

**DISPOSITION AND DEVELOPMENT AGREEMENT URBAN RENEWAL AGENCY OF MOSCOW,  
IDAHO**

**and**

**Sangria Legacy LLC**

February 1, 2018

Legacy Crossing Urban Renewal District, 2008

## DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (hereinafter "Agreement" or "DDA") is entered into by and between THE URBAN RENEWAL AGENCY OF THE CITY OF MOSCOW, IDAHO, an independent public body corporate and politic (hereinafter "**Agency**"), and Sangria Legacy, LLC (hereinafter "**Developer**"). Collectively Agency and Developer shall be referred to as the "Parties." Agency and Developer agree as follows:

### RECITALS

WHEREAS, Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of Title 50, Chapters 20 and 29 of the Idaho Code; and

WHEREAS, the Moscow City Council adopted its Ordinance No. 2008-10 on June 2, 2008, approving the Legacy Crossing Urban Renewal District Redevelopment Plan 2008 (hereinafter the "**Plan**"); and

WHEREAS, the Agency owns a parcel of property located at the Southwest corner of Sixth and Jackson Streets of approximately Twenty-Seven Thousand Four Hundred Forty Three square feet (27,443 sf) in size and is depicted on Attachment 1 and more particularly described in Attachment 2 (hereinafter "**Agency Property**"); and

WHEREAS, Agency seeks to initiate a development project to revitalize the Legacy Crossing Project Area in compliance with the Plan; and

WHEREAS, Agency issued a Request for Proposal ("**RFP**") public notice regarding development of the Agency Property on December 3rd, 6th, and 17th of 2014 with the period for application open for forty (40) days in the *Moscow Pullman Daily News* newspaper, with RFP responses due to Agency within that forty-day period; and

WHEREAS, three proposals were received by Agency concerning development of the Agency Property; and

WHEREAS, Agency reviewed the three proposals at its February 26, 2015, Board meeting; and

WHEREAS, Agency selected Sangria Legacy LLC's development proposal at its February 26, 2015, Board meeting; and

WHEREAS, Agency and Developer have previously completed an Exclusive Negotiation Agreement (hereinafter "**ENA**") pertaining to the Developer's willingness to develop the Agency Property in compliance with the objectives of the Plan, and to provide for a development

consistent with the relevant zoning regulations and compliant with the covenants, conditions and restrictions on the Agency Property; and

WHEREAS, Agency staff and Developer representatives have negotiated the DDA for the purpose of developing the Agency Property; and

WHEREAS, the development project proposed by Developer in those Design Review Drawings submitted to Agency identified in Section 14 below (the "Design Review Drawings") attached hereto ("**Attachment 4**") and approved by Agency for developer of the Agency Property (the "**Project**") has been appraised by Gem Valley Appraisers consistent with Idaho Code Section 50-2011(a) and a copy of such appraisal report is available at the offices of Agency;

WHEREAS, Developer has agreed to develop the Agency Property in compliance with the Plan and related laws, ordinances, and covenants, conditions and restrictions;

WHEREAS, Agency and Developer desire to enter into this Agreement for the purpose of permitting Developer to purchase and develop the Agency Property in accordance with the Plan; and

WHEREAS, this Agreement and the accommodation of approval of this Agreement by Agency are deemed to be in the best interest of the public.

NOW, THEREFORE, AGENCY AND DEVELOPER AGREE AS FOLLOWS:

## **AGREEMENT**

### **1. SUBJECT OF AGREEMENT**

#### **a. Purpose.**

The purpose of this Agreement is to effectuate the Plan and the Project by providing for the disposition and development of the Agency Property, which is included within the boundaries of the Legacy Crossing Project Area as specifically described in the Plan (the "**Project Area**").

The disposition of the Agency Property shall be for purposes of development as stated in this Agreement and not for speculation.

The development of the Agency Property pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City of Moscow, Idaho (hereinafter "**City**"), and the health, safety, morals, and welfare of its residents and are in accord with the public purposes and provisions of applicable Federal, State, and local laws and requirements.

**b. The Plan**

This Agreement is subject to the provisions of the Plan, as it may be subsequently amended, and is incorporated herein by reference and made a part hereof as though fully set forth herein. Provided, amendments to the Plan that are effective after the date of this Agreement are not effective against or binding on the Agency Property unless approved by Developer in writing.

**c. Project Area**

The Project Area is located in the City of Moscow, Latah County, Idaho, as defined in the Plan and the exact boundaries thereof are specifically described in the Plan.

**d. Agency Property**

The Agency Property is that portion of the Project Area depicted on the Map of the Agency Property (Attachment 1) and legally described in Attachment 2.

**e. Parties to This Agreement**

Agency is an independent public body corporate and politic, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of the State of Idaho, Title 50, Chapter 20, Idaho Code. The office of Agency is located at P O Box 9203, Moscow, Idaho, 83843, c/o Moscow Urban Renewal Agency, ATTN: Executive Director. Agency, as used in this Agreement, includes the Urban Renewal Agency of Moscow, Idaho and any assignee of or successor to its rights, powers, and responsibilities.

Developer is Sangria Legacy LLC. The principal office of Developer is located at 2124 W. Pullman Road, Moscow, Idaho, 83843. Developer reserves the right to transfer the rights under this Agreement as allowed herein. Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee, or successor in interest as herein provided.

**f. Limitations on Change of Ownership Until Construction of Improvements**

i. Developer represents and warrants that Developer shall devote the Agency Property to the uses specified in the Plan, the Deed, Moscow City Code including the Zoning Code, and this Agreement through December 31, 2032. Developer further recognizes that in view of:

- a) the importance of the redevelopment of the Agency Property to the general welfare of the community;
- b) the reliance by the Agency on the business expertise of Developer and the continuing interest which Developer will have in the Agency Property to assure the quality of the use, operation, and maintenance of the development

thereof; and

- c) the qualifications and identity of Developer being of particular importance to City and Agency and that because of such qualifications and identity the Agency has entered into this Agreement with Developer. Interests in Developer are presently owned fifty percent (50%) by Carly Lilly (“Lilly”) and fifty percent (50%) by George Skandalos (“Skandalos”),

no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Except as provided below, Developer shall not assign all or any part of this Agreement without the prior written approval of Agency, which approval shall not be unreasonably withheld. It shall not be unreasonable for Agency to withhold its approval because Agency determines in its discretion that the proposed transferee does not have a current financial strength, experience or reputation for integrity equal to or better than Developer as of the date this Agreement has been executed by Agency.

- ii. For the reasons stated above, Developer represents and warrants for itself and any successor in interest of itself that, without the prior written approval of Agency, which approval shall not be unreasonably withheld, there shall be no change in the ownership of Developer that would result in (i) Lilly and Skandalos combined owning 50% or less of the outstanding interest in Developer or (ii) any contractual arrangement by which Lilly and Skandalos although combined owning more than 50% of the outstanding interest in Developer have transferred or ceded voting control of Developer to any third party or parties (other than such changes occasioned solely by the death or incapacity of an individual) until Developer has constructed the improvements to the Agency Property in accordance with this Agreement. It shall not be unreasonable for Agency to withhold its approval because Agency determines in its discretion that the proposed transferee does not have a current financial strength, experience, or reputation for integrity equal to or better than Developer as of the date this Agreement has been executed by Agency. Developer shall notify Agency in advance of any and all prospective changes that would, but for Agency approval, violate this restriction and request Agency to approve any such change in ownership of Developer that would result in any such loss of control as specified above. This Agreement may be terminated by Agency if any such change in ownership occurs in violation of this Section 1.f. (other than such changes occasioned solely by the death or incapacity of an individual). This Section 1.f shall be null and void and of no further force and effect upon Agency’s execution of the Certificate of Completion (defined below).

**g. Association with others and Key Participants**

Notwithstanding any other provision of this Agreement, Developer reserves the right, at its discretion, without the prior written consent of Agency, and subject to the disclosure requirements set forth immediately below, to join and associate with other parties in joint ventures, partnerships, or other entities for the purpose of acquiring and developing the

Agency Property or portions thereof provided that Developer maintains ownership control of such entities as described in Section 1.f. above and remains fully responsible to the Agency in regard to the Agency Property as provided in this Agreement. Wherever the term "Developer" is used herein, such term shall include any permitted nominee or assignee as herein provided. This section is not deemed to include mortgage-lender participation and conditions therein, provided such mortgage-lender participation complies with this Agreement.

