

OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT
(Existing Plan & District)
for
Centerpoint Urban Renewal Plan
Project: Phase 1 - Sysco

THIS AGREEMENT made and entered into this 16th day of March, 2010 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 GREENSTONE-KOOTENAI, INC., an Idaho corporation, 1421 N Meadowwood Lane, Suite 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. 1016 on the 17th day of December, 2002, duly formed and adopted the **Centerpoint Urban Renewal Plan** and created the **Center Point Urban Renewal District**, and adopted Ordinance No. 1075 on the 29th day of July, 2005 adding an additional 48 acres, more or less, of land to the existing Centerpoint Urban Renewal Plan and the Center Point 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.

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 31st day of July, 2006.

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.,
An Idaho corporation

By: _____

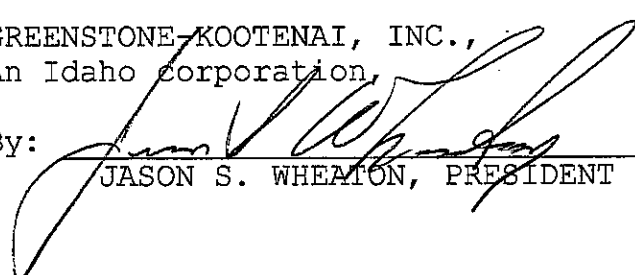

JASON S. WHEATON, PRESIDENT

EXHIBIT A

Phase 1 Legal Description Centerpoint Urban Renewal Plan

Phase 1 improvements will focus on the Sysco site, legally described as follows:

That portion of the Southeast Quarter of Section 1 and that portion of Northeast Quarter of Section 12, all in Township 50 North, Range 6 West, B.M., in the City of Post Falls, County of Kootenai, State of Idaho more particularly described as follows:

Commencing at the Southeast corner of said Section 1, said corner being a ½ inch rebar, thence $N00^{\circ}50'24''E$ along the east line of said section, a distance of 1367.91 feet, thence $S89^{\circ}47'06''W$ a distance of 1.00 feet to its intersection with a line parallel with and a right angle distance of 1.00 feet west of the East line of said Section 1 and True Point of Beginning of this legal description; thence $S00^{\circ}50'24''W$ along said parallel line, a distance of 1104.13 feet to the beginning of a curve concave to the northwest and having a radius of 30.00 feet; thence south and west along said curve through a central angle of $83^{\circ}33'56''$ an arc distance of 43.75 feet to the beginning of a reverse curve concave to the south and having a radius of 1040.00 feet; thence westerly along said curve through a central angle of $28^{\circ}00'49''$ an arc distance of 508.48 feet to the beginning of a reverse curve concave to the northwest and having a radius of 6960.00 feet; thence westerly along said curve through a central angle of $03^{\circ}08'35''$ an arc distance of 381.79 feet to the beginning of a compound curve concave to the north and having a radius of 30.00 feet; thence westerly and northerly along said curve through a central angle of $88^{\circ}53'17''$ an arc distance of 46.54 feet to the beginning of a compound curve concave to the east and having a radius of 2960.00 feet, through which point a radial line bears $S58^{\circ}25'24''W$; thence northerly along said curve through a central angle of $09^{\circ}39'57''$ an arc distance of 499.35 feet to the beginning of a reverse curve concave to the southwest and having a radius of 6040.00 feet; thence northerly along said curve through a central angle of $03^{\circ}26'44''$ an arc distance of 363.22 feet to the beginning of a reverse curve concave to the east and having a radius of 560.00 feet thence northerly along said curve through a central angle of $25^{\circ}24'20''$ an arc distance of 248.31 feet to the beginning of a reverse curve concave to the west and having a radius of 640.00 feet; thence northerly along said curve through a central angle of $13^{\circ}48'01''$ an arc distance of 154.15 feet to a point through which a radial line bears $N76^{\circ}14'56''E$; thence $N64^{\circ}51'10''E$ a distance of 143.88 feet; thence $N00^{\circ}49'03''E$ a distance of 258.00 feet; thence $N89^{\circ}47'06''E$ a distance of 1190.31 feet to the true point of beginning.

