to this Agreement.

3. CONSTRUCTION OF AGENCY FUNDED PUBLIC IMPROVEMENTS: The participant agrees to construct the Agency Funded Public Improvements consistent with the following:

3.1. The improvements to be constructed shall be in accordance with the overall City infrastructure plans, polices, and design standards.

3.2. Prior to commencing construction, all necessary permits will be obtained by the Participant.

3.3. Construction and quality control inspections shall be provided by the engineer of record.

4. CONDITIONS: In consideration for the commitments presented by the Participant, the Agency agrees to continue to proceed with reimbursement for the Agency Funded Public Improvements, subject to the following conditions:

4.1. The Participant shall comply with the City of Post Falls design review approvals and all applicable local, state and federal laws.

4.2. The Participant shall submit a Project schedule to the Agency upon completion of City approvals.

4.3. The Participant shall complete improvements as described in Exhibit C and any attachments to Exhibit C.

4.4. The Participant shall allow the Agency or its agent to review the final design and construction of the Project.

4.5. The Participant agrees to invoice the Agency per the cost of the items to be reimbursed for review by the Agency, with reimbursement to be based upon completion and final inspection by the Agency or its agent, and the availability of tax increment revenues for the District.

4.6. The Participant shall complete the Project improvements on or before the 1<sup>st</sup> day of September, 2007.

5. INITIAL CONSTRUCTION FUNDING: The Participant shall pay for all of the costs of installation of the Agency Funded Public Infrastructure set forth in Exhibit C and previously approved by the Agency, hereinafter referred to as Participant Advances.

6. REIMBURSEMENT OF PARTICIPANT ADVANCES: The Participant shall be entitled to reimbursement of Participant Advances subject to the following conditions and understandings:

6.1. It is the understanding of the Parties that the Participant shall only be paid the reimbursement of Participant Advances from the tax increment revenues of the District directly resulting from the Project improvements being made by the Participant. If for any reason tax increment revenues anticipated to be received by the Agency are insufficient or curtailed, the Agency shall not be obligated to use other sources of revenue to make reimbursements to the Participant.

6.2. It is the understanding of the Parties that tax increment revenues received by the Agency for the District will first be used in the following manner and order:

6.2.1. To reimburse the Agency for the costs of

amending the Plan and/or any remaining unpaid costs of designing or adopting the Plan.

6.2.2. For the payment of the District's annual contribution to the administrative costs of the Agency.

6.2.3. For the payment into a district wide reserve account pursuant to the policies of the Agency.

6.2.4. For the repayment of any debt of the District.

6.2.5 To the reimbursement of Participant Advances.

The Participant acknowledges that the Agency has provided the Participant with copies of the Agency's policies concerning the use of tax increment revenue and cost reimbursement.

6.3. The Participant is aware that the Agency intends to conduct an annual review of the performance of both the Plan and the District, and reserves the right within the sole discretion of the Agency to make adjustments to the Plan, including the ability to terminate a non-performing plan.

## 7. MISCELLANEOUS:

7.1 The Participant shall provide the Agency with proof that the Participant and its agents have adequate liability and workers compensation insurance.

7.2 The Participant agrees to indemnify and hold harmless the Agency from any and all liability and/or obligations not specifically provided for in this Agreement to be performed by the Agency with reference to the Project.

7.3 The Participant does hereby grant to the Agency and its agents a right of access to the Project area for the purposes of inspections.

7.4 The Participant agrees at the appropriate time to convey title to Agency Funded Public Infrastructure either to the Agency or to the City of Post Falls.

7.5. The Parties agree that this Agreement does not establish a partnership or joint venture relationship between the Parties.

7.6. The rights and obligations provided for in this Agreement may not be assigned.

7.7. This Agreement shall be construed and enforced under the laws of the State of Idaho, with any enforcement action to be brought in Kootenai County, Idaho. The prevailing party in any action shall be entitled to attorneys fees and costs.

7.8. The Parties agree that this Agreement is the entire agreement between the Parties, and is binding upon their successors.

IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

POST FALLS URBAN RENEWAL AGENCY  
an Idaho urban renewal agency

By: \_\_\_\_\_  
Chairman

PARTICIPANT:

Greenstone - Kootenai, Inc.

By: \_\_\_\_\_

**Urban Renewal District  
Distribution Agreement**

This Distribution Agreement (Agreement) is agreed upon and entered into as of this 17 day of October 2007 (the "Effective Date") by and between Greenstone Corporation with offices at 1421 N. Meadowwood Lane Suite 200, Liberty Lake, WA 99019, and 3B Group, LLC with offices at 16124 E. Euclid Ave. Spokane, WA. 99216.