Provided further, however, Developer is required to make full disclosure to the Agency of Developer's directors, officers, major members, major shareholders, major partners, joint venturers, and key managerial employees, as reasonably determined by Developer, involved in this Project. Any change during the period of this Agreement that would result in both Lilly and Skandalos not being involved as key participants is subject to the approval of the Agency, such approval not to be unreasonably withheld.

This Section shall be null and void and of no further force and effect upon Agency's execution of the Certificate of Completion (defined below).

#### **h. Schedule of Performance**

In furtherance of the purposes of this Agreement, the Parties agree to adhere to, abide by and comply with the Schedule of Performance ("**Schedule of Performance**") attached hereto (**Attachment 3**). A Party's written request to the other Party for reasonable extension of the date or time for compliance under the Schedule of Performance shall not be unreasonably withheld. The Schedule of Performance is subject to revision from time to time as may be mutually agreed upon in writing by Developer and Agency.

## **2. DEPOSIT**

### **a. Amount and Form of Deposit**

Developer, prior to or simultaneously with the execution of this Agreement by Agency, shall deposit with Agency cash, certificate of deposit issued by a Federal or State bank, or other form of security instrument acceptable to Agency (hereinafter "**Developer's Deposit**") in the amount of Five Thousand Dollars (\$5,000) drawn against the account of Developer on such banks as Agency shall approve. Developer's Deposit shall serve as security for the good faith and reasonably diligent performance of certain obligations and duties of Developer set forth in this Agreement or its retention by Agency as liquidated damages. Such Developer's Deposit shall not be subject to draw by the Agency except as provided below.

Agency shall be under no obligation to pay or earn interest on Developer's Deposit, but if interest shall accrue or be payable thereon, such interest, when received by Agency, shall become part of the Developer's Deposit. Subject to terms and provisions of Section 28 below, the Developer's Deposit shall be applied against the Purchase Price at Closing.

**b. Nonrefundable Deposit**

From and after the applicable dates and in the amounts expressly set out in the Schedule of Performance, Developer's Deposit shall no longer be refundable to Developer on any condition without regard to any other provision of this Agreement.

**3. DISPOSITION OF THE AGENCY PROPERTY**

**a. Purchase Price**

In consideration of Developer's agreement to develop the Agency Property and subject to the terms, conditions, and provisions of this Agreement, Agency agrees to grant and convey to Developer the entire fee simple estate of the Agency Property on or before May 1, 2018, subject to any mutually agreed upon extensions of time, being the scheduled date for the close of escrow (hereinafter the "Closing Date" or the "Closing") for the sum of one hundred thousand dollars (\$100,000), plus Three Thousand Dollars (\$3,000) for real estate expenses incurred by the Agency, for the total sum of One Hundred and Three Thousand Dollars (\$103,000) (the "Purchase Price"). The Purchase Price shall be delivered to the Escrow Agent and deposited into the escrow established under terms of this Agreement on or before the closing date. The Purchase Price for the Agency Property is no less than the value established within the re-use appraisal completed on October 16, 2017 by Gem Valley Appraisal.

**b. Project Budget and Financing**

No later than ninety (90) days after the Effective Date or such later time as may be approved by Agency, Developer shall submit to Agency's Executive Director evidence reasonably satisfactory to the Executive Director that Developer will have at or before Closing the financial capability necessary for the acquisition of the Agency Property and the development of the Project thereon pursuant to this Agreement. Such preliminary evidence of financial capability shall include all of the following:

- i. Reasonably reliable cost estimates for Developer's total cost of acquiring the Agency Property and developing the Project (including both "hard" and "soft" costs) ("**Project Budget**").
- ii. A copy of the loan commitment or commitments obtained by Developer from a qualified lender supervised, approved, regulated, or insured by any agency of the Federal government or the State of Idaho, or proof of funds from Developer and/or an equity partner for all of the sources of funds to finance acquisition of the Agency Property and construction of the Project, including those from public agencies. Each commitment for financing shall be in such form and content acceptable to Agency's Executive Director and shall reasonably evidence a firm and enforceable commitment, with only

those contingencies and conditions that are standard or typical for similar projects prior to land closing.

- iii. If the total Project Budget exceeds the amount of financing commitments received pursuant to subparagraph (ii) above, evidence reasonably satisfactory to the Executive Director demonstrating that Developer has adequate funds available and committed to cover such difference.

For purposes of compliance with this Section, non-binding loan commitments or loan term sheets from a qualified lender will be acceptable.

**c. Time to Approve Evidence of Financing.**

Agency shall approve or disapprove of Developer's evidence of financing within twenty (20) days of receipt of a complete submission. Agency's approval shall not be unreasonably withheld. If Agency's Executive Director shall disapprove such evidence of financing, he or she shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly resubmit its evidence of financial capability, as modified to conform to Agency's requirements, not more than twenty (20) days after receipt of the Agency Executive Director's disapproval.

**4. ESCROW**

The parties agree to establish an escrow with Latah County Title Company as escrow agent (the "**Escrow Agent**"), in Moscow, Idaho, within the time established in the Schedule of Performance. This Agreement constitutes the joint escrow instructions of Agency and Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of escrow. Agency and Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this Section 4 in writing delivered to Agency and to Developer within five (5) days after the opening of the escrow, shall carry out its duties hereunder.

**a. Developer's Escrow Obligations**

Developer shall deposit the Purchase Price with the Escrow Agent prior to closing.

After Escrow Agent has notified Developer of the amount of fees, charges, and costs to be paid by Developer as set forth below Developer shall pay in escrow to the Escrow Agent on or before the closing date the following fees, charges, and costs:

- i. One half (1/2) of any notary fees, escrow fees, and recording fees; and
- ii. The portion of the premium for the title insurance policy or special endorsements to be paid by Developer as set forth in Section 11 of

this Agreement.

**b. Agency's Escrow Obligations**

The Agency shall timely and properly execute, acknowledge, and deliver a properly executed warranty deed in substantially the form of the warranty deed attached hereto as Attachment 5 (the "Deed"). Any insurance policies governing the Agency Property will not be transferred by Agency to Developer at Closing.

The Agency shall pay in escrow to the Escrow Agent on or before the Closing Date the following fees, charges, and costs:

- i. Costs necessary to place the title to the Agency Property in the condition for conveyance required by the provisions of this Agreement;
- ii. One half (1/2) of any notary fees, the escrow fee, and recording fees;
- iii. The premium for a standard title insurance policy to be paid by the Agency as set forth in Section 11 of this Agreement;
- iv. Ad valorem taxes, if any, upon the Agency Property for any time prior to the closing date, (it being understood and agreed by the parties that all ad valorem taxes and assessments levied and/or imposed for any period commencing upon or after the closing date shall be attributable to and paid by Developer); and
- v. Any state, county, or city documentary transfer tax.

**c. Escrow Funds**

All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general escrow account or accounts with any state or national bank doing business in the state of Idaho. Such funds may be transferred to any other such general escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments shall be made on the basis of a thirty (30) day month.

**5. CONDITIONS TO PROPERTY TRANSFER.**

**a. Conditions to Agency's Obligations**

In addition to any other condition set forth in this Agreement in favor of Agency, Agency shall have the right to condition its obligation to convey the Agency Property to Developer and close the Escrow upon the satisfaction, or written waiver by Agency, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "Agency Closing Conditions"):

- i. **Permits and Approvals.** Developer shall have obtained all required land use approvals and entitlements (other than grading permits, building permits and condominium plat approvals) for the development of the Project from

all governmental agencies with jurisdiction. MURA shall reasonably cooperate in obtaining any such approvals to the extent of its ownership interests in the Property and in facilitating this Project. With regard to such land use approvals and entitlements issued by the City for the Project, the time period for appealing or challenging such approvals and entitlements shall have expired with no appeal or challenge outstanding. Developer shall have submitted and obtained tentative approval from the City of its final grading plans and building plans for the Project and grading permits and building permits shall be reasonably expected to be issued upon payment of fees. Developer shall request and, if such request is granted, provide written confirmation from the City that any such permits and approvals have been tentatively approved and are reasonably expected to be issued upon payment of fees.