Containing 35.35 acres more or less

EXHIBIT B

Post Falls Corporate Park

Phase 1 Center Point Business Park Improvements

Summary Of Improvements

Offsite Water Line	\$162,621.25
Onsite Water Line	\$237,723.75
Onsite Sewer	\$158,722.96
Lift Station & Forced Main	\$137,555.00
Road Improvements	\$588,053.82
Engineering and Management	\$204,765.00
Grand Total	\$1,489,441.78

Post Falls Corporate Park

Phase 1 Center Point Business Park Improvements

Offsite Water

Description:

Offsite water improvements from Pleasant View west on Jacklin Road to eastern boundary of Post Falls Corporate Park. Main includes 4,375 lineal feet of mainline with fire hydrants, valves, and services.

	Units	Length	Width	Area	Per Unit	Cost
12" mainline		4,375			\$26.50	\$115,937.50
Fire hydrants	4				\$2,400.00	\$9,600.00
Services	8				\$850.00	\$6,800.00
Air vac/relief valve	1				\$650.00	\$650.00
Intersection stub	2				\$1,250.00	\$2,500.00
Special tie in	1				\$3,100.00	\$3,100.00
Signage and landscape repair	1				\$5,250.00	\$5,250.00
Offsite asphalt patch		100	20	222	\$18.00	\$4,000.00
Contingency (10%)						\$14,783.75
Grand Total						\$162,621.25

EXHIBIT C

Post Falls Corporate Park

Phase 1 Center Point Business Park Improvements

Onsite Water

Description: Onsite water improvements to service Sysco Facility.
Improvements include lines in Beck Road, and a dry line in Baugh Way to Seltice Way.

	Units	Length	Per Unit	Cost
10" pvc mainline		2,110	\$25.25	\$53,277.50
12" pvc mainline		2,942	\$26.50	\$77,963.00
16" pvc mainline		372	\$38.50	\$14,322.00
Fire hydrants	13		\$2,400.00	\$31,200.00
Intersection stub	3		\$1,250.00	\$3,750.00
Air vac/relief valve			\$650.00	\$0.00
Blow off assembly	8		\$450.00	\$3,600.00
Services	23		\$850.00	\$19,550.00
Irrigation services	3		\$650.00	\$1,950.00
Special tie in	2		\$2,500.00	\$5,000.00
Asphalt patch	1		\$5,500.00	\$5,500.00
Contingency (10%)				\$21,611.25
			Grand Total	\$237,723.75

Post Falls Corporate Park

Phase 1 Center Point Business Park Improvements

Onsite Sewer

Description: Onsite Sewer improvements to service Sysco Facility.
Improvements include lines in Beck Road, and a dry line in Baugh Way.

	Units	Length	Per Unit	Cost
8" mainline		3,079	\$ 18.40	\$ 56,653.60
10" mainline		1,240	\$ 38.50	\$ 47,740.00
Manholes	12		\$ 2,675.00	\$ 32,100.00
Services	12		\$ 650.00	\$ 7,800.00
Contingency (10%)				\$ 14,429.36
			Grand Total	\$ 158,722.96

Post Falls Corporate Park

Phase 1 Center Point Business Park Improvements

Sewer Lift Station and Forced Main

Description: The construction of a regional sewer lift station and forced main to service Post Falls Corporate Park, and the east section of Expo Commerce Park.

	Units	Length	Per Unit		Cost
Lift Station (all inclusive)	1		\$ 85,000.00	\$	85,000.00
Wet well	1		\$ 5,000.00	\$	5,000.00
Forced main		2,100	\$ 14.50	\$	30,450.00
Relief valves	2		\$ 1,050.00	\$	2,100.00
Tie in	1		\$ 2,500.00	\$	2,500.00
Contingency (10%)					\$12,505.00
			Grand Total	\$	137,555.00

Post Falls Corporate Park

Phase 1 Center Point Business Park Improvements Streets, Storm Drainage, Utilities

Description: Onstie street and utility improvements within Baugh Way from Seltice Way along the west perimeter of the Sysco property.

	Units	Length	Width	Area	Volume	Per Unit	Cost
Clearing and grubbing (right of way)		2,361	100	236,100	188,880	\$0.05	\$20,965.68
Road rough grade		2,361	80	188,880	56,664	\$0.06	\$11,143.92
Road sub grade		2,361	48	113,328	28,332	\$0.06	\$3,343.18
Road fine grade		2,361	48	113,328		\$0.10	\$2,833.20
Curb grade (including gravel base)		4,722				\$2.50	\$11,805.00
Sidewalk grade		4,722				\$1.80	\$8,499.60
6" on 6" street section		2,361	40	94,440		\$1.80	\$169,992.00
Curb and gutter		4,722				\$6.75	\$31,873.50
Sidewalk (both sides street)		4,722	6	28,332		\$1.75	\$49,581.00
Striping	1					\$4,000.00	\$4,000.00
Signage	10					\$300.00	\$3,000.00
Boulevard landscaping		2,361	36	84,996		\$1.85	\$157,242.60
Type 1 drywells	7					\$1,185.00	\$8,295.00
Type 2 drywells	4					\$2,250.00	\$9,000.00
Inlets and sidewalk vaults	11					\$650.00	\$7,150.00
208 ponds				6,500		\$0.90	\$5,850.00
Utility Trenching		2,597				\$1.80	\$4,674.78
Utility bedding material		2,597				\$1.75	\$4,544.93
Fiber conduit		2,600				\$8.00	\$20,800.00
Contingency (10%)							\$53,459.44
Grand Total							\$588,053.82

