### SECOND ADDENDUM TO SETTLEMENT AGREEMENT

This Second Addendum to Settlement Agreement (hereinafter "Addendum") is entered into as of the dates set forth below by and between the Post Falls Urban Renewal Agency, an Idaho urban renewal agency, P.O. Box 236, Post Falls, Idaho 83877-0236 (hereinafter "PFURA"), and J.R. Watson & Associates Development Co., P.O. Box 610, Seal Beach, California 90740, James R. Watson and Judy Watson, husband and wife, 250 Ocean Avenue, Seal Beach, California 90740, each in their individual capacity and on behalf of their marital community (hereinafter collectively referred to as "WATSON").

#### **RECITALS:**

WHEREAS, PFURA is an Idaho urban renewal agency created by and existing under the authority of and pursuant to the laws of the State of Idaho.

WHEREAS, the City of Post Falls, Idaho, by the adoption of Ordinance No. 990 on November 6<sup>th</sup>, 2001 and Ordinance No. 1011 on November 5<sup>th</sup>, 2002 duly formed and adopted the Expo Urban Renewal Plan and created the Expo Urban Renewal District (hereinafter referred to as the "Plan" and the "District").

WHEREAS, WATSON is the sole developer within the District who has participated in the Plan by constructing public improvements contemplated by such Plan.

WHEREAS, in 2007 PFURA and WATSON entered into a Settlement Agreement regarding the amount of reimbursement that WATSON is entitled to under the Plan for the construction of public improvements.

WHEREAS, in 2010 PFURA and WATSON approved a First Addendum to the Settlement Agreement, which primarily related to restating WATSON'S obligation to pay PFURA'S Annual Administrative Fee.

WHEREAS, PFURA and WATSON now wish to further amend the terms of the Settlement Agreement to reflect current cost estimates and plans for public improvement construction in the District.

NOW THEREFORE, in consideration of the above Recitals, the mutual covenants and agreements set forth herein and the benefits to be derived therefrom, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged,

1. Amendment to Section 3B. Section 3B of the Settlement Agreement is hereby amended as follows:

"All references to the sequential phasing of Projects within the Plan are deleted. The parties agree that the market shall dictate the manner in which the improvements set forth in the Plan are installed and that WATSON is free to utilize his development

experience and expertise to construct the Projects set forth in the Plan in any order which will enhance the development of the property in accordance with the Plan. WATSON has provided a consolidated line item budget to AGENCY which is consistent with the individual line item budgets set forth in the Plan, and with Section 5 of the Plan, for each of the sequential phases contemplated in the original Plan (Provided in Schedules 1 and 2 attached)."

- 2. <u>Amendment of Section 3C</u>. Section 3C of the Settlement Agreement is hereby amended as follows: "The cost estimates allocated to the specific line items set forth in Schedules 1 and 2 shall be deemed to be fungible, meaning that savings realized with respect to one line item may be reallocated to the total costs projected for another line item, so long as the total estimated cost of the Projects does not exceed the total of the amounts set forth in such Schedules."
- 3. <u>Amendment of Section 3D</u>. Section 3D of the Settlement Agreement is hereby amended as follows:

"WATSON'S entitlement to reimbursement for the hard costs incurred/to be incurred in constructing public improvements within the District shall be determined based on specific verification of the amount of improvements installed and payment shall be based solely upon the percentage of completion method as applied to each hard cost line item set forth in Schedules 1 and 2. Correspondingly, for improvements already constructed, WATSON and AGENCY agree that as of the date of this Second Addendum, WATSON is entitled to reimbursement from the AGENCY'S available tax increment revenue solely derived from this District, in the agreed upon amount of \$154,259.97. The term "hard costs" refers to those costs incurred by WATSON that are contemplated in Section 5 of the Plan, excluding bond costs, miscellaneous costs and administrative costs, which are referred to herein as "soft costs".