WHEREAS the property described in this Agreement is within the West Seltice II Urban Renewal District located in Post Falls Idaho (the "URD").

WHEREAS Greenstone Corporation and 3B Group, LLC both own portions of property within the URD.

WHEREAS the Post Falls Urban Renewal Development Agency (the "Agency") will be governing the distributions of any reimbursements made for improvements made to the URD.

~~WHEREAS in an attempt to make the distribution process easier for the Agency, the Agency prefers to deal with distributions based on the URD as a whole and not on an separate entity basis.~~

WHEREAS this Agreement is designed to provide better understanding of how the entities that own the property within the URD will submit and disperse any reimbursement made by the Agency.

NOW, THEREFORE, the parties hereto agree as follows:

**I. REIMBURSABLE COSTS**

Reimbursable costs within the URD are projected based on right of way improvements, public parks, and amenities improvements. Under this Agreement the only improvements that 3B Group, LLC will make are right of way improvements.

**II. DISTRIBUTION & DISTRIBUTION CALCULATIONS**

A. It is agreed that Greenstone will receive the reimbursement distributions from the Agency and then disperse the necessary percentage to 3B Group, LLC.

B. Distributions will be made based on the each entities total percentage of improvements made within the URD.

C. Under this Agreement, 3B Group, LLC will only be making right of way improvements, and will only be taking a distribution percentage based upon the amount of right of way improvements made within the URD.

D. Currently, 58.15% of the total URD is comprised of right-of-way improvements, of which 3B Group is contributing 16.05% of the total right of way improvements. 41.85% of the total URD is comprised of public parks and amenities, of which 3B Group, LLC is currently contributing 0%. Therefore it is agreed that of the total URD distribution made, 3B Group, LLC is entitled to 9.33%.

E. The amount distributed will be calculated after all Agency operating expenses have been paid in full. Once this amount has been paid Greenstone will make the necessary distribution based on percentage to 3B Group, LLC.

F. Greenstone agrees to make any distribution to 3B Group, LLC within twenty (20) days of receiving reimbursements from the Agency.

### **III. DURATION & MODIFICATION**

A. This Agreement shall be in effect for the life of the URD, unless modified by the parties subject to this agreement.

B. The parties may find it necessary to modify this Agreement from time to time dependent upon whether 3B Group, LLC adds public parks and amenities for which they would be entitled to a revised distribution. Modifications based on improvements made by 3B Group, LLC shall be approved by Greenstone for consistency with URD goals.

C. Any other modifications to this agreement must be made in writing and agreed to by both Greenstone Corporation and 3B Group, LLC.

### **IV. ARBITRATION**

All disputes and controversies of every kind and nature between the parties hereto or arising out of or in connection with this Agreement as to the existence, construction validity, interpretation or meaning, performance, non-performance, enforcement, operation, breach, continuance, or termination thereof shall be submitted to arbitration pursuant to the auspices of the American Arbitration Association and construed under Idaho Law.

### **V. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between Greenstone Corporation and 3B Group, LLC with respects to the URD and its distributions. This agreement supersedes any prior or oral communications or promises regarding this subject made by either party in the past.

### **V. INDEPENDENCE**

This Agreement shall not constitute or give rise to a partnership, joint venture, or other affiliation between the parties. Neither party shall have the right to obligate or bind the other party in any manner.

~~VI. GOVERNING LAW~~

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Idaho as to all matters, including but not limited to matters of validity, construction, effect, performance, and remedies.

**VI. SEVERABILITY**

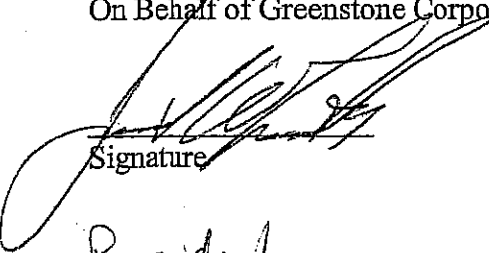
Should any provision of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any of the other provisions of this Agreement, which remaining provisions shall remain in full force and effect and the applications of such invalid or unenforceable provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall be valid and enforced to the fullest extent permitted by the law.

**VII. ASSIGNMENT**

This Agreement and all of the provisions herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may be transferred or assigned to successors or heirs. This Agreement may be transferred to third parties only with the express written consent of both parties.

