

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made this 22nd day of April, 2010, by and between University Pointe LLC ("Owner") and Moscow Urban Renewal Agency ("Purchaser"), an independent public body corporate and politic, organized under the laws of the state of Idaho ("MURA") (Owner and MURA are collectively referred to herein as the "Parties", and each individually as a "Party").

RECITALS

A. Owner presently own the real property more particularly described on attached Exhibit A (the "Property").

B. The Parties wish to agree upon terms and conditions whereupon MURA will acquire the Property through a voluntary sale.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement, 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:

1. **Purchase and Sale.** Owner agrees to sell, and MURA agrees to purchase, the Property pursuant to the terms and conditions set forth in this Agreement.
2. **Purchase Price.** The purchase price MURA agrees to pay for the Property is Four Hundred Fifty Thousand Dollars, (\$450,000) (the "Purchase Price") including an earnest money deposit of Five Thousand Dollars (\$5,000), to be deposited with escrow holder, Latah County Title Company, within five days of the execution of this Agreement. The earnest money deposit shall be refunded to MURA if MURA decides, in its sole discretion, not to continue with this transaction at the end of the inspection and due diligence period detailed below in paragraph 2.a

a. **Payment of Purchase Price/Due Diligence Period.** MURA shall have 60 days for a financing and property inspection due diligence period. This offer is subject to MURA paying for and receiving a satisfactory appraisal of the subject property and receiving preliminary loan approval on or before the end of the financing contingency period. This offer is also subject to MURA conducting an analysis of previous environmental reviews completed on the subject property and performing additional environmental reviews as necessary, together with the satisfactory review of any other inspections, studies or issues that may be deemed relevant by MURA during the property inspection due diligence period. This offer is also subject to final approval and acceptance by a majority vote of the Board of Commissioners of the Moscow Urban Renewal Agency at a properly noticed public meeting.

MURA may terminate this Agreement and be refunded all funds deposited and any interest accrued should MURA determine, as a result of the property inspection due diligence, MURA deems the Property, in its discretion, unsatisfactory or if the Agreement is not approved by the Board of Commissioners of the Moscow Urban Renewal Agency. If MURA terminates this Agreement during the property inspection due diligence period or any extensions thereto, MURA shall be refunded the full amount deposited in escrow plus any accrued interest, minus any escrow fees.

- b. **Closing.** At Closing, MURA shall pay the Purchase Price to Owner as follows: All cash at closing subject to MURA's ability to obtain a new loan on the subject property. Closing shall take place on or before thirty (30) days after MURA removes its contingency for property inspection in writing to Owner or Owner's agent.
- c. **Documents at Closing.** At Closing, Owner shall execute and deliver to MURA a warranty deed conveying good and marketable title to the Property, subject only to existing easements, rights-of-way, real property taxes and assessments for the year of Closing and future years, and other encumbrances as may be consented to by MURA as set forth below.
- d. **Title Insurance.** Within ten (10) days from the execution of this Agreement, Owner shall provide, at its expense, a commitment for title insurance from a good and responsible title insurance company acceptable to MURA. MURA shall review the exceptions appearing on the commitment for title insurance and shall provide a notice in writing to the Owner stating which exceptions to the title commitment, if any, must be removed at or prior to Closing. Should the Owner, in the opinion of MURA, demonstrate an inability to remove the exceptions on the commitment of title policy necessary to transfer title to the real and personal property free and clear of all liens and encumbrances, MURA, at MURA's option, may choose not to proceed with the transaction at no penalty to MURA. The earnest money deposit and all funds deposited in

escrow, minus any escrow fees, shall be returned to MURA if it chooses not to proceed with the transaction.

- e. **Environmental Warranty.** The purchase of the Property will be subject to the following environmental warranty: To the best of Owner's knowledge, there are no hazardous substances present on or under the real property in violation of any environmental law other than those specifically identified and referenced in the Limited Subsurface Investigation dated August 8, 2008 conducted by STRATA, Inc. The term "environmental law" for purposes of this Agreement shall mean any statute, regulation, rule, order, or decision of the United States of America, the state of Idaho, or the County of Latah, City of Moscow or any commission, department, agency, or tribunal thereof, regulating the presence of hazardous substances on or under real property including, but not limited to, the following federal acts:

The Resource Conservation and Recovery Act;

The Comprehensive Environmental Response,
Compensation and Liability Act; and

The Clean Water Act.

- f. **Taxes and Assessments.** Owner shall pay all real property taxes, personal property taxes, and assessments for all years prior to the year of Closing. Real property taxes, personal property taxes, and assessments for

the year of Closing shall be paid by Owner on a prorated basis through the date of Closing.