4. <u>Amendment of Section 3E</u>. Section 3E of the Settlement Agreement is hereby amended as follows:

"WATSON shall be reimbursed for certain budgeted soft costs set forth in the Plan, to the extent that they have been incurred or are to be incurred in constructing public improvements within the District to the extent that such costs do not exceed the estimates provided in Schedules 1 and 2 and provided that the respective Project to which such costs are allocated has been certified as complete by the City Engineer. The Administrative Costs and Miscellaneous Costs represent 2.39% and 5.00% of hard costs (total costs less bond costs, Miscellaneous Costs and Administrative Costs, as set forth in Exhibit "C") respectively. These percentages shall be applied to the work approved by the City Engineer for reimbursement purposes. Payment of such soft costs shall be calculated based on the percentage of

completion of the overall improvements set forth in Schedules 1 and 2. Soft costs do not include reimbursement for financing costs which shall be reimbursed in accordance with current Agency policy"

5. Addition of Section 3M. The following Section 3M is hereby added to the Settlement Agreement:

Reimbursement for those costs set forth in Schedule 2 is contingent upon (1) verification acceptable to the AGENCY that the scope of work will wholly take place within the boundaries of the Expo Urban Renewal District, or (2) completion of a boundary adjustment for the Expo Urban Renewal District to assure that the scope of work will not exceed the boundaries of such District.

4. <u>Remainder of Settlement Agreement</u>. The other terms of the Settlement Agreement shall remain in full force and effect unless amended by this Addendum or any other valid modifications executed by the parties.

POST FALLS URBAN RENEWAL AGENCY

J.R. WATSON & ASSOCIATES DEVELOPMENT CO.

James F

James R/ Watson, individually and on behalf of his marital community

Watson, individually and on behalf of ber marital community

SECOND ADDENDUM TO SETTLEMENT AGREEMENT

Z-29-14

Date

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## EXPO Project Costs Increment Required December 2013

# Project Costs & Increment Required

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				Soft Costs	Admin. & Misc.	
Project	Cost	Mobilization 5%	Total Hard Cost	12%	7.39%	Total Projec
Creative Way	457,068	19,744	476,812	57,217	35,236	569,26
Expo Parkway	1,667,408	72,026	1,739,434	208,732	128,544	2,076,71
Jacklin Road	729,801	31,525	761,326	91,359	56,262	908,94
Total Project Costs	2,854,277	123,295	2,977,572	357,309	220,043	3,554,92
New Increment Needed for Debt Cov	/erage					888,73
		Increment necessa	ary if 1.25 Debt Co	overage		4,443,65
Based on Engineering Estimates						
Soft Costs subject to URA Policy					:	
Admin & Misc. per 2007 Settlement	Agreement					
					1	
					-	
					:	
					-	
					:	

SCH	ED	UL	E	2
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## EXPO Jacklin Road Extension December 2013

# Project Costs & Increment Required

	М	obilization			Adm. & Misc.	
Project	Cost	5%	<b>Total Hard Cost</b>	Soft Costs 12%	7.39%	Total Project
Jacklin Road Extension	114,783	4,958	119,741	14,369	8,849	142,959
New Increment Needed f	or Debt Coverage					35,740
	Inc	rement nec	essary if 1.25 Deb	t Coverage		178,699