IN WITNESS WHEREOF, both undersigned parties have executed this Distribution Agreement as of the Effective Date:

On Behalf of Greenstone Corporation:




Signature

President

Title

On Behalf of 3B Group, LLC:



Signature

MEMBER

Title



POST FALLS URBAN RENEWAL AGENCY  
RESOLUTION NO. 2005-03

A RESOLUTION OF THE POST FALLS URBAN RENEWAL AGENCY APPROVING THE WEST SELTICE II REDEVELOPMENT PLAN; CONFIRMING THE DETERIORATED DECLARATION; ADOPTING A REVENUE ALLOCATION AREA; MAKING CERTAIN FINDINGS AND CONCLUSIONS IN SUPPORT THEREOF; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS the City of Post Falls did on September 15, 1992, by Resolution No. 92-28, declare that a specifically described portion of the city limits of the City of Post Falls was deteriorated and deteriorating, and in need of remediation by an urban renewal agency, and

WHEREAS the Post Falls Urban Renewal Agency is a duly created and appointed urban renewal agency under the laws of the State of Idaho with authority to recommend the adoption by the City Council of the City of Post Falls, of an urban renewal plan for the remediation of deterioration, and

WHEREAS Post Falls Urban Renewal Agency has prepared an urban renewal plan pursuant to Title 50, Chapters 20 & 29, Idaho Code, for hearing and recommendation by the Board of Commissioners of the Post Falls Urban Renewal Agency, and

WHEREAS the Board of Commissioners of the Post Falls Urban Renewal Agency conducted a public hearing on September 15, 2005.

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

Section 1: The Agency hereby makes the following findings of fact:

a. The area of the proposed plan has been previously declared by the City of Post Falls to be a deteriorated and deteriorating area, and the Agency finds that the deterioration described by the City Council does in fact exist.

b. The Plan provides for varying methods to remediate the described deterioration and prevent future deterioration, and contains the necessary elements required by Idaho law, including a tax allocation feasibility study which finds that the estimated tax increment revenue is sufficient to repay the debt to be incurred to provide the improvements described within the Plan.

c. The Plan indicates the type of improvements and rehabilitation projects that are proposed to be carried out, including land uses, densities, building requirements, methods of financing, and a revenue allocation provision.

d. The Plan describes a revenue allocation area by metes and bounds description.

e. The Plan conforms to the general plan of the City of Post Falls, and is in conformance with the Comprehensive Plan.

f. The Plan does not anticipate the displacement of any families.

g. The Plan will enhance public recreational facilities and activities within the City, and encourage private sector participation.

Section 2: The Post Falls Urban Renewal Agency does hereby adopt the West Seltice II Redevelopment Plan, with a term of fifteen (15) years, as an urban renewal plan for recommendation to the City Council of the City of Post Falls for formal adoption as required by Idaho law. This resolution shall be effective upon its passage.

DATED this 15th day of September, 2005.

POST FALLS URBAN RENEWAL AGENCY  
an Idaho urban renewal agency

By: Richard Moore

Richard Moore, Chairman

2002902

ORDINANCE NO. 1089

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**AN ORDINANCE OF THE CITY OF POST FALLS, KOOTENAI COUNTY, IDAHO, APPROVING THE WEST SELTICE II URBAN RENEWAL PLAN; ADOPTING A REVENUE ALLOCATION AREA; MAKING CERTAIN FINDINGS AND CONCLUSIONS IN SUPPORT THEREOF; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

WHEREAS, the City of Post Falls, Kootenai County, Idaho (the "City"), is a duly incorporated and existing City organized and operating under the laws of the State of Idaho, and as such is authorized by the Idaho Code, Title 50, Chapter 20 and 29, to adopt urban renewal plans, to adopt deteriorated area declarations, to adopt revenue allocation areas, and to provide improvements and betterments within an urban renewal area, as designated by the Plan; and

WHEREAS, the City Council of the City of Post Falls did on September 15, 1992, by Resolution 92-28, declare that a described portion of the city limits was deteriorated and deteriorating, and in need of remediation by an urban renewal agency, and

WHEREAS, the West Seltice II Urban Renewal Plan which addresses a slightly different physical description than that addressed by Resolution 92-28, was submitted to and approved by the City of Post Falls Planning and Zoning Committee on October 11, 2005, and,

WHEREAS, the City Council has held one duly noticed Public Hearing on November 15, 2005, to review and consider adoption of the West Seltice II Urban Renewal Plan; and,