- ii. **Developer Deliveries Made.** Developer has deposited with Escrow Agent all sums and documents required of Developer by this Agreement for the Closing.
- iii. **Evidence of Financing.** Agency shall have approved Developer's evidence of financing in accordance with Section 3.b. of this Agreement, and the financing for the Project shall close and be available to Developer upon Developer's acquisition of the Agency Property.
- iv. **No Default.** Developer shall not be in material default of any of its obligations under this Agreement and shall not have received notice of a default hereunder which has not been cured, and all representations and warranties of Developer contained herein shall be true and correct in all material respects.
- v. **Construction Contract.** Prior to Closing, Developer shall submit to Agency a contract or contracts for the Project that the Project will be constructed in an amount or amounts that do not substantially exceed the Project Budget.
- vi. **Groundwater Extraction System Easement.** Developer has deposited with Escrow Agent a properly executed Declaration of Easement for Access, Operation and Maintenance for Groundwater Extraction System (the "Declaration of Easement") in a form substantially similar to that which is attached hereto ("**Attachment 7**").
- vii. **Perpetual Pedestrian Walkway Easement.** Developer has deposited with the escrow Agent a properly executed Perpetual Pedestrian Walkway Easement (the "Walkway Easement") in a form substantially similar to that which is attached hereto ("**Attachment 8**").

## b. Conditions to Developer's Obligations

In addition to any other condition set forth in this Agreement in favor of Developer, Developer shall have the right to condition its obligation to purchase the Property and close Escrow upon the satisfaction, or written waiver by Developer, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "**Developer Closing Conditions**"):

- i. **Permits and Approvals.** Developer shall have obtained all land use approvals and entitlements for the conveyance of the Agency Property and for the development of the Project from all governmental agencies with jurisdiction, with the exception of grading permits, building permits and final condominium plat approvals. The time period for appealing or challenging such approvals and entitlements shall have expired with no challenge outstanding. Developer shall have obtained approval of its final grading plans and building plans for the Project and grading permits and building permits shall be ready to be issued upon payment of fees.
- ii. **Agency Deliveries Made.** Agency has deposited with Escrow Agent all documents required be deposited by Agency under this Agreement for the Closing.
- iii. **Title Policy.** The Title Company is unconditionally and irrevocably committed to issue to Developer at Closing an ALTA standard coverage owner's title policy, or, upon Developer's request, an ALTA extended coverage owner's policy of title insurance ("**Title Policy**"), insuring Developer's title to the Property in the amount of the Purchase Price, subject only to the following (collectively, the "**Permitted Title Exceptions**"): the standard exceptions and exclusions from coverage contained in such form of the policy; matters created by, through or under Developer; items disclosed by any survey obtained by or provided to Developer; items that would have been disclosed by a physical inspection of the Agency Property on the Effective Date; real estate taxes not yet due and payable; the documents to be recorded under this Agreement; any supplemental title objections mutually agreed upon by Agency and Developer; and any Accepted Exceptions as defined in Section 9 below.
- iv. **No Default.** Agency shall not be in default of any of its obligations under this Agreement and shall not have received notice of a default hereunder which has not been cured, and Agency's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date.
- v. **Debt and Equity Financing.** That Developer is able to obtain and submit to Agency evidence of financing reasonably acceptable to Developer and that

all conditions to any financing commitments for the Project approved by Agency are satisfied and any such commitments are verified by lenders and any other involved third parties. A commitment to make a construction loan shall be considered verified upon execution of the loan agreement by Developer and the lender and depositing with Escrow Agent for use at Closing the mortgage or deed of trust executed by Developer securing the loan.

**c. Satisfaction of Conditions.**

Where satisfaction of any of the foregoing conditions in Section 5 above requires action by Developer or Agency, each party shall use its diligent efforts, in good faith, and at its own cost, to expeditiously satisfy such condition. If a party is not in a position to know whether or not a condition precedent has been or will be satisfied prior to Closing, then the party that is aware of the status of the condition shall immediately notify the other party.

**6. AMENDMENT TO ESCROW INSTRUCTIONS**

Any amendment of the joint escrow instructions under this Agreement shall be in writing and signed by both Agency and Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under any such amendment.

All communications from the Escrow Agent to the Agency or Developer shall be directed to the addresses and in the manner established in this Agreement for notices, demands, and communications related to Agency and/or Developer

**7. REAL ESTATE COMMISSIONS AND BROKER FEES**

Agency represents that it has not engaged any broker, agent, or finder in connection with this transaction. Developer represents that it has not engaged any broker, agent, or finder in connection with this transaction. Should it be determined by a court of competent jurisdiction that either party is liable for payment of any commission and/or brokerage fee(s), that party shall be liable for any such commission and/or fees and shall indemnify the other party for all costs and fees including attorney fees in connection with the other party's involvement as a party or non-party in any such legal proceeding. Provided, however, nothing herein shall prevent Developer from pre-leasing space within the Project, thus incurring real estate commissions or brokerage fees, provided, however in regard to any such pre-leasing event Agency shall not be liable for any such real estate commission or brokerage fees.

**8. COOPERATION AND DELIVERY OF POSSESSION**

Agency and Developer agree to perform all acts reasonable and necessary to convey title

at Closing. Unless otherwise agreed to by the parties, possession shall be delivered to Developer at Closing, except that limited access may be permitted before Closing as permitted by this Agreement.

**9. CONDITION OF TITLE**

**a. Title Commitment.**

On or before ten (10) days from the Effective Date, Agency shall provide a title commitment for the Agency Property to Developer for review and approval. Developer shall thereafter have thirty (30) days within which to object to any defects, encroachments, encumbrances, covenants, conditions, restrictions and/or other exceptions to title as contained in said title commitment (the "**Objected-to Exceptions**"). Agency shall take all necessary actions to remove all such Objected-to Exceptions and, if Agency is unable to remove all Objected-to Exceptions on or before sixty (60) days prior to the Closing Date, upon written request by Agency to Developer, one (1) thirty (30) day extension period within which to do so shall be granted.

**b. Accepted Exceptions.**

In the event Agency does not remove all such Objected-to Exceptions within the time(s) stated above, Developer may accept title subject to those remaining Objected-to Exceptions (the "**Accepted Exceptions**") or may refuse to close escrow, in which case this Agreement shall be terminated pursuant to Sections 12 and/or 28, as applicable, of this Agreement. Developer shall accept covenants, conditions, restrictions, or equitable servitudes associated with the Agency Property that are set forth in the Plan, the Declaration of Easement and the Walkway Easement.

**c. Groundwater Extraction System.**

Developer acknowledges the Agency Property is subject to the terms and conditions of the Covenant Not to Sue, Latah County Recorder's Office Instrument No. 585299. At Closing, Developer agrees to grant Agency and Agency agrees to accept the Declaration of Easement and its terms and conditions for purposes related to Agency's operation and maintenance of a groundwater extraction system, which is currently installed on the Agency Property. Agency shall operate and maintain the groundwater extraction system as more fully set forth in Section 13 below and the Declaration of Easement at no cost to Developer.

**d. Pedestrian Walkway.**

Developer and Agency acknowledge that the City of Moscow intends to construct a pedestrian walkway on and across that portion of the Agency Property to be retained by the Agency the location of which is depicted in Attachment 1. Upon

closing, Agency and Developer agree that Developer shall grant to the City the Walkway Easement providing for the construction, maintenance and public right of access on and across the narrow strip of property within the alignment of the pedestrian walkway that is to be conveyed to Developer under this Agreement under the terms and conditions set forth in the Walkway Easement.

#### **10. AS-IS CONDITION OF THE AGENCY PROPERTY.**

Subject to Agency's representations and warranties expressly set forth in this Agreement, which representations and warranties shall survive Closing, Developer acknowledges and agrees that any portion of the Agency Property that it acquires from Agency pursuant to this Agreement shall, subject to the terms and provisions set forth in Section 13 below, be purchased "as is."

#### **11. TITLE INSURANCE**

##### **a. Title Policy.**

Within ten (10) business days after closing, Escrow Agent shall provide and deliver to Developer a title insurance policy, issued by a company licensed to do business in the State of Idaho and acceptable to Developer (the "**Title Company**"), insuring that fee simple title to the Agency Property is vested in Developer subject only to Permitted Title Exceptions. The Title Company shall provide Agency with a copy of the title insurance policy, and the title insurance policy shall be in the amount of the Purchase Price.