VE WAY EXTENSION	ny Engineer'e l	Date: Ectimato	9/13/20
the second s	ary Engineer's I		
	Quantity Units	ومستعدية والمعتورة ومترج المترج والمتعادين وترابها والمراجع والمراجع والمترجع والمترجع والمترجع	Amount 19,743.7
Mobilization	مستحققات فيشبع سالي فستنا بالمروم مستربان المراج بالمراج الالتار	\$ 19,743.75 \$ Costs Subtotal:   \$	19,743.7
Water Improvements		Water Improvements	13,143.1
Tie into Exist Water Main	1 ea	\$ 1,000.00 i \$	1,000.0
- Tie-into-Exist-Water-Main-w/Fittings	1.ea	\$ 3,000.00 \$	3,000.0
12" water main	1181 lf	\$ 37.50 \$	44,287.
Fire Hydrants	1 ea	\$ 3,950.00 \$	3,950.0
6" Water Service w/ Blow off	l 8 ea	\$ 3,500.00 (\$	28,000.
		Water Subtotal: \$	80,237.
Sewer Improvements	الم محمد الم مع من من الم الم من الم الم من الم الم من الم	Sewer Improvements	
Tie into Exist Sewer/Doghouse Manhole	1lea	\$ 3,500.00 \$	3,500.
8" Sewer	1077 lf	\$ 30.00 \$	32,310.
Manholes	5 ea	\$ 2,250.00 \$	11,250.
6" Sewer Services	9 ea	\$ 1,050.00 \$	9,450.
na kasa mutamanan de deninggan mananan da makatan arakara da na sa		Sewer Subtotal: \$	56,510.
Hard Surface Improvements	Ha	rd Surface Improvemen	
Sidewalk 5' Concrete	11330 sf	\$ 3.75 \$	42,487.
Standard Curb & Gutter	2300 lf	\$ 14.50 \$	33,350.
Ped Ramps	2 ea	\$ 725.00 \$	1,450.
Curb Cuts	41 ea	\$ 90.00 \$	3,690.
Roadway - 3" AC / 6" BC	5450 sy	\$ 16.00 \$	87,200
Roadway Pavement Markings	1 ls	\$ 5,000.00 \$	5,000.
	Hard S	urface Subtotal: \$	173,177.
Earthwork		Earthwork	1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1
Strip Topsoil	4000 cy	\$ 3.00 \$	12,000.
Excavation/Borrow to Embank	4000 cy	\$ 4.25 \$	17,000
a la construction de la const	الحاملة الدائية والملاجة الملائدة والمساجعة والمحمد والاستحصاص والمستعين والمراجعة	hwork Subtotal: \$	29,000
Stormwater Improvements	the state of an end of the second state of the	tormwater Improvement	the second s
Dry Wells 600 gal Type 1	4 ea	\$ 2,250.00 \$	9,000
Swale hydroseed	19400 sf	\$ 1.25 \$	24,250
	Storn	nwater Subtotal:   \$	33,250
Misc Cost		Misc Costs	000
Street Signs	2 ea	\$ 450.00 \$	900
Traffic Control	1   s	\$ 1,500.00 \$	1,500
Utility Trenching & Bedding	1200 lf	\$ 4.25 <b>\$</b>	5,100
Street Trees	46 ea	\$ 200.00 \$	9,200 6,000
Street lights - Cobra head	8 ea	\$ 750.00 \$ Misc Subtotal: \$	ter na se vel en de trada de la cal
a na sana ang ang ang ang ang ang ang ang ang	Renardade alta anti da anti 202 contra da	enemente de la constante de la	22,700
		Total COST \$	394,875
ya na nay la ng kanan Miya na na na na hina kata na ka	Total COST with	5% mobilization \$	414,618
	1	5% Contingency \$	62,192
n na na guna na anna an anna an an anna an an an a		onstruction Total \$	476,811
Engineering/Surveying		nagement (15%) \$	71,521
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a yang penangkan kanan sa sagan manangkan perteringi sa sebah penangkan penangkan sebah penangkan penangkan pen	ana ang ing ing ing ing ing ing ing ing ing i	GRAND TOTAL \$	548,333
		e, cable TV or natural gas	

