

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement"), is entered into this 6 day of July, 2022 ("Effective Date"), between L2 Excavation, LLC ("Subcontractor"), a general business corporation organized under the laws of the State of Idaho, whose address is 2817 Brandt Avenue, Nampa, Idaho, 83687, and the City of Meridian, a municipal corporation organized under the laws of the State of Idaho ("City"), whose address is 33 E. Broadway Avenue, Meridian, Idaho 83642 (collectively, "Parties").

WHEREAS, Subcontractor obtained City of Meridian excavation permit no. C-EXC-2021-0114 and, pursuant to such permit, installed water lines, storm drains, grease interceptors, and the sewer line serving 4657 S. Eagle Road ("Sewer Line");

WHEREAS, upon inspection, City discovered that Subcontractor has failed to install the Sewer Line at the proper slope, and as a result, the velocity of flow through the line will be inadequate until additional sewer users are connected in the area;

WHEREAS, to avoid clogs, obstructions, and other problems likely to result from the low velocity of the flow, the Sewer Line installed by Subcontractor will either need to be replaced, or cleaned regularly until all of the buildings served by the Sewer Line are occupied, which time is projected to be at least ten (10) years;

WHEREAS, in order to prevent delays in opening the businesses served by the Sewer Line, City is willing to assume responsibility for such regular cleaning, at Subcontractor's expense, pursuant to this Agreement;

WHEREAS, including necessary traffic control and conditions reports, such cleaning is estimated to cost approximately \$500.00 per year; and

WHEREAS, to resolve this matter in lieu of replacing the Sewer Line, the Parties have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, representations and obligations contained herein, and other good and valuable consideration, the Parties hereby agree as follows:

1. SETTLEMENT TERMS. Subcontractor will make a one-time payment of five thousand dollars (\$5,000.00) to City. City shall assume responsibility for cleaning the Sewer Line as needed until the need for such cleaning is obviated by an adequate number of users connected to the Sewer Line.

2. RELEASE OF REQUIREMENT. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City releases Subcontractor from the requirement that the Sewer Line be installed at a slope of 0.4%. City does not, by this Agreement, release Subcontractor from responsibility for any other defect or issue related to installation of the Sewer Line.

3. INTEGRATION. This Agreement contains the entire agreement between the Parties and supersedes all prior agreements. No change or modification of this Agreement shall be valid or binding unless it is in writing and signed by the party intended to be bound.

4. GOVERNING LAW. The construction and interpretation of this Agreement shall be governed by the laws of the State of Idaho. Any action to enforce this Agreement shall be brought in Ada County, State of Idaho. In any action to interpret or enforce the terms of this Agreement, whether in law or equity, the prevailing party shall be entitled to collect its attorneys' fees and all other costs and expenses of any litigation or other remedies of enforcement.

5. NO ADMISSION OF LIABILITY. The Parties acknowledge that this Agreement is the compromise of a claim, and that the consideration given is not to be construed as either Party's admission of liability.

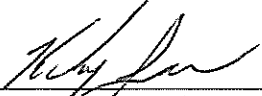
6. REPRESENTATIONS AND WARRANTIES. In entering into this Agreement, neither of the Parties hereto has relied upon any facts or representations presented or made by any other Party, other than those limited facts and representations specifically set forth in this Agreement. Each of the signatories to this Agreement represents and warrants that such signatory has been duly authorized to enter into this Agreement on behalf of the Party for whom such signatory has executed this Agreement. In entering into this Agreement, each Party has received independent legal advice from an attorney of its choice. Each Party enters into this Agreement of its own volition, without compulsion of any kind, and after a full opportunity to consider this matter with its own legal advisor.

7. SUCCESSORS AND ASSIGNS. This Agreement and each and all of the terms and conditions hereof shall apply to and are binding upon the respective organizations, legal representative, successors, and assigns of the parties.

8. INJUNCTIVE RELIEF. The Parties acknowledge that damages arising from the material breach of this Agreement may be difficult to identify and that the potential harms are likely to be of an ongoing nature, cannot be reasonably or adequately compensated by damages in any action at law, and breach of this Agreement will cause the Parties irreparable injury and damage. Therefore, the Parties expressly agree that the other Parties may be entitled to obtain injunctive relief in the event of, or to prevent, a material breach of any provision of this Agreement by the other Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the Effective Date first written above.

**SUBCONTRACTOR
L2 EXCAVATION, LLC**

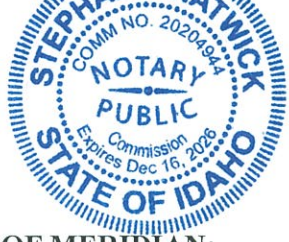


Kelly Lane, Owner/Member
L2 Excavation, LLC

STATE OF IDAHO)
 : ss
County of Canyon)

I HEREBY CERTIFY that on this 6th day of July, 2022, before the undersigned, a Notary Public in the State of Idaho, personally appeared KELLY LANE, proven to me to be the person who executed the said instrument, and acknowledged to me that such person executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Stephanie Natwick
Notary Public for Idaho

Residing at Nampa, Idaho

My Commission Expires: 12/16/2026

CITY OF MERIDIAN:

BY: _____
Robert E. Simison, Mayor

Attest: _____
Chris Johnson, City Clerk

STATE OF IDAHO)
 : ss
County of Ada)

I HEREBY CERTIFY that on this _____ day of _____, 2022 before the undersigned, personally appeared ROBERT E. SIMISON and CHRIS JOHNSON, known or identified to me to be the Mayor and City Clerk, respectively, of the City of Meridian, who executed the instrument on behalf of the City of Meridian, and acknowledged to me that the City of Meridian executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho

Residing at _____, Idaho

My Commission Expires: _____