WHEREAS, the City Council has reviewed the proposed West Seltice II Urban Renewal Plan, which includes a revenue allocation area provision; and

WHEREAS, the area within the Revenue Allocation Area, the Urban Renewal Plan and the described area addressed by this Ordinance are confirmed and declared to fall within a deteriorated or deteriorating area as provided by statute.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF POST FALLS, KOOTENAI COUNTY, IDAHO, as follows:

**Section 1:** The City hereby approves the West Seltice II Urban Renewal Plan, (as approved by the Post Falls Urban Renewal Agency on September 15, 2005) encompassing the following described lands:

A DISTRICT LOCATED IN SECTION 33 IN TOWNSHIP 51 NORTH, RANGE 5 WEST, B.M., AND IN THE NORTH ONE HALF OF SECTION 4 IN TOWNSHIP 50 NORTH, RANGE 5 WEST, B.M., IN THE CITY OF POST FALLS, COUNTY OF KOOTENAI, STATE OF IDAHO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 33, SAID CORNER BEING A PK NAIL, THENCE N00°21'21"W ALONG THE WEST LINE OF SAID SECTION, A DISTANCE OF 772.43 FEET TO A POINT 55.00 FEET WEST AND PARALLEL TO THE EAST RIGHT OF WAY OF MCGUIRE ROAD AND POINT OF BEGINNING OF THIS LEGAL DESCRIPTION; THENCE N00°21'21"W ALONG THE WEST LINE OF SAID SECTION A DISTANCE OF 1835.72 FEET; THENCE N89°40'50"E A DISTANCE OF 544.47 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 750.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°01'34" AN ARC DISTANCE OF 340.68 FEET AND SUBTENDED BY A CHORD WHICH BEARS N76°40'03"E A DISTANCE OF 337.76 FEET; THENCE N63°39'16"E A DISTANCE OF 1279.97 FEET; THENCE S26°20'44"E A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 400.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 56°46'00" AN ARC DISTANCE OF 396.31 FEET AND SUBTENDED BY A CHORD WHICH BEARS S54°43'44"E A DISTANCE OF 380.29 FEET; THENCE S83°06'44"E A DISTANCE OF 169.84 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 400.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°52'46" AN ARC DISTANCE OF 250.48 FEET AND SUBTENDED BY A CHORD WHICH BEARS S65°10'21"E A DISTANCE OF 246.41 FEET; THENCE S48°04'11"E A DISTANCE 141.97 FEET; THENCE N43°21'08"E A DISTANCE OF 630.36 FEET TO A POINT ON THE NORTHERNLY BOUNDARY OF THE BURLINGTON NORTHERN RAIL ROAD RIGHT OF WAY; THENCE SOUTHEASTERLY ALONG SAID NORTH BOUNDARY THE FOLLOWING 5 COURSES:

- 1) S46°38'52"E A DISTANCE OF 89.21 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 5779.58 FEET;
- 2) THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°12'40" AN ARC DISTANCE OF 1130.91 FEET AND SUBTENDED BY A CHORD WHICH BEARS S41°02'32"E A DISTANCE OF 1129.10 FEET;
- 3) S35°26'12"E A DISTANCE OF 1339.32 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1095.92 FEET;
- 4) THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°55'39" AN ARC DISTANCE OF 381.16 FEET AND SUBTENDED BY A CHORD WHICH BEARS S45°24'01"E A DISTANCE OF 379.24 FEET;
- 5) S55°21'50"E A DISTANCE OF 145.97 FEET TO THE WEST RIGHT OF WAY OF CHASE ROAD; THENCE ALONG THE FOLLOWING 17 COURSES:

- 1) THENCE S00°16'53"E A DISTANCE OF 715.21 FEET;
- 2) THENCE N89°51'57"W A DISTANCE OF 380.02 FEET;
- 3) THENCE S00°16'46"E A DISTANCE OF 136.00 FEET;
- 4) THENCE N89°51'57"W A DISTANCE OF 634.35 FEET;
- 5) THENCE S00°00'00"E A DISTANCE OF 40.00 FEET TO THE NORTH LINE OF SAID SECTION 4;
- 6) THENCE CONTINUING S00°00'00"E A DISTANCE OF 163.38 FEET;
- 7) THENCE S08°54'38"W A DISTANCE OF 29.43 FEET;
- 8) THENCE N81°53'10"W A DISTANCE OF 951.49 FEET;
- 9) THENCE N80°07'35"W A DISTANCE OF 516.00 FEET;
- 10) THENCE N58°04'57"W A DISTANCE OF 24.84 FEET;
- 11) THENCE N89°51'57"W A DISTANCE OF 150.01 FEET;
- 12) THENCE N00°31'23"W A DISTANCE OF 1498.57 FEET;
- 13) THENCE S89°28'37"W A DISTANCE OF 933.23 FEET;
- 14) THENCE S00°31'23"E A DISTANCE OF 1475.98 FEET;
- 15) THENCE N89°57'46"W A DISTANCE OF 875.79 FEET;
- 16) THENCE N00°31'23"W A DISTANCE OF 721.98 FEET;
- 17) THENCE N89°51'57"W A DISTANCE OF 792.99 FEET TO THE WEST LINE OF SAID SECTION 33 AND THE POINT OF BEGINNING

Said parcel of land containing 248 acres, more or less.

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(and a map thereof, which is attached hereto as Exhibit "A"), based on the following findings:

- A. The proposed area has been designated as a deteriorated or deteriorating area. Any differences between the physical area addressed by the Revised Plan and the original declaration of deteriorated area status are hereby affirmed to conform to the description contained in the current Revised Plan.
- B. The West Seltice II Urban Renewal Plan conforms to the City of Post Falls Comprehensive Plan.
- C. The Plan indicates the improvements and rehabilitation that are proposed to be carried out, including land uses, densities, building requirements, method of financing, and a revenue allocation financing program.
- D. The Plan does not anticipate the displacement of any families at this time.
- E. The West Seltice II Urban Renewal Plan serves to enhance the provisions of adequate park and recreation areas by providing a greater industrial tax base to fund park and recreation programs and by addressing the acquisition of open space.
- F. The West Seltice II Urban Renewal Plan affords maximum opportunity for the Urban Renewal Area to develop through private enterprise.
- G. The West Seltice II Urban Renewal Area is an area that is deteriorated or deteriorating as described in the Revised Plan.
- H. The West Seltice II Urban Renewal Plan conforms to both state and local planning and zoning requirements.
- I. The West Seltice II Urban Renewal Plan contains a tax allocation feasibility study which finds and declares that the debt to be incurred to provide the improvements described within the Plan is sufficient to pay the costs of the improvements proposed therein and that the assessed valuation of the revenue allocation area is likely to increase as a result of the initiation of the urban renewal project and competitively disadvantaged border community area in an amount sufficient to repay the debt incurred.
- J. The West Seltice II Urban Renewal Plan identifies the kinds, number, and location of all proposed public works or improvements within the revenue allocation area, provides an economic feasibility study, provides a detailed list of estimated project costs; provides a fiscal impact statement showing the impact of the revenue allocation area, and provides a description of the method of financing of the estimated project costs.

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Section 2: The City of Post Falls, Kootenai County, Idaho, hereby approves the West Seltice II Urban Renewal revenue allocation area as identified in the West Seltice II Urban Renewal Plan and the duration of the Revised Plan shall be fifteen (15) years from the date of this approval.

Section 3: This Ordinance shall be effective upon its passage and publication as provided by law.

Dated this 15th day of November, 2005.

CITY OF POST FALLS  
KOOTENAI COUNTY, IDAHO

By: Mayor Clay Larkin  
CLAY LARKIN, Mayor

ATTEST:

Christene Pappas  
Christene Pappas, City Clerk  
(SEAL)