- g. **Broker.** MURA and Owner each acknowledge and represent to the other that there are no other brokers involved in this transaction other than the listing company and agent Team Idaho Real Estate, who solely represents the Owner, and that there is no commission due to any other broker, finder, or other party, other than the companies listed above. Owner shall be responsible for any fees owed to Team Idaho Real Estate.
- h. **Possession.** Owner agrees not to amend or extend any lease existing on the Property from the date of this Agreement or to enter into any new leases regarding the Property, or any portion of it, without MURA's prior written consent, which shall not be unreasonably withheld. In the event there is a lease relating to the Property existing as of the date of this Agreement with an expiration date beyond the date of Closing, MURA shall take the Property subject to said lease, subject to review and approval of said lease by MURA. Prior to Closing, Owners shall have taken all action to evict any person or entity unlawfully residing in or occupying the Property and shall comply with any applicable law, rule, or regulation concerning such possession or eviction.
- i. **Permissible Exchange.** MURA hereby acknowledges that Owner may create an Internal Revenue Service Section 1031 tax-deferred exchange, and in such event, the Owner's rights and obligations under this Agreement

may be assigned to an accommodator selected by Owner to facilitate such exchange. MURA agrees to cooperate with Owner in a manner necessary to enable Owner to qualify for said exchange at no additional cost or liability to MURA. MURA and Owner also agree to consider the most appropriate structure of the contract for sale of land and the conveyance of the Property to meet the interests of the Parties.

3. **Attorney Fees on Default.** If default be made by either Party hereto in keeping or performing any of the covenants, conditions, or agreements herein agreed to be kept by such Party and the other Party is required to employ an attorney to enforce any of the covenants, conditions, or agreements herein contained, then and in such event, the Party in default agrees to pay, in addition to all other sums herein agreed to be paid by such Party, a reasonable attorney fee, together with any costs and disbursements that may be incurred in enforcing this Agreement.
4. **Integration.** The Parties hereto acknowledge that the terms, conditions, and covenants of this Agreement shall supersede any prior negotiations and agreements of the Parties, that there are no other agreements not contained in this Agreement, and that this Agreement shall be the final expression of the agreement of the Parties and shall control. No modifications of this Agreement shall be valid unless in writing and executed by all the Parties hereto.
5. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, and assigns.

6. **Recording.** This Agreement shall be executed in recordable form and shall be placed of record in the records of Latah County, Idaho.

7. **Notices.**

a. **Original Addresses.** Whenever any Party hereto shall desire to give or serve any notice, demand, request, approval, or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, addressed as set forth adjacent to that Party's signature on this Agreement or by telecopy with receipt confirmed by telephone. Service of any such communication shall be deemed made on the date of actual receipt at such address.

Owner: University Pointe LLC
840 SE Bishop Blvd, Ste 202
Pullman, WA 99163

With copy to: Shelley Bennett
Team Idaho Real Estate
204 S Main Street
Moscow, ID 83843

MURA: Moscow Urban Renewal Agency
206 E. Third Street
Moscow, ID 83843

With copy to: Matthew C. Parks
Elam & Burke, P.A.
251 E. Front Street, Suite 300
P.O. Box 1539
Boise, Idaho 83701

b. **Change of Address.** Any Party hereto may from time to time, by notice in writing served upon the other Party hereto, designate a different address

to which or a different person or additional persons to whom all communications are thereafter to be made.

8. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original of this Agreement and which together shall constitute but one and the same instrument.
9. **Applicable Law.** This Agreement shall be governed by the laws of the State of Idaho.
10. **Risk of Loss.** Risk of loss or damage to the Property shall be borne by Owner until the Closing Date. Owner shall keep the Property insured against loss by fire and other casualty usually insured against in the market area of the Property until the Closing. Should the Property be materially damaged by fire or other cause prior to Closing and such damage is ten percent (10%) of the Purchase Price or less, then Owner shall pay or assign the proceeds of the insurance to MURA (and pay to MURA the amount of any deductible in cash) at Closing and Owner and MURA shall proceed with Closing without adjustment to the Purchase Price. If such damage exceeds ten percent (10%) of the Purchase Price, then this Agreement shall be voidable at the option of MURA by written notice to Owner within ten (10) days of the date MURA receives notice of such damage, however, MURA may elect to proceed with Closing without adjustment to the Purchase Price (either by written notice of such election or by failure to timely send written notice of the voiding of this Agreement as provided above) and Owner shall pay

or assign the proceeds of the insurance to MURA (and pay to MURA the amount of any deductible in cash) at Closing.