##### **b. Payment.**

Agency shall pay only for that portion of the title insurance premium attributable to a standard owner's form policy of title insurance in the amount of the Purchase Price. Developer shall pay for all other premiums for title insurance coverage or special endorsements.

##### **c. Endorsement.**

Concurrently with the recording of the deed conveying title to the Agency Property, the Title Company shall, if requested by Developer, provide Developer with an endorsement to ensure the amount of Developer's estimated development costs of the improvements be constructed thereon. Developer shall pay the entire premium for any coverage beyond the coverage afforded by the standard owner's form policy of title insurance.

#### **12. FAILURE TO CLOSE ESCROW**

**a. Failure by Either Party.**

If this escrow does not close on or before the closing date because of any failure of either party to fully perform an act or acts requiring performance under this Agreement on or before the Closing Date, either party who then shall have fully performed all acts to be performed by that party on or before the Closing Date may, by notice to Escrow Agent in writing, terminate this Agreement in the manner set forth in Section 28 a. below, and demand the return of any money, papers, and/or documents in possession of the Escrow Agent. Thereupon all obligations and liabilities of the parties under this Agreement shall cease and terminate in the manner set forth in Section 28 below.

**b. Failure by Both Parties.**

If neither the Agency nor Developer shall have fully performed all acts to be performed by each of them on or before the closing date, no such termination or demand for return noticed by either party shall be given effect until twenty (20) days after the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address set below and, if not current, then to their principal place or places of business. If any objection to any such demand is raised within such twenty (20) day period, the Escrow Agent shall retain all escrowed money, papers, and/or documents until instructed in writing by both Agency and Developer or, upon failure thereof, by a court of competent jurisdiction. If the escrow does not close and no such demand is made within twenty (20) days the Escrow Agent shall terminate the escrow as soon as possible and return money, papers and/or documents to the appropriate party. The terms of this paragraph shall not affect the rights of the Agency or Developer to terminate this Agreement under Section 28 a. hereof.

**13. ENVIRONMENTAL CONDITION OF AND RESPONSIBILITY FOR THE AGENCY PROPERTY**

**a. Environmental Information.**

Within twenty (20) days from the Effective Date, Agency shall provide to Developer all information, materials and/or reports in Agency's possession regarding the physical condition, the soils and toxic conditions of the Agency Property, and all other matters which in Agency's reasonable judgment may or could affect or influence Developer's proposed use of the Agency Property and/or Developer's willingness to develop the Agency Property pursuant to this Agreement ("**Agency's Environmental Information**")

**b. Unsuitable Option.**

Should Developer, upon review of Agency's Environmental Information, determine in Developer's reasonable judgment, the physical condition of the

Agency Property is in material respects unsuitable for the use or uses to which the Agency Property will be put to the extent that it is not economically feasible for Developer to develop the Agency Property pursuant to this Agreement, the Developer shall have the option on or before the Closing Date to terminate this Agreement pursuant to the provisions of Section 28 hereof.

**c. As-Is Status.**

Agency has provided Developer with all information of which it has actual knowledge concerning the physical condition of the Agency Property, including, without limitation, information about any Hazardous Materials, as defined below. Developer acknowledges and agrees that any portion of the Agency Property that it acquires from Agency pursuant to this Agreement shall, except as set forth in section 13 h. below, be purchased "as is", in its current physical condition, with no warranties, express or implied, as to the physical condition thereof, the presence or absence of any latent or patent condition thereon or therein, including, without limitation, any Hazardous Materials thereon or therein and any other matters affecting the Agency Property.

**d. Indemnity.**

Developer agrees, from and after the date of recording of the deed conveying title to the Agency Property from Agency to Developer under this Agreement, except as set forth in Section 13 h. below to defend, indemnify, protect, and hold harmless Agency and its officers, beneficiaries, employees, agents, attorneys, representatives, legal successors, and assigns ("**Indemnitees**") from, regarding, and against any and all liabilities, obligations, orders, decrees, judgments, liens, demands, actions, Environmental Response Actions (as defined herein), claims, losses, damages, fines, penalties, expenses, Environmental Response Costs (as defined herein), or costs of any kind or nature whatsoever, together with fees (including, without limitation, reasonable attorney fees and expert and consultant fees), whenever arising, resulting from, or in connection with the actual or claimed generation, storage, handling, transportation, use, presence, placement, migration, and/or release of Hazardous Materials (as defined herein) at, on, in, beneath, or from the Agency Property (sometimes herein collectively referred to as "**Contamination**"). Developer's defense, indemnification, protection, and hold harmless obligations herein shall include, without limitation, except as set forth in Section 13 h. below, the duty to respond to any governmental inquiry, investigation, claim, or demand regarding the Contamination, at Developer's sole cost; provided, however, such indemnity, release and waiver, and environmental sections shall not apply to any property retained by Agency, whether originally described as the Agency Property.

**e. Release and Waiver.**

Except as set forth in Section 13 h. below, Developer hereby releases and waives all

rights, causes of action, and claims Developer has or may have in the future against the Indemnitees arising out of or in connection with any Hazardous Materials (as defined herein) at, on, in, beneath, or from the Agency Property.

**f. Definitions.**

As used in this Agreement, the term Environmental Response Actions means any and all activities, data compilations, preparations of studies or reports, interactions with environmental regulatory agencies, obligations and undertakings associated with environmental investigations, removal activities, remediation activities, or responses to inquiries and notice letters as may be sought, engendered, initiated, or required in connection with any local, state, or federal governmental or private party claims, including any claims by Developer.

As used in this Agreement, the term Environmental Response Costs means any and all costs associated with Environmental Response Actions, including, without limitation, any and all fines, penalties, and damages.

As used in this Agreement, the term Hazardous Materials means any substance, material, or waste which is (1) defined as a hazardous waste, hazardous material, hazardous substance, extremely hazardous waste, or restricted hazardous waste under any provision of federal or Idaho law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) designated as a hazardous substance pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251, *et seq.* (33 U.S.C. § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (7) defined as a hazardous substance pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.* (42 U.S.C. § 6903); (8) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, *et seq.* (42 U.S.C. § 9601); or (9) determined by Idaho, federal, or local governmental authority to be capable of posing a risk of injury to health, safety, or property, including underground storage tanks.

**g. Materiality.**

Developer acknowledges and agrees that the defense, indemnification, protection, and hold harmless obligations of the Developer for the benefit of Agency set forth in this Agreement are a material element of the consideration to Agency for the performance of its obligations under this Agreement and that Agency would not have entered this Agreement unless Developer's obligations were as provided for herein.

**h. Remediation Documents and Responsibilities.**

Agency, for itself and the Indemnitees, and Developer hereby acknowledge that

Agency and the Idaho Department of Environmental Quality (“IDEQ”) entered into a Voluntary Remediation Agreement May 2, 2014 (the “**Voluntary Remediation Agreement**”) and Agency thereafter implemented a Voluntary Remediation Work Plan (“**VRWP**”) on the Agency Property; Agency and IDEQ executed on March 13, 2017 that certain Environmental Covenant recorded on March 21, 2017 under Instrument No. 584525, records of Latah County, Idaho (the “**Environmental Covenant**”); IDEQ by letter to Agency dated March 30, 2017 accepted that certain VRWP Completion Report (the “**Workplan Report**”) dated and submitted to IDEQ on March 26, 2017 by TerraGraphics Environmental Engineering, Inc.; and Agency executed on May 4, 2017 and IDEQ accepted on April 28, 2017 that certain Covenant Not to Sue recorded on May 17, 2017 under Instrument No. 585299, records of Latah County, Idaho (the “**Covenant Not to Sue**”). The terms and provisions of each such instrument and document cited immediately above in this subsection (collectively the “**Remediation Documents**”) affected the Agency Property and resulted, among other terms and provisions, in the imposition of conditions, limitations and restrictions on activities and uses of the Agency Property and placement of obligations and responsibilities on the Agency and any successors in interest and/or future owners of the Agency Property, all as more particularly set forth in the Remediation Documents.