**Post Falls Urban Renewal Agency Order of Approval:
Center Point Urban Renewal District, Phase 1,
Greenstone-Kootenai, Inc.**

WHEREAS Greenstone-Kootenai, Inc., an Idaho corporation, 1421 N. Meadowwood Lane, Suite 200, Liberty Lake, WA 99019, has submitted a request for reimbursement of Phase 1 infrastructure improvements in the Center Point 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,

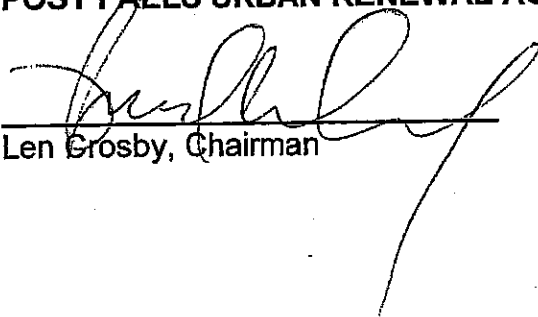
NOW THEREFORE, the full Commission of the Agency does hereby make the following findings of fact:

- That the Request is in compliance with the terms of the Owner Participation Agreement between the parties dated March 16, 2006
- That the Request is consistent with the terms of the Agreement between Stateline Business Park LLC, an Oregon limited liability company and the parties, dated March 16, 2006
- 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 **\$1,198,002.87**, to be paid from tax increment revenues in the Center Point Urban Renewal District, as they become available to the Agency and in accordance with Agency policies.

Adopted this 21st day of December, 2006, by

POST FALLS URBAN RENEWAL AGENCY



Len Grosby, Chairman

MEMORANDUM

DATE: AUGUST 2, 2006 *received 8/17/06*

TO: PAT RAFFEE, EXECUTIVE DIRECTOR
POST FALLS URBAN RENEWAL AGENCY

FROM: BILL MELVIN, CITY ENGINEER *BM*

RE: CENTER POINT URBAN RENEWAL DISTRICT

The following presents the mutual understanding of construction costs relative to the project, based upon several meetings with Casey Mason (Greenstone) and myself. Presented is a summary listing work categories, the original requests, and final costs.

The final costs were derived from submittals by Greenstone (maps and detailed cost information), in comparison with as-built construction plans. The supporting data is provided within the original cost estimate file provided by the Agency, which is being returned with this memorandum.

	<u>CATEGORY</u>	<u>(REQUEST)</u> <u>REQUEST</u>	<u>(APPROVED)</u> <u>FINAL</u>
<div style="display: flex; flex-direction: column; align-items: center;"> HARD COSTS } ONLY </div>	Offsite Water	\$150,756.50	\$ 150,756.50
	Onsite Water	\$185,634.54	\$ 178,772.54
	Onsite Sewer	\$128,902.00	\$ 128,620.00
	Sewer Lift Station	\$154,424.69	\$ 154,424.69
	Street / Utility	\$445,427.91	\$ 438,163.28
	TOTALS	\$1,065,145.64	<u>\$1,051,037.41</u>

Offsite Water

Requested Amount	\$150,756.50
No Adjustment	<u>\$ -0-</u>
Final Amount	\$150,756.50

Onsite Water

Requested Amount	\$185,634.54
Less 8' - 16" Water	\$(384.00)
Less 2 Fire Hydrants	\$(4,478.00)
Less 2 Services	<u>\$(1,700.00)</u>
Final Amount	\$179,072.54

Onsite Sewer

Requested Amount	\$128,902.00
Less 11' – 10" Sewer	<u>\$(281.60)</u>
Final Amount	\$128,620.40

Sewer Lift Station

Requested Amount	\$154,424.69
No Adjustment	<u>\$ -0</u>
Final Amount	\$154,424.69