11. **No Condemnation.** MURA has no intention of acquiring the Property pursuant to condemnation proceedings, and therefore Owner waives all requirements of Idaho Code Section 7-711A as to the rights of a seller in condemnation proceedings.
12. **Closing Costs and Fees.** Owner and MURA shall pay equal shares of all closing costs and fees.
13. **Survival of Terms.** The terms, provisions, warranties, covenants, and indemnities shall survive the closing, and this Agreement shall not be merged therein but shall remain binding upon and for the Parties hereto until fully observed, kept, or performed.
14. **Entire Agreement.** This Agreement embodies the entire agreement between the Parties hereto with respect to the subject matter hereof. This Agreement supersedes any and all prior written or oral agreements between the Parties (or their predecessors) concerning the subject matter of this Agreement. No extension, change, modification, or amendment to or of this Agreement of any kind whatsoever shall be made or claimed by Owner or MURA, and no notice of any extension, change, modification, or amendment made or claimed by Owner or MURA shall have any force or effect whatsoever unless the same shall be endorsed in writing and be signed by the Party against which the enforcement of

such extension, change, modification, or amendment is sought, and then only to the extent set forth in such instrument.

15. **Captions**. The captions at the beginning of the several sections, respectively, are for convenience in locating the context but are not part of the text.
16. **Severability**. In the event any term or provision of this Agreement shall be held illegal, invalid, unenforceable, or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision shall be valid and shall remain in full force and effect.
17. **Additional Acts**. Each Party agrees to take such other actions and to execute and deliver such further documents as may reasonably be required to consummate this transaction and to afford each other reasonable cooperation towards that end.
18. **Assignment**. MURA may assign this Agreement prior to delivery of the deed to MURA effective upon Owner's written consent, which consent shall not be unreasonably withheld, delayed, or conditioned.
19. **Waiver**. Waiver of performance of any provision of this Agreement shall not be a waiver of, nor prejudice, the Party's rights otherwise to require performance of the same provision or any other provision.
20. **Time of the Essence**. Time is of the essence in this Agreement.
21. **Representation and Warranties of Seller and Disclaimer**. Owner's warranties and representations shall survive the Closing and delivery of the deed, and, unless otherwise noted herein are true, material and relied upon by MURA in all

respects, both as of the date of Agreement, and as of the date of Closing. Owner hereby makes the following warranties and representations to MURA:

a. **Authority of Seller.** Owner is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to MURA as provided herein, and to perform Owner's obligations hereunder.

b. **Possessory Right.** Owner has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to MURA.

c. **Actions, Suits or Proceedings, Compliance with Law and Regulations.** Owner has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, instrumentality, arbitrator(s) court or tribunal that would affect the Property or the right to occupy or utilize same. There is no prior or pending condemnation or taking affecting all or any portion of the Property and Owner has no notice or knowledge of any proposed taking or condemnation of all or any portion of the Property.

d. **Notice of Change.** Owner will promptly notify MURA in writing of any material change affecting the Property that becomes known to Owner prior to the Closing.

e. **No Seller Bankruptcy Proceedings.** Neither Owner nor the Property is the subject of a bankruptcy, insolvency, or probate proceeding.

f. **Condition of Title.** Owner shall convey to MURA good and marketable title to the Property, which shall be free and clear of all liens, encumbrances, and

other exceptions to title, except the liens and taxes and assessments not yet due and payable, and any easements and restrictions of public record.

g. Hazardous Materials. During the Owner's Ownership of the property, Owner has not used or permitted and Owner will not use or permit the Property to be used, whether directly or through contractors, agents or tenants, and to the best of Owner's knowledge, the Property has not at any time been used, for the generating, transporting, treating, storage, manufacture, emission of, or disposal of any dangerous, toxic or hazardous pollutants, chemicals, wastes or substances as defined in any federal, state or local environmental laws, statutes, regulations, requirements and ordinances, hereinafter referred to as "Hazardous Materials," except those items used in the ordinary course or business, including alcohol and cleaning solutions. Owner warrants that there have been no investigations or reports involving Owner or the Property by any governmental authority which in any way pertains to Hazardous Materials, nor is Owner aware of any environmental problems relating to the Property other than those specifically identified and referenced in the Limited Subsurface Investigation dated August 8, 2008 conducted by STRATA, Inc.