In regard to Remediation Documents and their terms and provisions, Agency, for itself and the Indemnitees and Developer hereby covenant and agree that Agency shall be solely responsible and/or do the following in accordance with the Remediation Documents:

- (i) Be responsible for the continued operation and maintenance of the administrative control (pump and discharge system) in perpetuity until such a time as the compliance well samples meet the compliance criteria specified in the VRWP. With respect to the Groundwater Extraction System, Agency must conduct routine inspections of the three pumps and repair or replace the pumps if necessary. Agency must also conduct routine inspection of the discharge tubing, measure discharged flow from well(s) noting day/time /flow rate and perform monthly inspection of the electrical control box.

With respect to Groundwater Monitoring, Agency, must, in accordance with Site-specific Quality Assurance Project Plan (QAPP) (Terragraphics 2015c), monitor, at least annually, and measure groundwater levels, purge wells and measure groundwater quality parameters, collect groundwater samples and chemically analyze groundwater samples. Finally, Agency must generate and deliver one annual report to IDEQ.

- (ii) Comply with the Operation and Maintenance Plan.

- (iii) Establish and maintain an escrow account with IDEQ in the amount of five thousand two hundred sixty dollars (\$5,260.00) for the specific purpose of future operation and maintenance costs associated with the engineering controls for the Agency Property. The escrow account shall be maintained for the benefit of the State of Idaho for future use at the Agency Property in case IDEQ determines that no viable responsible party is available to ensure compliance with the Environmental Covenant.
- (iv) Comply with the Workplan Report.
- (v) Report to IDEQ as required under the Environmental Covenant.
- (vi) Comply with Voluntary Remediation Agreement.
- (vii) Be responsible for any claim for environmental remediation under state law resulting from or based upon the release or threatened release of any and all chemicals that are the subject of the Workplan Report.
- (viii) Comply with the Covenant Not to Sue.
- (ix) When applicable, timely seek consent to terminate the activity and use limitations that apply to the Agency Property under the Remediation Documents by demonstrating that the record before IDEQ that groundwater nitrates are at levels IDEQ deems in writing to be adequate for the Agency Property to be developed for unrestricted use.
- (x) Hold Developer harmless and indemnify and defend Developer, its successors and assigns in interest to the Property from all Agency responsibilities under this Section 13 h.

The parties further understand and agree that Developer, at Developer's sole option, shall have the right to decommission, remove and/or otherwise render inoperable Injection wells IW-1, IW-2, IW-3 and IW-4 depicted on Exhibit B to the Declaration of Easement in that said injection wells are no longer a functional part of the Groundwater Extraction System and not part of any compliance requirements set forth in the Remediation Documents.

Developer agrees it shall not undertake any activities on the Agency Property that would cause Agency to be in default or otherwise breach the Remediation Documents.

**14. DEVELOPMENT OF THE AGENCY PROPERTY**

**a. Design Review Drawings.**

The Parties acknowledge Developer has submitted the Design Review Drawings to Agency. Agency has approved the Design Review Drawings for development of the Property. If Developer proposes or advances any substantial change to the design of the Project, which change would be of such significance to require re-submittal to the City Design Review Committee, Developer shall provide Agency updated and revised Design Review Drawings. Agency shall have fifteen (15) days to review, approve, disapprove, or modify such changes. Any disapproval shall state in writing the reasons for disapproval and the changes which Agency requests to be made. Such reasons and changes must be consistent with any items previously approved or deemed approved hereunder. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall revise such plans, drawings, and related documents (or such portions thereof) and resubmit them to Agency as soon as possible after receipt of the notice of disapproval.

**b. Final Construction Documents.**

On or before thirty (30) days prior to Closing Date, Developer shall submit to Agency Final Construction Drawings, Landscaping and Grading Plans sufficient to obtain a grading permit, structural building permit and final building permit, including landscaping plans and a clear chart showing changes from the Design Review Drawings including:

- i. square footage by type of uses
- ii. number of parking spaces
- iii. perspective renderings
- iv. floor plans
- v. site plan
- vi. elevations/sections listing exterior finishes

(collectively "Final Construction Documents")

**c. Review Process**

Subject to the terms of this Agreement, Agency shall have the right of reasonable architectural review of all plans and drawings, including any substantial changes therein. In reviewing the Final Construction Documents, Agency shall be guided by the Plan and Developer's RFP response dated January 12, 2015 and the Design Review Drawings. Developer shall make every reasonable effort to present drawings and plans in compliance with the guidelines. In the event Developer seeks deviation or waiver from those guidelines, Developer shall so indicate when those drawings and plans are submitted. The guidelines shall be applicable unless

specifically waived by Agency. Agency and Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to Agency can receive prompt and speedy consideration. If any revisions or corrections of plans approved by Agency shall be required by any government official, agency, department, or bureau having jurisdiction or any lending institution involved in financing, Developer and Agency shall cooperate in efforts to revise or correct the plans or obtain a waiver of such requirements or to develop a mutually acceptable alternative.

**d. Prompt Review.**

The Final Construction Documents shall be approved, approved conditionally, or disapproved by Agency within fifteen (15) days of their receipt by Agency. Agency shall approve the Final Construction Documents to the extent such plans, drawings, and related documents are consistent with plans (including the Design Review Drawings) previously approved by Agency. Agency may designate a committee of its members and staff to expedite plan approvals. Failure by Agency either to approve or to disapprove plans that are consistent with plans previously approved by Agency within fifteen (15) days of their receipt shall be deemed an approval. City's approval of the Final Construction Documents shall also constitute Agency's approval unless Agency notifies Developer in writing within fifteen (15) days of City's approval of the Final Construction Documents that Agency disapproves of the Final Construction Documents. Any such approved plans, drawings, and related documents shall not be subject to subsequent disapproval. Provided, however, if Developer proposes or advances any change to the exterior design of the Project previously approved by Agency, Agency shall have the right to review, approve, disapprove, or modify such changes within the time frames and in compliance with the procedures stated herein. Any disapproval shall state in writing the reasons for disapproval and the changes which Agency requests to be made. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall review such plans, drawings, and related documents (or such portions thereof) and resubmit them to Agency as soon as possible after receipt of the notice of disapproval. Agency shall act on any such resubmission as set forth above for the original submission.

**e. Changes to Final Construction Documents.**

If Developer makes any substantial proposed change(s) to the Final Construction Documents after approval by Agency, any such proposed change shall be submitted to Agency for approval. For purposes of this section and this section only, "substantial change" is defined as any change in the Final Construction Documents which upon approval of such change will either increase or decrease the value or cost of the Project upon completion by more than fifteen percent (15%), alter the size (area) of the Project by more or less than fifteen percent (15%), or reduce or increase the number of residential, commercial, and/or retail units in the Project.

Any such change in the Final Construction Documents shall, in any event, be deemed approved unless rejected, in whole or in part, by written notice thereof delivered to Developer by Agency setting forth in detail the reason therefore within 10-days following Agency's receipt of any substantial proposed change to the Final Construction Documents.

**f. Conformance**

Developer shall construct the Project in conformance with the Final Construction Documents as approved by the Agency from time to time.

**15. CITY AND OTHER GOVERNMENTAL AGENCY PERMITS**

Before commencement of construction or development of any land, buildings, structures, or other work of improvement upon the Agency Property (but not necessarily before conveyance of title), Developer shall, at its own expense, secure or cause to be secured any and all permits (except subdivision approval which is the obligation of Agency) which may be required by City or any other governmental agency affected by any such construction, development, or work.

Agency shall provide its best efforts to assist Developer in securing these permits.

**16. NOTICE, COMMUNICATION AND COOPERATION BETWEEN PARTIES**

The Parties acknowledge and agree that notification, communication and cooperation between the Parties is imperative to the successful development of the Agency Property to achieve the objectives of the Plan; therefore Developer shall provide Agency with written status reports as reasonably requested by Agency.

All notices and communications between the parties under this Agreement shall be directed as follows or to such other address as either party may give notice to the other:

Agency:	Moscow Urban Renewal Agency	Developer:	Sangria Legacy LLC
	PO Box 9203		2124 W. Pullman Road
	Moscow, ID 83843		Moscow, ID 83843

Each Party understands and agrees that it shall immediately notify the other Party of any major issues, problems, or opportunities that may have the potential to materially and adversely affect the development of the Agency Property. The Parties agree to confer regarding any such issues, problems, or opportunities raised by either Party and shall use their best reasonable efforts to cooperate in good faith to resolve any such issues or problems or to take advantage of any such opportunities.

Nothing herein shall limit the reviewing authority of Agency granted under this Agreement.