Street & Utility

Requested Amount	\$445,427.91
Less Sidewalk Replacement	<u>\$(3,756.83)</u>
Less Utility Bores	<u>\$(3,507.80)</u>
Final Amount	\$438,163.28



J-U-B ENGINEERS, Inc.
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Regional Office
7825 Meadowlark Way
Coeur d'Alene, ID 83815

208-762-8787
Fax: 208-762-9797
www.jub.com

February 17 2006

Pat Raffee
Executive Director
Post Falls Urban Renewal Agency
P.O. Box 236
Post Falls, ID 83877-0236

RE: STATELINE BUSINESS PARK/CENTER POINT URD
REIMBURSEMENT FOR BAUGH WAY, WATER RESERVOIR, AND WATERLINE

Dear Pat:

86% - 14%

Thank you for your inquiry regarding our client's (Stateline Business Park, LLC) thoughts regarding a fair and equitable share of the common infrastructure and land costs serving both Greenstone's Post Falls Corporate Park and Stateline Business Park.

We understand Greenstone incurred \$116,419.24 for the design and construction of Baugh Way from Seltice Way to the south line of Stateline Business Park serving the SYSCO Facility and 84 Lumber. Greenstone believes they should be reimbursed 100 percent from Stateline Business Park's tax increment for this cost. We believe this cost should be allocated to the parties based on relative acreages as proposed by Greenstone for the other shared projects for the following reasons:

- By a November 17, 2003, agreement between Greenstone Kootenai, Inc. and Damascus Family Limited Partnership, which constituted a covenant that runs with the land our client assumed with the purchase, Greenstone agreed to incur the cost of building the road if the owner dedicated the land.
- While 84 Lumber is served by Baugh Way, the 84 Lumber site could have easily been designed to access Seltice Way directly, eliminating Stateline's need for Baugh Way.
- The extension of Baugh way into Post Falls Corporate Park enabled SYSCO to be sited in its present location. Since it is our understanding SYSCO did not desire an access to their facility from the east near a residential neighborhood.
- We believe the frontage and landscape improvements Stateline Business Park made to Seltice Way created an attractive entrance for Greenstone's Business Park, and our client could be entitled to reimbursement from Greenstone for some share of those improvements costs.

Based on the above, we believe a fair and equitable reimbursement plan would be an acreage-based shared cost for Baugh Way. Greenstone has incurred \$116,419.24 in





Engineers Surveyors , Planners

Pat Raffee
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February 14, 2006

costs for the design and construction of the street. Center Point URD totals 335 acres. Greenstone's portion is 287 acres (86 percent) and Stateline is 48 acres (14 percent). As such, Stateline Business Park's acreage-based shared cost would be \$16,298.69 plus the dedication of land for the street. We believe the cost to be fair, equitable and easy to administer by the Agency. As such, we could agree \$16,298.69 in the Stateline Business Park increment should be reimbursed to Greenstone for the Bough Way project.

It is our understanding that Greenstone is proposing an acreage-based shared cost for the waterline extension to the new water reservoir, and they have incurred \$150,756.50 in costs for the extension. The Center Point URD totals 335 acres. Greenstone's portion is 287 acres (86 percent) and Stateline's portion is 48 acres (14 percent). Therefore, Stateline Business Parks acreage-based shared cost would be \$21,105.91. We believe the allocation to be fair and equitable, and assuming Greenstone accepts the acreage based allocation for Bough Way, agree \$21,105.91 in the Stateline Business Park increment should be reimbursed to Greenstone for the waterline extension project.

Finally, we understand the Agency's annual loan payment for the new water reservoir is \$50,000 plus interest. Greenstone believes our client should share the cost based on an acreage based formula. As such, Stateline Business Park's shared cost would be \$7,000 or 14 percent. We believe this allocation to be fair and equitable and, assuming Greenstone accepts the acreage based allocation for Bough Way, agree \$7,000 in the Stateline increment should be used by the Agency toward the annual payment of the reservoir until such time as the reservoir payment is complete.

In summary, Stateline Business Park, LLC would agree to the above three allocations on a consistent, acreage based, shared cost formula for all three. The three above costs should be shared on 86/14 percent split, to be fair, equitable and for ease of administration.

We thank you for the opportunity to share our thoughts on these matters. We will await the decision of the Agency.

Sincerely,

J-U-B ENGINEERS, Inc.

Brad Marshall
Sr. Planner/Project Manager

BEM:
Stateline Business Park, LLC