22. Condemnation. Should any entity having the power of condemnation decide prior to Closing to acquire any portion of, or interest in, the Property with a value of ten percent (10%) or less of the Purchase Price, Owner shall pay or assign the proceeds of the taking to MURA at Closing and Owner and MURA shall proceed with Closing without adjustment to the Purchase Price. If such taking exceeds ten

percent (10%) of the Purchase Price, MURA at MURA's sole option may either (a) elect to terminate MURA's obligation to purchase the Property by giving written notice to Owner at any time prior to Closing and Owner shall promptly return the earnest money deposit or (b) elect to complete the purchase of Property and require Owner to immediately appoint MURA as its attorney-in-fact to negotiate with said condemning entity, and, in such event, MURA shall receive all sums awarded in such condemnation proceeding of the Property, excluding any amounts attributable to adverse impacts on other property owned by Owner. Owner hereby agrees to immediately give notice to MURA of any condemnation or contemplated condemnation of the Property and MURA hereby agrees to, within ten days of such notice, give written notice to Owner of MURA's election with respect thereto.

23. **Acknowledgement of Receipt of Summary of Rights.** Owner expressly acknowledges that Owner received a document entitled Summary of Property Owner's Rights When MURA Seeks to Acquire Property prior to MURA and Owner entering into negotiations for this Agreement ("Summary of Rights"). A copy of the Summary of Rights is attached as Exhibit B. Owner expressly represents that Owner understands that the rights set forth in the Summary of Rights apply only to situations where MURA is seeking to acquire property through eminent domain. Further, Owner expressly acknowledges that Owner has voluntarily consented to enter into this Agreement, and that Owner was not coerced into entering into this Agreement through threats by MURA of exercising

its powers of eminent domain if Owner did not cooperate. Accordingly, Owner expressly waives all rights set forth in the Summary of Rights as to Owner in a condemnation proceeding.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

OWNER:

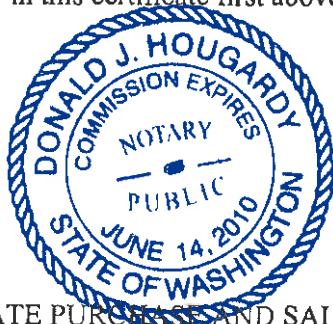
By: K. Duane Brilsford

Its: MANAGING MEMBER

STATE OF ~~IDAHO~~ ^{WASHINGTON})
County of WHITMAN) ss.

On this 22 day of APRIL, 2010, before me, a Notary Public, personally appeared K. DUANE BRILSFORD, known or identified to me (or proved to me on the oath of _____) to be the manager or a member of University Pointe, LLC, an Idaho limited liability company, the limited liability company that executed the instrument, or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company 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.



Donald J. Hougardy
Notary Public for Idaho
Residing at PULLMAN, WA
Commission Expires 6/14/2010

Exhibit A

Legal Description of Property

**Legal Description by Hodge & Associates, Inc.
UNIVERSITY POINTE, L.L.C. PHASE II**

A parcel of land located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 18, T39N, R5W, BM and being more particularly described as follows.

Beginning at the northeast corner of said Section 18, T39N, R5W BM; thence S 87°45'28" W, 363.92 feet along the north line of said Section 18; thence S 0°45'10" W, 40.19 feet, to a point on the west right-of-way line of Jackson Street and the TRUE POINT OF BEGINNING;

Thence S 0°45'10" W, 153.39 feet;
Thence S 88°17'28" W, 207.70 feet;
Thence N 40°29'13" W, 53.83 feet;
Thence N 1°42'23" W, 111.29 feet;
Thence N 88°17'28" E, 248.00 feet, to the TRUE POINT OF BEGINNING.

Said parcel contains 36,794 square feet, 0.85 acres, more or less.

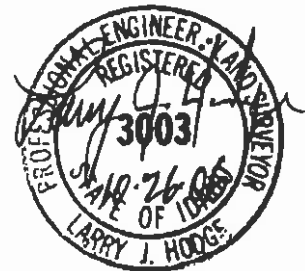


Exhibit B

SUMMARY OF PROPERTY OWNER'S RIGHTS WHEN MURA SEEKS TO ACQUIRE PROPERTY

The Moscow Urban Renewal Agency, an independent public body corporate and politic, organized under the laws of the State of Idaho ("MURA") has been granted the power under the Idaho Constitution and the laws of the State of Idaho and the United States to acquire private property for public use; often referred to as "eminent domain" or "condemnation." The power may only be exercised when three conditions are satisfied: (i) the property is needed for a public use; (ii) the acquisition of the property is necessary to such public use; and (iii) the acquisition and use must be in the manner which will be most compatible with the greatest public good and the least private injury.