## **17. COST OF CONSTRUCTION AND ADMINISTRATION**

The cost of developing the Agency Property and constructing all improvements thereon as provided in this Agreement shall be borne by Developer, except for work expressly set forth in this Agreement to be performed or paid for by Agency or others. Agency and Developer shall each pay the costs necessary to administer and carry out their respective responsibilities and obligations under this Agreement.

## **18. RIGHT OF ACCESS**

For the purpose of assuring compliance with this Agreement, representatives of Agency and City shall have the reasonable right of access to the Agency Property without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of Agency or City shall be those who are so identified in writing given to Developer by the Executive Director of Agency. Anyone who comes onto the Agency Property shall comply with applicable OSHA or other safety regulations.

## **19. CONSTRUCTION SCHEDULE**

After the Closing, Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the improvements and the development of the Agency Property in accordance with this Agreement. During the construction period, Developer, if requested by Agency, shall submit to Agency a monthly written progress report of construction.

## **20. LOCAL, STATE, AND FEDERAL LAWS**

Developer shall carry out the construction of the improvements in conformity with all applicable laws, including all applicable federal and state labor standards.

## **21. ANTIDISCRIMINATION DURING CONSTRUCTION**

Developer, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, Developer will not discriminate because of handicap or disability, race, color, creed, religion, sex, sexual orientation, marital status, ancestry, or national origin.

## **22. CERTIFICATE OF COMPLETION.**

Promptly after completion of all construction and development to be completed by Developer for the Project, Developer shall submit to Agency a request for a certificate of completion for the Project ("**Certificate of Completion**"). A form of the Certificate of Completion is attached hereto as Attachment 6. Upon City's issuance of a certificate of

occupancy for the Project and Agency's determination, not to be unreasonable withheld, that Developer has completed all construction and development of the Project in accordance with this Agreement, Agency shall immediately and properly execute the Certificate of Completion, record the executed Certificate of Completion in the records of Latah County, Idaho and deliver the recorded Certificate of Completion to Developer. Agency shall not unreasonably withhold the Certificate of Completion. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof. Such Certificate of Completion is not notice of completion as referred to under other laws of the State of Idaho.

### **23. TAXES, ASSESSMENTS, ENCUMBRANCES, AND LIENS**

Developer shall pay when due all ad valorem property taxes and personal property taxes and assessments assessed and levied on the Agency Property and Development for any period subsequent to the closing date. Prior to the issuance of a Certificate of Completion, Developer shall not place or allow to be placed on the Agency Property any mortgage, trust deed, encumbrance, or lien unauthorized by this Agreement. The preceding sentence does not apply to any mortgage, trust deed, or encumbrance securing Developer's financing for the Project.

Developer shall remove or have removed any levy or attachment made on the Agency Property, or any portion thereof, or shall assure the satisfaction thereof within a reasonable time, but in any event prior to a foreclosure sale thereunder. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any tax, assessment, encumbrance, or lien or to limit the remedies available to Developer with respect thereto.

### **24. IN-LIEU-OF TAXES**

In the event that after closing the Agency Property or any improvements thereon or any possessory interest therein should at any time be subject to ad valorem taxes or privilege taxes levied, assessed, or imposed on such Agency Property, Developer shall pay taxes upon the assessed value of the entire property and any improvements thereon and not merely upon the assessed value of its ownership of Agency Property interest.

In the event the Agency Property or any portion thereof or leasehold interest is leased, conveyed, or transferred to an entity exempt or partially exempt from ad valorem taxes and to the extent that ad valorem, privilege, or any other taxes or assessments levied on the Agency Property or any improvements thereon are of a lesser amount than would be levied if the Agency Property or any portion thereof were entirely in private, nonexempt ownership, Developer shall be responsible to pay as in-lieu-of taxes the difference between the taxes and assessments actually levied and the taxes and assessments which would be levied if the Agency Property or any portion thereof were privately owned. Developer shall pay such difference to Agency within thirty (30) days after the taxes for

such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law.

## **25. USE OF THE AGENCY PROPERTY**

### **a. Uses**

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest that during construction and thereafter, Developer, its successors, and/or assigns shall devote the Agency Property to the uses specified in the Plan and Moscow City Code (including the Moscow Zoning Code) through December 31, 2032. The foregoing covenants shall run with the land through December 31, 2032 and thereafter such covenants shall terminate and be of no further force and effect.

### **b. Obligation to Refrain From Discrimination**

Developer covenants that it shall not engage in discrimination against or segregation of any person or group of persons on account of handicap or disability, age, race, color, creed, religion, sex, sexual orientation, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Agency Property, nor shall Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Agency Property. The foregoing covenants shall run with the land.

## **26. EFFECT AND DURATION OF COVENANTS**

The covenants, conditions and restrictions against discrimination set forth in Section 25 b. above shall remain in effect in perpetuity. All covenants, conditions and restrictions set forth in Section 1 above shall remain in effect unless and until the Certificate of Completion is recorded in the records of Latah County, Idaho at which time all such covenants, conditions and restrictions set forth in Section 1 above shall then automatically terminate and be of no further force and effect. The remainder of the covenants, conditions and restrictions set forth in the Deed shall remain in effect until December 31, 2032, the termination date of the Plan, and all of such covenants, conditions and restrictions shall then automatically terminate and be of no further force and effect.

Agency and the City of Moscow their successors and/or assigns and any successors in interest are deemed the beneficiaries of above-described covenants, conditions and restrictions that run with the land for and in their own rights, for the purposes of protecting interests of the community and other parties, public or private, in whose favor and for whose benefit said covenants have been provided and without regard to whether Agency has been, remains, or is an owner of any land or interest in and to the Agency Property. Agency its successors and/or assigns and any successors in interest shall have

the right to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the above-described covenants, conditions and restrictions.

## **27. RIGHTS OF ACCESS PUBLIC IMPROVEMENTS AND FACILITIES**

Agency, for itself and for City and other public agencies, at their sole risk and expense, reserves the right to enter the Agency Property or any part thereof at all reasonable times and with as little interference as possible for the purposes of construction, reconstruction, maintenance, repair, or service of any public improvements or public facilities located on the Agency Property. Any such entry shall be made only after reasonable notice to Developer. Any damage or injury to the Agency Property resulting from such entry shall be promptly repaired at the sole expense of the Agency and/or public agency responsible for the entry.

Notwithstanding the above, Developer, its successors, and its assigns shall be subject to all ordinances and laws of City of Moscow, County of Latah, or State of Idaho for the protection of health, safety, and welfare.

## **28. DEFAULTS, REMEDIES, AND TERMINATION**

### **a. Remedies and Rights of Termination Prior to Conveyance of the Agency Property to Developer**

#### **i. Termination by Developer Prior to Closing**

In the event that prior to the conveyance of the Agency Property to Developer:

- i. Agency does not tender conveyance of title to the Agency Property or possession of the Agency Property in the manner and condition and by the date provided in this Agreement, and any such failure is not cured within sixty (60) days after written demand by Developer; or
- ii. Agency shall notify Developer in writing that it is not economically or financially feasible for Agency to finance its obligations under this Agreement within the time established therefore in the Schedule of Performance; or
- iii. The zoning of the Agency Property shall be such that it shall not permit the development, construction, use, operation, or maintenance of the Project; or
- iv. Developer, after and despite diligent effort and prior to the dates established therefore in the Schedule of Performance, is unable to

obtain and submit the final evidence of financing reasonably acceptable to Developer or on or before Agency's approval of Developer's final evidence of financing, notifies Agency in writing that, in the Developer's judgment, it is not economically or financially feasible for Developer to perform or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance ;

then, unless Developer or Agency, as the case may be, is able to timely cure any such event, this Agreement shall be terminated by written notice thereof by Developer to Agency. Upon such termination, Agency shall return, as applicable, Developer's Deposit to Developer as provided herein and neither Agency nor Developer shall have any further rights against or liability to the other under this Agreement. In the event of any such timely cure by Developer or Agency, the date for compliance under the Schedule of Performance shall be extended by the length of any such cure period.

