

**FIRST AMENDMENT**  
to  
**OWNER PARTICIPATION AGREEMENT**  
by and between  
**THE URBAN RENEWAL AGENCY FOR THE CITY OF IDAHO FALLS, IDAHO**  
also known as  
**THE IDAHO FALLS REDEVELOPMENT AGENCY**  
and  
**SENTINEL PROPERTIES, LLC**  
for the  
**MARRIOTT FAIRFIELD HOTEL PROJECT**

THIS FIRST AMENDMENT TO OWNER PARTICIPATION AGREEMENT (hereinafter “First Amendment”), by and between the Urban Renewal Agency of Idaho Falls, Idaho, also known as the Idaho Falls Redevelopment Agency, an independent public body, corporate and politic (hereinafter the “Agency”), organized pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, as amended (hereinafter the “Law”), and undertaking projects under the authority of the Law and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, as amended (hereinafter the “Act”), and Sentinel Properties, LLC, an Idaho limited liability company (hereinafter the “Participant”), collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below.

**RECITALS**

WHEREAS, following a duly noticed public hearing, the City Council of the City of Idaho Falls, Idaho, adopted Ordinance No. 3492 on November 10, 2022, approving the Urban Renewal Plan for the Pancheri East Bank Urban Renewal Project (hereinafter the “Urban Renewal Plan”), and establishing the Pancheri East Bank revenue allocation area (the “Project Area”). The termination date of the Urban Renewal Plan and Project Area is December 31, 2042; and

WHEREAS, the Participant acquired the approximately four (4) acre, former King B Jerky manufacturing plant at 1740 South Yellowstone Highway, located within the City of Idaho Falls (the “City”) and within the Project Area (the “Site”); and

WHEREAS, the Participant intends to make significant improvements to the Site, including a ninety (90) room hotel with improvements to the publicly owned River Walk adjacent to the Site. The Private Development (defined below) and the Agency Funded Public Improvements (defined below) may collectively be referred to as the “Project”; and

WHEREAS, the Participant and the Agency entered into a Memorandum of Understanding, dated November 18, 2021 (the “MOU”), wherein the Participant agreed to advance fund certain costs related to the planning and establishment of the Urban Renewal Plan and the Project Area, which costs are reimbursable expenses under the Owner Participation Agreement (defined below). Pursuant to the MOU, the Participant advance funded Thirty-Eight

Thousand Dollars and 00/100 (\$38,000.00) related to the planning costs (the “Planning Costs”); and

WHEREAS, as part of the Project, Participant intended to undertake certain eligible improvement costs, including demolition of the old manufacturing facility, environmental remediation, site development, and River Walk and right-of-way improvements (the “Agency Funded Public Improvements”); and

WHEREAS, the Urban Renewal Plan authorizes the Agency to use revenue allocation financing to fund specific projects and improvements to implement the Urban Renewal Plan, including those proposed by the Participant; and

WHEREAS, the Agency and the Participant negotiated the major terms of the Agency’s participation in the funding of certain improvements and other eligible expenses (collectively the “Agency Funded Public Improvements”); and

WHEREAS, the Agency Funded Public Improvements implement several objectives outlined in the Urban Renewal Plan; and

WHEREAS, as a result of the Participant’s agreement to construct the Agency Funded Public Improvements, the Participant’s commitment to comply with the terms of the Urban Renewal Plan, and the Agency’s commitment to reimburse the Participant in compliance with the Urban Renewal Plan, the Parties deemed it necessary to enter into the Owner Participation Agreement (the “Agreement”) to define their respective obligations; and

WHEREAS, the Agency and the Participant entered into the Agreement on February 22, 2023, attached hereto and incorporated herein as **Exhibit A**, for the purpose of outlining the terms of the Participant’s construction of the Agency Funded Public Improvements and the Agency’s reimbursement of the Agency Funded Public Improvements in an amount not to exceed Three Hundred Fifty Thousand Dollars and 00/100 (\$350,000.00); and

WHEREAS, included in the not to exceed amount of Three Hundred Fifty Thousand Dollars and 00/100 (\$350,000.00), for the Agency Funded Public Improvements, were demolition of the vacant manufacturing facility, estimated at Two Hundred Fifty Thousand Dollars and 00/100 (\$250,000.00) and River Walk and right-of-way improvements estimated at One Hundred Thousand Dollars and 00/100 (\$100,000.00); and

WHEREAS, upon receiving multiple bids for the demolition of the vacant manufacturing facility, the lowest total cost to demolish and remediate this facility is Three Hundred Twenty-Three Thousand, Nine Hundred Thirty-Six Dollars and 00/100 (\$323,936.00); and