O WAY EXTENSION - + 3000lf	nen Ensinest	Dat			9/13/2
	nary Engineer's				می اور
Nobilization	<u> </u>		72,026.25	\$	<u>ໄຫ້ອັບດີບໍ</u> 72,026
Mobilization			s Subtotal:	•	72,020
Water Improvements			er Improver		72,020
Tie into Exist Water Main	1 ea	\$	1,500.00	\$	1,500
12" water main	3,000 if	\$	37.50	\$	112,500
	1-20-1f	\$		\$	3,000
Fire Hydrants	7 ea	\$	3,950.00	Ŝ	27,650
6" Water Service w/ Blow off	8 ea	Ś	3,500.00	ŝ	28,000
• • • • • • • • • • • • • • • • • • • •			r Subtotal:	Ŧ	172,650
Sewer Improvements		Sew	er Improve	ments	
Tie into Exist Sewer	1 ea	\$	1,500.00	\$	1,500
15" Sewer	3,000 lf	\$	57.50	\$	172,500
8" Sewer	120 lf	\$	30.00	\$	3,600
Manholes	10 ea	\$	2,250.00	\$	22,500
6" Sewer Services	8 ea	\$	1,050.00	\$	8,400
	a gladara (ji) - a dina ka mje ana je na angla na je na mana nganika pana ka ina ina nga		r Subtotal:		208,500
HIS HIM HERE STAR GO IN DISCONCENSION STATES			uter Initia	And a rest of the set	A REAL PROPERTY AND A REAL
Sidewalk 6' Concrete	19,000 sf	\$	4.50	\$	85,500
Standard Curb & Gutter	6,500 lf	\$	14.50	\$	94,250
Ped Ramps	6 ea	\$	725.00	\$	4,350
Curb Cuts	120 ea	\$	90.00	\$	10,800
Roadway - 4" AC / 6" BC	25,000 sy	\$	21.50	\$	537,500
10' Multi-use Trail - 2" AC / 4" BC	3,500 sy	\$	12.25	\$	42,875
Roadway Pavement Markings	1 Is	\$	25,000.00	\$	25,000
	Hard S	Surfac	e Subtotal:		800,275
Earthwork	20.000 or	¢	Earthworl		05.000
Excavation/Borrow to Embank	20,000 cy	\$ thurar	4.25 k Subtotal:	\$ ¢	85,000
Stormwater Improvements			vater Impro		85,000
Dry Wells 1000 gal Type 2	12 ea	\$	2,250.00	\$	27,000
Swale hydroseed, topsoil, final grade	60,000 sf	\$	1.25	\$	75,000
			r Subtotal:		102,000
Misc Cost			Misc Cost		,
Street Signs	30 ea	\$	450.00	\$	13,500
Barricades	13 ea	\$	450.00	\$	5,850
Traffic Control	1 Is	\$	1,000.00	\$	1,000
Utility Trenching & Bedding	3,000 lf	\$	4.25	\$	12,750
Street Trees	120 ea	\$	200.00	\$	24,000
Street lights - Cobra head	20 ea	\$	750.00	\$	15,000
_		Misc	: Subtotal:	\$	72,100
		٦	otal COST	\$	1,440,525
	Total COST with			•	1,512,551
			ontingency	•	226,882
			iction Cost		1,739,433
				Ψ	.,
Engineering/Survevi	na/Construction Ma	anader	ment (15%)	\$	260.915
Engineering/Surveyi	ng/Construction Ma	anager	ment (15%)	\$	260,915