**ii. Termination by Agency Prior to Closing**

In the event that prior to the conveyance of the Agency Property to Developer:

- i. Agency shall notify Developer in writing that it is not economically or financially feasible for Agency to finance its obligations under this Agreement within thirty (30) days of the Effective Date; or
- ii. Developer fails to deposit the amount of Developer's Deposit as required by this Agreement; or
- iii. Developer transfers or assigns or attempts to transfer or assign this Agreement or any rights herein or in the Agency Property or the buildings or improvements thereon in violation of this Agreement; or
- iv. there is any significant change in the ownership or management of Developer in violation of this Agreement; or
- v. Developer does not pay the Purchase Price and take title to the Agency Property upon tender of conveyance of title by Agency or possession of the Agency Property that is made in the manner and condition and by the date provided in pursuant to this Agreement; or
- vi. Developer is in breach or default with respect to any other obligation of Developer under this Agreement, subject to the cure provisions; or
- vii. The zoning of the Agency Property shall be such that it shall not permit the development, construction, use, operation, and

maintenance of the Project;

then, unless Agency is able to timely cure any such event, this Agreement and any rights of Developer or any assignee or transferee in this Agreement pertaining thereto or arising therefrom with respect to Agency shall be terminated by written notice thereof by Agency to Developer. Upon such termination Agency shall retain, as applicable, the Developer's Deposit and neither Agency nor Developer shall have any further rights against or liability to the other under this Agreement.

When Agency is entitled to retention of Developer's Deposit because Agency terminated this Agreement, Developer's Deposit may be retained by Agency as liquidated damages and as its property without any deduction, offset, or recoupment whatsoever. If Developer should default upon its obligations making it necessary for Agency to terminate this Agreement and to procure another Party or Parties to develop the Agency Property in substantially the manner and within the period that such Agency Property would be developed under the terms of this Agreement, then the damages suffered by Agency by reason thereof would be uncertain. Such damages would involve such variable factors as the consideration which such Party would pay for the Agency Property, the expenses of continuing the ownership and control of the Agency Property, the rights of interested parties and negotiating with such parties, postponement of tax revenues therefrom to the community, and the failure of Agency to effect its purposes and objectives within a reasonable time, resulting in additional immeasurable damage and loss to Agency and the community. It is impracticable and extremely difficult to fix the amount of such damages to Agency, but the Parties are of the opinion, upon the basis of all information available to them, that such damages would approximately equal the amount of Developer's Deposit held by Agency at the time of the default of Developer, and the amount of such Deposit shall be paid to Agency upon any such occurrence as the total of all liquidated damages for any and all such defaults and not as a penalty.

Developer and Agency specifically acknowledge this liquidated damages provision by their signatures here:

Urban Renewal Agency of the City of Moscow, Idaho

By:   
Its Executive Director

Sangria Legacy LLC  
By:   
Carly Lilly, Its Member

By:   
George Skandalos, Its Member

## **b. Remedies and Rights of Termination After the Closing**

The following remedies and rights of termination are the only rights and remedies that apply to those acts or failures to act under the terms and provisions of this Agreement that occur after the Closing and conveyance of the Agency Property to Developer.

Subject to extensions of time and/or allowable cure periods, failure or delay by either Party to perform any material act under the terms and provisions of this Agreement occurring after the Closing and conveyance of the Agency Property to Developer shall constitute a default under this Agreement. The Party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction, or remedy with reasonable diligence and shall not be in default during any period of curing.

The Party claiming default shall give written notice of default to the other Party specifying the default complained of by the Party claiming default. Except as required to protect against immediate and irreparable harm, the Party claiming default may not institute proceedings against the other Party until sixty (60) days after giving such notice, said sixty (60) days constituting the period to cure any such claimed default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any claimed default shall not operate as a waiver of any default or of any such rights or remedies or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

It is expressly understood and agreed that each of the covenants, promises, stipulations, and agreements of the parties hereto and under the provisions of this Agreement are an integral and indivisible part of the consideration given by each to the other and that each covenant, promise, stipulation, and agreement of the Parties shall be deemed and construed as material. It is further understood and agreed that time is of the essence of this Agreement; that failure, refusal, or neglect for any reason whatsoever of either party hereto to perform any of the covenants, promises, stipulations, or agreements to be performed by the party pursuant to the terms and provisions of this Agreement shall constitute a material default on the part of the party failing to perform such covenant, promise, stipulation, or agreement; and that the occurrence of any such default on the part of either party shall give the other party the right to terminate or otherwise enforce this Agreement in accordance with the provisions of this Section 28.b.

In addition to any other rights or remedies, either Party may institute legal action

to cure, correct, or remedy any default or recover damages for any default or to obtain any other remedy consistent with the purpose of this Agreement. The laws of the State of Idaho shall govern the interpretation and enforcement of this Agreement.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

If the default is not cured or commenced to be cured by the defaulting Party within sixty (60) days after service of the notice of default, the non-defaulting Party, at the non-defaulting Party's option, may institute an action for damages and/or specific performance unless another remedy is expressly provided for under this Agreement.

## 29. GENERAL PROVISIONS

### a. Notices, Demands, and Communications Between the Parties

All official and/or time sensitive notices, demands, and communications between Agency and Developer under this Agreement shall be in writing and will be deemed to have been given if delivered personally, mailed by certified mail, or delivered by an overnight delivery service (with confirmation) to the parties at the following addresses (or at such other address as a party may designate by like notice to the other parties):

To Agency:                   Urban Renewal Agency City of Moscow  
  Attn: Executive Director PO Box 9203  
  Moscow, ID 83843

To Developer:               Sangria Legacy LLC  
  Attn: Carly Lilly and George Skandalos  
  2124 W. Pullman Road  
  Moscow, ID 83843

With a copy to:             Landeck|Forseth|Luna  
  Attorneys at Law  
  220 East 5<sup>th</sup> Street, Suite 212  
  PO Box 9344  
  Moscow, ID 83843

Any notice or other communication will be deemed to be given (a) on the date of personal delivery, (b) at the expiration of the third day after the date of deposit in the United States mail, or (c) on the date of confirmed delivery by overnight delivery service.

### **30. CONFLICTS OF INTEREST**

No member, official, or employee of Agency shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal financial interests or the financial interests of any corporation, partnership, or association in which he or she is directly or indirectly involved.

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than principals in ownership of Developer.

### **31. WARRANTY AGAINST PAYMENT OF CONSIDERATION FOR AGREEMENT**

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as for architects, engineers, and attorneys.

### **32. NONLIABILITY OF AGENCY OFFICIALS AND EMPLOYEES**

No member, official, or employee of Agency shall be personally liable to Developer in the event of any default or breach by Agency or for any amount which may become due to Developer or on any obligations under the terms of this Agreement.

### **33. FORCED DELAY; EXTENSION OF TIMES OF PERFORMANCE**

In addition to the specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; administrative proceedings; unusually severe weather; inability to secure necessary labor, material, or tools; delay of any contractor, subcontractor, or suppliers; acts of another Party; proceedings before or acts or failures to act of any public or governmental agency or entity, including approvals by any historic preservation agency (provided acts or failures to act of Agency shall not excuse performance by Agency); approvals by planning, zoning, design, engineering, public safety, and/or building officials for issuance of permits and/or approvals within their purview or jurisdiction; and temporary cessation of work for archeological digs, environmental analysis, or removal of hazardous or toxic substances; or any causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the Party claiming such extension is sent to the other

Parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by the Parties for good cause shown.

#### **34. PLANS AND DATA**

Where Developer does not proceed with the purchase and development of the Agency Property, Agency may retain possession of any site data, including any soils or engineering tests concerning the Agency Property previously submitted by Developer. Agency or any other person or entity designated by Agency shall be free to use such site data for any reason whatsoever without cost or liability thereof to Developer or any other person, except to the extent Agency may have to reach agreement with Developer's architects or testing professionals.

#### **35. APPROVALS BY THE PARTIES**

Wherever this Agreement requires Agency and/or Developer to approve any contract, document, plan specification, drawing, or other matter, such approval shall not be unreasonably withheld.

#### **36. BODILY INJURY, PROPERTY DAMAGE, AND WORKERS' COMPENSATION INSURANCE**

Prior to the commencement of construction on the Agency Property or any portion thereof, Developer shall furnish or cause to be furnished to Agency duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least One Million Dollars (\$1,000,000) for any person, One Million Dollars (\$1,000,000) for any occurrence, and One Million Dollars (\$1,000,000) property damage. Developer shall also furnish or cause to be furnished to Agency evidence satisfactory to Agency that any contractor with whom it has contracted for the performance of work on the Agency Property carries worker's compensation insurance as required by law. Developer shall also furnish to Agency evidence of Developer's risk insurance insuring the Project from damage and loss during construction in an amount acceptable to Agency.