In instances where MURA desires to exercise its power of eminent domain for the purpose of effectuating economic development, it must be proved by clear and convincing evidence that: (1) the subject property be in such condition that it meets all of the following requirements: (i) the property, due to general dilapidation, compromised structural integrity, or failed mechanical systems, endangers life or endangers property by fire or by other perils that pose an actual identifiable threat to building occupants; and (ii) the property contains specifically identifiable conditions that pose an actual risk to human health, transmission of disease, juvenile delinquency or criminal content; and (iii) the property presents an actual risk of harm to the public health, safety, morals or general welfare; or (2) for those public and private uses for which eminent domain is expressly provided in the Constitution of the State of Idaho.

If MURA desires to exercise its power of eminent domain, it must negotiate with the property owner in good faith to purchase the property sought and/or to settle with the owner for any other damages which might result to the remainder of the owner's property. The property owner is entitled to be paid for any reduction in the value of the owner's remaining property. The value of the property to be acquired is to be determined based upon the highest and best use of the property. If negotiations to purchase the property and settle damages are unsuccessful, the property owner is entitled to an assessment of damages from a court, jury, or referee as provided by Idaho law.

The owner has the right to consult with an appraiser of the owner's choosing at any time during the acquisition process, at the owner's cost and expense. Upon request, MURA shall deliver to the owner a copy of all appraisal reports concerning the owner's property prepared by MURA. Once a complaint for condemnation is filed, the Idaho Rules of Civil Procedure control the disclosure of appraisals.

The owner has the right to consult with an attorney at any time during the acquisition process. In cases in which MURA condemns property and the owner is able to establish that just compensation exceeds the last amount timely offered by MURA by ten percent (10%) or more,

MURA may be required to pay the owner's reasonable costs and attorney's fees. The court will make the determination whether costs and fees will be awarded.

This summary of rights is deemed delivered when sent by United States certified mail, postage prepaid, addressed to the person or persons shown in the official records of the county assessor as the owner of the property to be acquired.

If MURA desires to acquire property pursuant to Chapter 7, Eminent Domain, of Title 7, Idaho Code, MURA or any of its agents or employees shall not give the owner any deadlines as to when the owner must respond to the initial offer which is less than thirty (30) days. A violation of this provision shall render null and void any action pursuant to Chapter 7, Eminent Domain, of Title 7, Idaho Code.

Nothing in this summary of rights alters the assessment of damages set forth in Idaho Code Section 7-711.

Any questions concerning this summary of rights form should be directed to:

Name: Matthew Parks Title: Attorney at (208) 343-5454



THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT, INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT BEFORE SIGNING.



1 Date: 6/22/10

2

3 This is an ADDENDUM to the Purchase and Sale Agreement Other

4 ("Addendum" means that the information below is added material for the agreement (such as lists or descriptions) and/or means the form is being

5 used to change, correct or revise the agreement (such as modification, addition or deletion of a term)).

6

7 AGREEMENT DATED: 4/18/10 ID # TI 10-81

8

9 ADDRESS: 6th and Jackson

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11 BUYER(S): Moscow Urban Renewal Agency

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13 SELLER(S): University Pointe, LLC

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15 The undersigned parties hereby agree as follows:

16 The due diligence period shall be extended to August 6, 2010, to allow for the Buyer to draft and advertise financing bonds, per financing agreement with

17 Zion's Bank, Moscow, at which time the Buyer's earnest money shall become non-refundable and payable immediately to the Seller.

18 Closing to occur within 7 calendar days of extension period or not later than August 13, 2010.

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48 To the extent the terms of this ADDENDUM modify or conflict with any provisions of the Purchase and Sale Agreement including all prior

49 Addendums or Counter Offers, these terms shall control. All other terms of the Purchase and Sale Agreement including all prior

50 Addendums or Counter Offers not modified by this ADDENDUM shall remain the same. Upon its execution by both parties, this agreement

51 is made an integral part of the aforementioned Agreement.

52 BUYER: *John P. McCabe* Chair Date: 6-23-10

53 BUYER: *Julie* Secretary Date: 6-23-10

54 SELLER: *A. Carr* Date: June 22nd 2010

55 SELLER: Date:

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58 JULY 2009 EDITION RE-11 ADDENDUM Page 1 of 1

59 Company: Palouse Commercial S/N: PCF5-14842

60 Provided by: Shelley Bennett Printed using Software from Professional Computer Forms Co. v. 7/09