WHEREAS, the Parties desire to amend the Agreement to allow for reimbursement of the entire cost of the demolition and remediation of the vacant manufacturing facility, which increases the total not to exceed amount of the Agreement, including the River Walk and right-of-way improvements and a contingency, to Four Hundred Forty-Five Thousand, One Hundred Thirty-Three Dollars and 00/100 (\$445,133.00); and

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this First Amendment, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **AGREEMENT**

**A. PURPOSE OF FIRST AMENDMENT.** Pursuant to Section III.F. of the Agreement, the Participant could seek reimbursement for the Actual Eligible Costs of the Agency Funded Public Improvements up to an amount not to exceed Three Hundred Fifty Thousand Dollars and 00/100 (\$350,000.00). The Agreement contemplated, pursuant to Section II.A, that the Agency Funded Public Improvements would be those generally identified in Attachment 4 to the Agreement and would consist of Two Hundred Fifty Thousand Dollars and 00/100 (\$250,000.00) for demolition of the vacant manufacturing facility and One Hundred Thousand Dollars and 00/100 (\$100,000.00) for the River Walk and right-of-way improvements. The Agreement also contemplated the reimbursement of Thirty-Eight Thousand Dollars and 00/100 (\$38,000.00) for planning costs, which was not included in the not to exceed amount of Three Hundred Fifty Thousand Dollars and 00/100 (\$350,000.00). The Agency and the Participant now desire to amend the terms of the Agreement to allow for reimbursement by the Agency of the Actual Eligible Costs of the Agency Funded Public Improvements in an amount not to exceed Four Hundred Forty-Five Thousand, One Hundred Thirty-Three Dollars and 00/100 (\$445,133.00).

**B. ABILITY TO AMEND AGREEMENT.** Section VII of the Agreement states that the:

Agency and Participant agree to mutually consider reasonable requests for amendments to this Agreement and any attachments hereto which may be made by any of the Parties hereto . . . provided, said requests are consistent with this Agreement and would not alter the basic business purposes included herein or therein. Any such amendments shall be in writing and agreed to by the appropriate authorities of Agency and Participant.

This provision allows for the contemplated amendment by the Agency and the Participant. Amending the Agreement to allow for additional reimbursement based on the increase in bid costs for the demolition and remediation of the vacant manufacturing facility does not alter the basic business purpose of the Agreement and is consistent with the nature and intent of the Agreement.

**C. ATTACHMENT 4 TO THE AGREEMENT.** Agency Funded Public Improvements, Attachment 4 to the Agreement, is hereby superseded and replaced by the attached updated Attachment 4 to the Agreement, attached hereto as **Exhibit B** to this First Amendment. All other attachments to the Agreement remain in full force and effect.

**D. ALL OTHER TERMS TO REMAIN.** All other terms and conditions of the Agreement, not otherwise amended as provided herein this First Amendment, shall remain in full force and effect and shall be binding upon the Parties as if set forth in full herein. Capitalized terms used but not defined in this First Amendment shall have the same meanings ascribed for such capitalized terms in the Agreement.

IN WITNESS WHEREOF, the Parties hereto, have executed this First Amendment on the day and year below written to be effective the last day signed.

[signatures on following page]

**URBAN RENEWAL AGENCY OF THE CITY OF IDAHO FALLS, IDAHO, A/K/A  
THE IDAHO FALLS REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Lee Radford, Chair

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Terry Gazdik, Secretary

**PARTICIPANT**

SENTINEL PROPERTIES, LLC

By: \_\_\_\_\_  
\_\_\_\_\_, Manager

Date: \_\_\_\_\_

EXHIBIT A

EXECUTED OWNER PARTICIPATION AGREEMENT

EXHIBIT B

UPDATED ATTACHMENT 4 TO THE AGREEMENT

**Attachment 4**

Agency Funded Public Improvements

**Projects Within Pancheri East Bank Project  
Area**

<b>Project Description</b>	<b>Estimated Cost</b>	<b>Estimated Timing</b>
Demolition of vacant manufacturing facility	\$323,936	2024
River Walk and right-of-way improvements	\$100,000	2025
<b>Total</b>	<b>\$423,936</b>	
<b>5% Contingency</b>	<b>\$21,197</b>	
<b>Total Eligible Costs With Contingency</b>	<b>\$445,133</b>	

Estimated Planning Costs as of the Effective Date<sup>1</sup> \$38,000

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<sup>1</sup> The actual amount of the Planning Costs will be confirmed following an accounting.