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TECHNICAL SUPPORT

# WEST SELTICE II URBAN RENEWAL

011-8

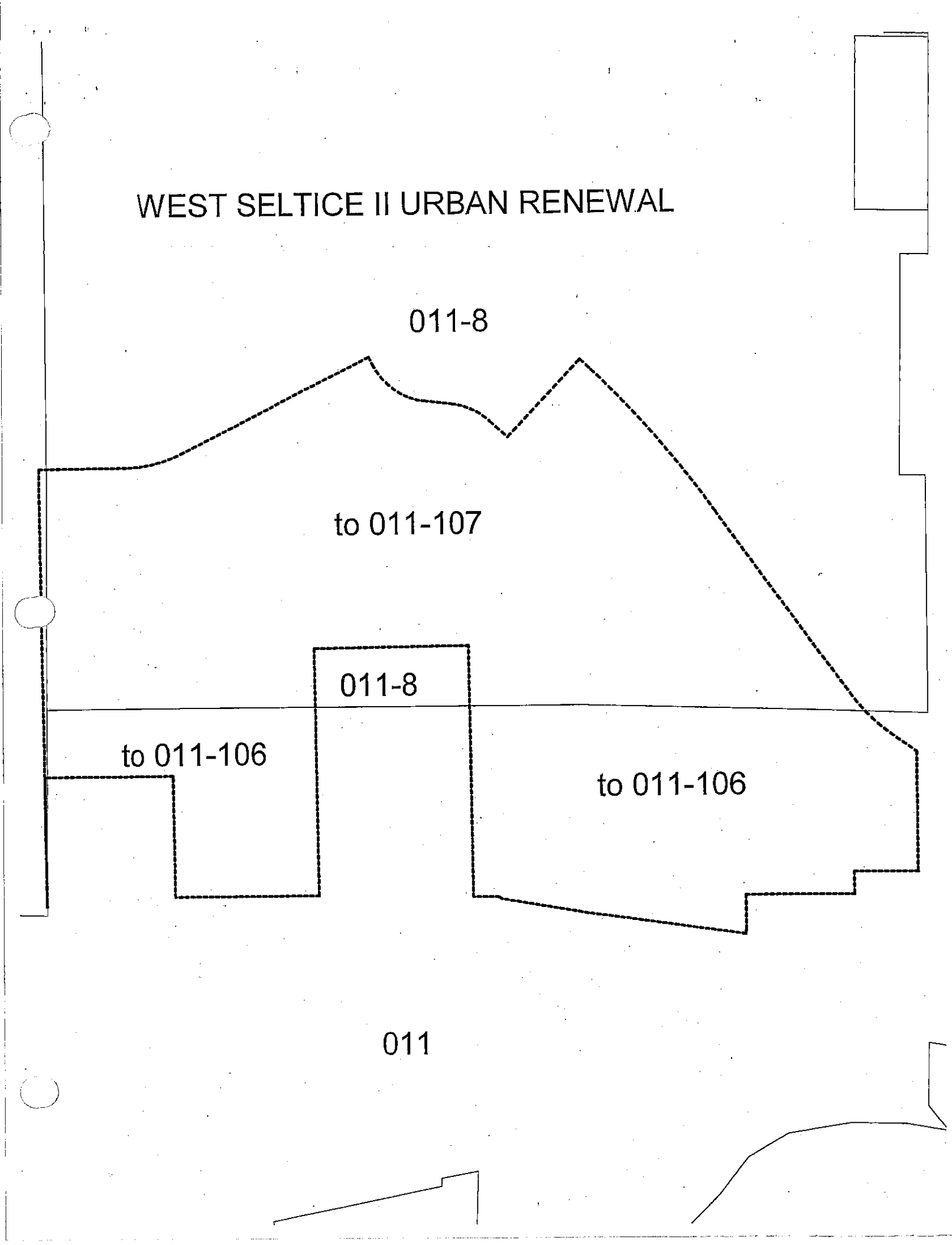
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OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT  
West Seltice II

THIS AGREEMENT made and entered into this 18th day of June, 2009, by and between the POST FALLS URBAN RENEWAL AGENCY, an Idaho urban development agency, P.O. Box 236, Post Falls, ID, 83877-0236, hereinafter referred to as the Agency, and Greenstone - Kootenai, a Developer, of 1421 N. Meadowwood Lane, Ste. 200, Liberty Lake, WA 99019, hereinafter referred to as the Participant.

WITNESSETH:

WHEREAS the Agency is an independent public body, corporate and politic, and is an Idaho urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Development Act of 1988, being Idaho Code, Title 50, Chapter 29, as amended and supplemented, hereinafter collectively referred to as the Act, and

WHEREAS the City of Post Falls by the adoption of Ordinance No. 1089 on the 15 day of November, 2005, duly formed and adopted the West Seltice II Urban Renewal Plan and created the West Seltice II Urban Renewal District, hereinafter referred to as the Plan and the District, and

WHEREAS the Participant owns or controls real property located within the boundaries of the District, and more specifically described in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Site, and

WHEREAS the Participant intends to construct public infrastructure improvements on the Site, as more specifically described in Exhibit B, attached hereto and incorporated by reference herein, and hereinafter referred to as the Project, and

WHEREAS the Agency has reviewed the elements of the Project and feels that the Project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan, and

WHEREAS the Agency and the Participant seek to cooperate in the construction of public infrastructure improvements, and

WHEREAS until such time as the Project is completed the tax increment revenues from the District would be insufficient to pay for construction of the Project, and

WHEREAS the Participant is willing to construct and pay for the Project with the expectation of being reimbursed from future tax increment revenues received by the Agency from the District as those revenues are received, and

WHEREAS the Parties seek to memorialize understandings relating to the conditions associated with Agency funded reimbursement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, the Parties agree as follows:

1. EFFECTIVE DATE: The effective date of this Agreement shall be the date first above-written, and shall continue until all obligations of each Party are completed or until the termination of the Plan, whichever shall first occur.

