

### THIRD ADDENDUM TO SETTLEMENT AGREEMENT

This Third Addendum to Settlement Agreement (hereinafter “Third 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, and Expo Parkway North, LLC (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 (hereinafter “Settlement Agreement”).

WHEREAS, in 2010 PFURA and WATSON approved a First Addendum to the Settlement Agreement (hereinafter “First Addendum”), which primarily related to restating WATSON’S obligation to pay PFURA’S Annual Administrative Fee.

WHEREAS, in 2014 PFURA and WATSON approved a Second Addendum to the Settlement Agreement (hereinafter “Second Addendum”) which updated the types of public improvements remaining to be constructed in the District along with the estimated costs of such improvements.

WHEREAS, in 2017 Expo Parkway North, LLC, an affiliate of WATSON (hereinafter “Expo Parkway North”), and Pointe Partners, LLC, a proponent in the adjacent Center Point Urban Renewal District (hereinafter “Center Point District”), entered into a Memorandum of Agreement governing the design and construction of certain public improvements located within the Expo District and the Center Point District (hereinafter “Memorandum of Agreement”).

WHEREAS, such public improvements include what is referred to in the Memorandum of Agreement as “Pump Station Improvements”, which include a sewer lift station located in the Center Point District and a sewer force main extension located in the Expo District.

WHEREAS, although construction of a “Regional Sewer Lift Station” is included in both the Plan and the Settlement Agreement, no such reference is made thereto in the Second Addendum.

WHEREAS, PFURA and WATSON now wish to execute this Third Addendum to clarify that construction of the Pump Station Improvements to be located in the Expo District is authorized by both the Plan and Settlement Agreement, thereby making such Improvements eligible for tax increment reimbursement.

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. Pump Station Improvements. Construction of the Pump Station Improvements to be located in the Expo District is authorized by both the Plan and Settlement Agreement, thereby making WATSON’S share of the cost of such Improvements as detailed in the Memorandum of Agreement eligible for tax increment reimbursement in accordance with the terms of the Plan, Settlement Agreement, Second Addendum and applicable PFURA Policies. Schedules 1 and 2 of the Second Addendum are hereby amended to include WATSON’S share of the cost of the Pump Station Improvements.
2. Remainder of Settlement Agreement. The other terms of the Settlement Agreement, First Addendum and Second Addendum shall remain in full force and effect unless amended by this Third Addendum or any other valid modifications executed by the parties.

POST FALLS URBAN RENEWAL AGENCY

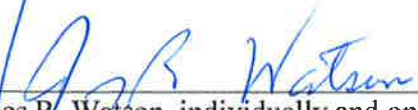
  
Larry Carstensen, Vice-Chairman

9-21-17  
Date


J.R. WATSON & ASSOCIATES DEVELOPMENT CO.

  
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James R. Watson, President

10/5/2017  
Date

  
\_\_\_\_\_  
James R. Watson, individually and on behalf of  
his marital community

10/5/2017  
Date

  
\_\_\_\_\_  
Judy Watson, individually and on behalf of  
her marital community

10/5/2017  
Date

EXPO PARKWAY NORTH, LLC

  
\_\_\_\_\_  
James R. Watson, Trustee

10/5/2017  
Date