Preuminary E	naineer's E-	limate	<ul> <li>a strategy of the point of the</li></ul>
	ngineer's Est	الايوس ويتجهوه الدانيوس المانية ويهويون والمراجعة والأرام المتحود الله الإلا ووجعت والمحد والماد الما	
the second results and the second second second second in the second second second second second second second	Quantity Units	the second stand of the second s	Amount
Mobilization	1 ls	\$ 31,524.90 \$	31,524
sages - Samples and a strain of the strain o		Costs Subtotal: \$	31,524
Water Improvements		ater Improvements	
Tie into Exist Water Main	1 ea	\$ 2,500.00 \$ \$ 25.00 \$	2,500
8" water main	75 lf	\$ 25.00 \$	1,875
6" Water Service (52lf) w/Blow-off	2 ea	\$ 3,000.00 \$	6,000
12" water main	se a more en	\$ 37.50 \$	
Re-locate existing Fire Hydrant	3 ea	<u>\$ 1,500.00 </u> \$	4,500
Fire Hydrants	1 ea	\$ 3,950.00 \$	3,950
Flush Hydrant	1 ea	\$ 1,250.00 \$	1,250
	وجالب سيعد بمنه يحبر فيشيع فيشتج فيناد فتراجعا فالمرد المريد والمعارية	Nater Subtotal:   \$	20,075
Sewer Improvements		ewer Improvements	
Adjust Manhole Rim to grade	8!ea	\$ 500.00 \$	4,000
		Sewer Subtotal: \$	4,000
Hard Surface Improvements	att as made a location is an analy in only a mark in and	Surface Improveme	the state of the second st
Sidewalk 5' wide	16500 sf	\$	61,875
Standard Curb & Gutter	6400 lf	\$ <u>14.50</u> \$	92,800
Ped Ramps	2 ea	\$ 725.00 \$	1,450
Curb Cuts	66 ea	\$ 90.00 \$	5,940
10' Bike Path 2" AC / 4" BC	800 sy	\$ 90.00 \$ \$ 12.25 \$	9,800
Roadway - 3" AC / 6" BC	16838 sy	16.00 \$	269,408
32' wide Concrete Commercial Approach	3'ea	\$ 3,500.00 \$	10,500
Roadway Pavement Markings	1 ls	\$ 10,000.00 \$	10,000
inizi di a ing bar integazian dela menanteran menanter peranter da administrative metreri en el metro de con c	the second state of the second state of a second	Irface Subtotal: \$	461,773
Earthwork	ىرى ئۇسلىيىن (رائىيەرچوقاتىرارلەتتىرى) بەلىيىنى ( مەتر ) مەتر كېيىرىيە سەرىپ	Earthwork	A MER THANK TO A TAXABLE AND THANK OF THE PARTY OF THE PA
Excavation/Borrow to Embank	5500 cy	\$ 4.25 \$	23,375
u fan sjuli gel anvergengefer eensem fan het in serser fan serser fan de serser in de stere eense serser. De se I		work Subtotal: \$	23,375
Stormwater Improvements	Stor	mwater Improveme	nts
Dry Wells 1000 gal Type 2	6 ea	\$ 2,250.00 \$	13,500
Swale hydroseed, topsoil, final grade	44000 sf	\$ 1.25 \$	55,000
าวการการการการการการการการการการการการการก		water Subtotal: \$	68,500
Misc Cost	and a subsection of the second se	Misc Costs	an a
Street Signs	23 ea	\$ 450.00 \$	10,350
Barricades	9 ea	\$ 450.00 \$	4,050
Traffic Control	1 Is	\$ 1,000.00 \$	1,000
Utility Trenching & Bedding	3500 lf	\$ 4.25 \$	14,875
Street Trees	45 ea	\$ 200.00 \$	9,000
Street lights Cobra head	18 ea	\$	13,500
	a second to the state of a second state of the	Misc Subtotal: \$	52,775
ng na kanala na kana	a a strage to be	u mane era Are des qui van Maxime de Cellina.	a server a server a server a
and the second manufacture and the second manufacture and the second manufacture and the second manufacture and		Total COST \$	630,498
To	otal COST with 8	5% mobilization \$	662,022
n an an an ann an an ann an ann an ann an a	15	% Contingency \$	99,303
an a		nstruction Cost \$	761,326
		化化化物 化分析器 化合金 医结核 化化合物 机制作机 化分析机	<ul> <li>A second state of a second state of</li></ul>
Engineering/Surveying/Co		agement (15%) \$	114,198