2. PUBLIC INFRASTRUCTURE AND OTHER PUBLIC FACILITIES: The Parties agree that the public infrastructure and other public facilities and their estimated costs that are the subject of this Agreement are those listed on Exhibit C, attached hereto and incorporated by reference herein, and hereinafter referred to as the Agency Funded Public Improvements. Any other public improvements that are constructed by the Participant as part of the Project are not eligible for reimbursement pursuant to this Agreement.

3. CONSTRUCTION OF AGENCY FUNDED PUBLIC IMPROVEMENTS: The participant agrees to construct the Agency Funded Public Improvements consistent with the following:

3.1. The improvements to be constructed shall be in accordance with the overall City infrastructure plans, polices, and design standards.

3.2. Prior to commencing construction, all necessary permits will be obtained by the Participant.

3.3. Construction and quality control inspections shall be provided by the engineer of record.

4. CONDITIONS: In consideration for the commitments presented by the Participant, the Agency agrees to continue to proceed with reimbursement for the Agency Funded Public Improvements, subject to the following conditions:

4.1. The Participant shall comply with the City of Post Falls design review approvals and all applicable local, state and federal laws.

4.2. The Participant shall submit a Project schedule to the Agency upon completion of City approvals.

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4.5. The Participant agrees to invoice the Agency per the cost of the items to be reimbursed for review by the Agency, with reimbursement to be based upon completion and final inspection by the Agency or its agent, and the availability of tax increment revenues for the District.

4.6. The Participant shall complete the Project improvements on or before the 1<sup>st</sup> day of September, 2007.

5. INITIAL CONSTRUCTION FUNDING: The Participant shall pay for all of the costs of installation of the Agency Funded Public Infrastructure set forth in Exhibit C and previously approved by the Agency, hereinafter referred to as Participant Advances.

6. REIMBURSEMENT OF PARTICIPANT ADVANCES: The Participant shall be entitled to reimbursement of Participant Advances subject to the following conditions and understandings:

6.1. It is the understanding of the Parties that the Participant shall only be paid the reimbursement of Participant Advances from the tax increment revenues of the District directly resulting from the Project improvements being made by the Participant. If for any reason tax increment revenues anticipated to be received by the Agency are insufficient or curtailed, the Agency shall not be obligated to use other sources of revenue to make reimbursements to the Participant.

6.2. It is the understanding of the Parties that tax

increment revenues received by the Agency for the District will first be used in the following manner and order:

6.2.1. To reimburse the Agency for the costs of amending the Plan and/or any remaining unpaid costs of designing or adopting the Plan.

6.2.2. For the payment of the District's annual contribution to the administrative costs of the Agency.

6.2.3. For the payment into a district wide reserve account pursuant to the policies of the Agency.

6.2.4. For the repayment of any debt of the District.

6.2.5 To the reimbursement of Participant Advances.

The Participant acknowledges that the Agency has provided the Participant with copies of the Agency's policies concerning the use of tax increment revenue and cost reimbursement.

6.3. The Participant is aware that the Agency intends to conduct an annual review of the performance of both the Plan and the District, and reserves the right within the sole discretion of the Agency to make adjustments to the Plan, including the ability to terminate a non-performing plan.

## 7. MISCELLANEOUS:

7.1 The Participant shall provide the Agency with proof that the Participant and its agents have adequate liability and workers compensation insurance.

7.2 The Participant agrees to indemnify and hold harmless the Agency from any and all liability and/or obligations not specifically provided for in this Agreement to be performed by the Agency with reference to the Project.

7.3 The Participant does hereby grant to the Agency and its agents a right of access to the Project area for the purposes of inspections.

7.4 The Participant agrees at the appropriate time to convey title to Agency Funded Public Infrastructure either to the Agency or to the City of Post Falls.

7.5. The Parties agree that this Agreement does not establish a partnership or joint venture relationship between the Parties.