	JACKLIN ROAD EXTENSION - URD			11/18/20
Preliminary Engineer's Estimate				
Description Mobilization	Quantity Units	والمريك المرجوبة مرجوبه فالمتعود بالردينة بمرهدتك المكادية فتعاري	¢	Amount
	1 ils	\$ 4,958.23 ont Costs Subtotal:	<u>₽</u>	4,958.2
WaterImprovemente		Water Improvements		4,958.2
Water Improvements	a na sana sa	والالارث المتعارية فالتراكل أومعملا سكام مستواله بالمتعاولة والمراك	\$	
8" water main	0 ea 0 lf	\$ 2,500.00 \$ 25.00	\$ \$	
6" Water Service (52lf) w/Blow-off	0 ea	\$ 3,000.00	ι <u>φ</u>  \$	••••••••••••••••••••••••••••••••••••••
12" water main		\$ 37.50	\$	uar , ater i sistestte, immi instit
Re-locate existing Fire Hydrant	0 ea	\$ 1,500.00	\$	a sur e a <mark>a</mark>
Fire Hydrants	0 ea	\$ 3,950.00	\$	an a
Flush Hydrant	0 ea	\$ 1,250.00	S	anagan se presenta situ an
		Water Subtotal:	The second se	a canat pantanan nananan karata mina.
Sewer Improvements	1	Sewer Improvement		n - En la compañía de la casa de compañía de la casa de la compañía de la casa de la compañía de la compañía d En la compañía de la c
Adjust Manhole Rim to grade	3 ea	\$ 500.00	S	1,500.(
אין איז איזער איז איזער איז איזער איז איזער איז איזער איז איזער איזער איזער איזער איזער איזער איזער איזער איזע איזער איזער איז	<ul> <li>Server and the Constraint Server Statement of the Constraint Server Statement of the Constraint Server S Server Server S Server Server Ser Server Server Serv</li></ul>	Sewer Subtotal:	5 \$	1,500.0
Hard Surface Improvements	Har	d Surface Improvem	A	and the second
Sidewalk 5' wide	4420 sf	\$ 3.75	\$	16,575.0
Standard Curb & Gutter	884 lf	\$ 14.50	\$	12,818.0
Ped Ramps	0 ea	\$ 725.00	\$	-
Curb Cuts	8 ea	\$ 90.00	\$	720.
10' Bike Path 2" AC / 4" BC	0 sy	\$ 12.25	\$	
Roadway - 3" AC / 6" BC	2504 sy	\$ 16.00	\$	40,064.
32' wide Concrete Commercial Approach	0 ea	\$ 3,500.00	\$	(1) an and another the product operation of the product operation op
Roadway Pavement Markings	1 <b>Is</b>	\$ 2,500.00	\$	2,500.0
	Har	rd Surface Subtotal:	\$	72,677.0
Earthwork	4000	Earthwork	<b>•</b>	1050
Excavation/Borrow to Embank	1000 cy	\$ 4.25 Earthwork Subtotal:	\$	4,250.0
Stormwater Improvements	فالجاجان الريميسيان والأمياض المرجيسين والمستخرجة والمستحد والمستجد المراجع والمتحريات الما	ormwater Improveme		4,250.
Dry Wells 1000 gal Type 2	1 ea	\$ 2,250.00	\$	2,250.
Swale hydroseed, topsoil, final grade	5970 sf	\$ 1.25	\$	7,462.
		tormwater Subtotal:		9,712.
Misc Cost		Misc Costs		V11141
Street Signs	3 ea	\$ 450.00	\$	1,350.0
Barricades	0 ea	\$ 450.00	\$	
Traffic Control	1 ls	\$ 1,000.00	\$	1,000.0
Utility Trenching & Bedding	700 lf	\$ 4.25	\$	2,975.0
Street Trees	6 ea	\$ 200.00	\$	1,200.
Street lights Cobra head	6 ea	\$ 750.00	\$	4,500.0
(c) And a manufacture of the state of the		Misc Subtotal:	\$	11,025.
		Total COST	\$	99,164.
n ny gang di kanana ang kanang kanang di kanang di kanang kanang di kanang kanang di kanang di kanang di kanang		vith 5% mobilization	1 <b>6</b>	ane satisfied at the
and and the second s		ных колекции разлати средов технологи	i T Langert e es	104,122.
a na ana ang maganang sa kana ang manang	15% Contingency Total Construction Cost		\$	15,618.4
			\$	119,741.
and a second of a second second program of a second second second second second second second second second se	Engineering/S	Surveying/CM (15%)	\$	17,961.
ан ал на стаку, мажна стаки стак на стаку на на	an ny saraharan arang saraharan saraharan saraharan saraharan saraharan saraharan saraharan saraharan saraharan	GRAND TOTAL	\$	137,702.