7.6. The rights and obligations provided for in this Agreement may not be assigned.

7.7. This Agreement shall be construed and enforced under the laws of the State of Idaho, with any enforcement action to be brought in Kootenai County, Idaho. The prevailing party in any action shall be entitled to attorney's fees and costs.

7.8. The Parties agree that this Agreement is the entire agreement between the Parties, and is binding upon their successors.

IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

POST FALLS URBAN RENEWAL AGENCY  
an Idaho urban renewal agency

By: *Sammy White*  
Chairman

PARTICIPANT:

*Greenstone-Kootenai*  
By: *Kevin Shultz*  
*Project Manager*

PLEAS  
&

**Post Falls Urban Renewal Agency Order of Approval:  
West Seltice Urban Renewal District**

WHEREAS, Greenstone – Kootenai, of 1421 N. Meadowwood Lane, Ste. 200, Liberty Lake, WA 99019 has submitted a request for reimbursement of infrastructure improvements in the West Seltice Urban Renewal District, pursuant to the terms of their Owner Participation Agreement, hereinafter referred to as the Request, and

WHEREAS the Post Falls Urban Renewal Agency, hereinafter referred to as the Agency, has had the Request reviewed by staff, and staff has submitted findings and recommendations to the Commission of the Agency,

WHEREAS the Request, the findings and the recommendations have all been reviewed in detail by the Finance Committee members of the Agency,


NOW THEREFORE, the full Commission of the Agency does hereby make the following findings of fact:

- That the Request is in compliance with the terms of the Owner Participation Agreement between the parties dated June 18, 2009
- That the Request is consistent with the terms of the Agreement between Greenstone – Kootenai, a developer, and the parties, dated June 18, 2009
- That the constructed publicly-owned infrastructure associated with this Request has been accepted by the City of Post Falls
- That the total amount to be reimbursed is consistent with all Agency policies

BASED UPON THESE FINDINGS, the Agency's Commissioners do hereby formally approve for reimbursement the amount of **\$1,990,008.28**, to be paid from tax increment revenues in the West Seltice Urban Renewal District, as they become available to the Agency and in accordance with Agency policies.

Adopted this 20th day of August, 2009 by:

**POST FALLS URBAN RENEWAL AGENCY**

  
Patrick Quinn

August 11, 2009

Mr. Tom Lien  
Post Falls Urban Renewal Agency  
1616 E. Seltice  
Post Falls, ID 83854

Re: West Seltice II – Montrose Phase 1 and Treaty Rock Corporate Center Phase 1

Dear Tom:

Based on the package submitted by Greenstone, Welch Comer Engineers has completed a cursory review of Montrose Phase 1 and Treaty Rock Corporate Center reimbursement submittal requests. Both projects are located in the West Seltice Urban Renewal District.

After meeting with the proponent and subsequent review of the unit prices and invoicing, we determine the costs eligible for reimbursement to be reasonable and within normal ranges of engineering and construction practice with the exception of the following items:

- Invoice #8245 in the amount of \$2,336.00 is associated with water connection to apartments and Duncan Marine, which are both outside of public right of way. Therefore, this cost is not eligible for reimbursement.
- As pointed out by Kevin Schneidmiller in a meeting on 8/04/09, invoice #8174 in the amount of \$55,478.92, should not have been included within the reimbursement request and is not included in the total.
- Per a telephone conversation with Kevin Schneidmiller on 8/11/09, invoice #7742 for fuel surcharges and in the amount of \$7,696.91 should not be included in the reimbursement request and is not included in the total.
- Legal Fees – Per a URA memo dated November 7, 2006 and adopted November 16, 2007, it is clear that “soft costs” in the form of legal fees are not eligible for reimbursement as stated below:

“This proposal recognized that while a Proponent may incur legal, management, and administrative costs associated with the development and management of an Urban Renewal District, such costs are simply a part of doing redevelopment business. The Agency shall no longer recognize, as appropriate for reimbursement, any Proponent costs associated with the administration of a District, or it legal or management activities.”

Therefore, the legal fees associated with the Treaty Rock portion of the submittal in the amount of \$5,700.00 are not eligible for reimbursement.

Based on the modifications above, the total reimbursement amount, in Welch Comer’s opinion is \$1,990,008.28. A detailed breakdown is shown on the attached table.



Please feel free to contact our office should you have any questions or require additional information.

Sincerely,



Matthew R. Gillis, P.E.  
Senior Project Manager

MRG/mrg  
Enclosure