#### **37. INDEMNIFICATION**

Developer shall indemnify and hold Agency, City, and their respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees, which may be imposed upon or incurred by or asserted against Agency, City, or their respective officers, agents, and employees by reason of any of the following occurrences during the term of this Agreement;

- a. Any work or thing done in, on, or about the Agency Property, including, without limitation, the construction of the initial improvements, any subsequent

improvements, or any tenant improvements, by or at the direction of Developer;  
or

- b. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of Agency Property or any part thereof; or
- c. Any negligence on the part of Developer or any of its agents, contractors, servants, employees, subtenants, operators, licenses, or invitees; or
- d. Any accident, injury, or damage to any person or property occurring in, on, or about the Agency Property or any part thereof, whether during construction or after construction; or
- e. Any failure on the part of Developer to perform or comply with any of the terms, provisions, covenants, and conditions contained in this Agreement to be performed or complied with on its part;

provided, however, Developer shall have no obligation to indemnify and hold Agency or City, respectively, and their respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or City, respectively, or their respective officers, agents, or employees or from conduct resulting in an award of punitive damages against Agency or City or from any failure on the part of Agency or City to perform or comply with the terms, provisions, covenants, and conditions contained in this Agreement to be performed or complied with on its part;

In case any action or proceeding is brought against Agency, City, or their respective officers, agents, and employees for which Developer is required to indemnify and hold Agency and City harmless as set forth above, Developer, upon written notice from Agency or City, shall, at Developer's expense, resist or defend such action or proceeding.

### **38. ATTORNEY FEES**

In the event of any action or proceeding at law or in equity between Developer and Agency to enforce any provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the unsuccessful Party to such litigation shall pay to the prevailing Party all costs and expenses, including reasonable attorney fees incurred therein by such prevailing Party (including such costs and fees incurred on appeal), and if such prevailing Party shall recover judgment in any such action or proceeding, such costs, expenses, and attorney fees shall be included in and as a part of such judgment.

### **39. AMENDMENT OF PLAN**

Pursuant to the provisions of the Plan or modification or amendment therefore, Agency agrees that no amendment which changes the uses or development permitted on or adjacent to the Agency Property or changes the restrictions or controls that apply to the Agency Property or otherwise affects the Agency Property shall be made or become effective without the prior written consent of Developer. Amendments to the Plan applying to other property in the Project Area shall not require the consent of Developer.

## **NO THIRD-PARTY BENEFICIARY**

The provisions of this Agreement are for the exclusive benefit of Agency, City, Developer, and their successors and assigns, and not for the benefit of any third person; nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third person except for provisions expressly for the benefit of a mortgagee or lender of Developer or its successors and assigns.

## **40. AMENDMENTS TO THIS AGREEMENT**

Developer and Agency agree to mutually consider reasonable requests for amendments to this Agreement which may be made by any of the Parties hereto, lending institutions, bond counsel, or financial consultants to Agency or Developer, provided such requests are consistent with this Agreement and would not substantially alter the basic business terms included herein.

## **41. DISPUTE RESOLUTION**

In the event that a dispute arises between the Parties concerning (i) the meaning or application of the terms of, or (ii) an asserted breach of this DDA, the Parties shall meet and confer in a good faith effort to resolve their dispute. The first such meeting shall occur within thirty (30) days of the first written notice from either Party evidencing the existence of the dispute. The Chair of Agency and a Member of Developer shall both be included among the individuals representing the Parties at the first such meeting. If the Parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the Parties agree to first endeavor to settle the dispute in an amicable manner by mediation or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the Northwestern States or otherwise, as the Parties may mutually agree before resorting to litigation or to arbitration. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation or other process of structured negotiation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity.

## **42. IMPLEMENTATION AGREEMENTS**

Certain elements of this Agreement may be fully and finally determined and agreed to between Agency and Developer. The Parties shall agree in writing on any of these elements in an Implementation Agreement or agreements during the course of this Agreement.

## **43. RESALE TO THE AGENCY REQUIRED UPON PROJECT FAILURE**

Developer shall commence construction on the Agency Property on or before July 31,

2018, unless extended by terms of this Agreement or by mutual agreement of the parties. Upon Developer's failure to first commence construction by July 31, 2018 or any extended date (the "**Commencement Deadline**"), the Agency or its assigns or successors in interest shall have the first right to purchase said Agency Property for the original purchase price, which first right of purchase must be exercised by Agency giving notice of its intention to purchase ("**Notice of Intent**") on or before ninety (90) days following the Commencement Deadline and closing the purchase of the Agency Property by payment in cash to Developer on or before thirty (30) days after the delivery of the Notice of Intent.

#### **44. ENTIRE AGREEMENT, WAIVERS, AND AMENDMENTS**

This Agreement shall be executed in two (2) duplicate originals, and may be by counterparts each of which is deemed to be an original and the same instrument. This Agreement comprises pages 1 through 38, inclusive, and Attachments 1 through 8, attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the Parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

#### **45. EFFECTIVE DATE OF AGREEMENT**

This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed, and delivered by Agency within forty-five (45) days after the date of signature by Developer or this Agreement shall be void, except Developer may consent in writing to further extensions of time for the authorization, execution, and delivery of this Agreement. Developer recognizes that Agency may be required to comply with certain notice, solicitation, and comment periods and a disclosure process as required by law. The effective date of this Agreement shall be the date when this Agreement has last been signed by Developer and Agency (the "**Effective Date**").



DATED this 2nd day of February, 2018, AGENCY

THE URBAN RENEWAL AGENCY OF MOSCOW, IDAHO

By: [Signature]  
Steve McGeehan, Chair



DATED this 2nd day of February, 2018. DEVELOPER:

SANGRIA LEGACY, LLC  
an Idaho limited liability company

By: [Signature]  
Carly Lilly, Member

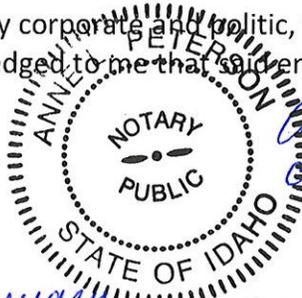
By: [Signature]  
George Skandalos, Member

STATE OF IDAHO )  
 ) ss.  
County of Latah )

On this 2nd day of February, 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared Steve McGeehan, known or identified to me to be the Chair and authorized representative of The Urban Renewal Agency of the City of Moscow, Idaho, an independent public body corporate and politic, who executed the instrument on behalf of said entity and acknowledged to me that said entity executed the same.

STATE OF IDAHO )  
 ) ss.  
County of Latah )

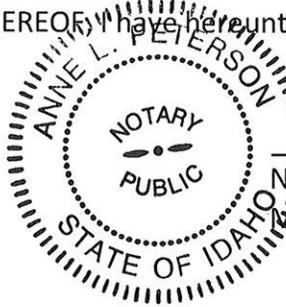


Anne Peterson  
commission expires 8-27-18

On this 2nd day of February, 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared Carly Lilly, known or identified to me to be a Member and authorized representative of Sangria Legacy LLC, an Idaho limited liability company, who executed the instrument on behalf of said company and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on the date last above written.



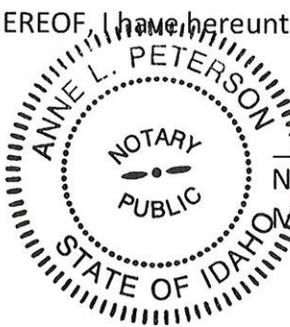
Anne Peterson 8-27-18  
Notary Public for the State of Idaho  
My commission expires: \_

STATE OF IDAHO )  
 ) ss.  
County of Latah )

On this 2nd day of February, 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared George Skandalos, known or identified to me to be a Member and authorized representative of Sangria Legacy LLC, an Idaho limited liability company, who executed the instrument on behalf of said company and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on the date last above written.



Anne Peterson  
Notary Public for the State of Idaho  
My commission expires: 8-27-18

**List of Attachments**

Attachment 1 Map of the Agency Property

Attachment 2 Legal Description

Attachment 3 Schedule of Performance

Attachment 4 Design Review Drawings

Attachment 5 Warranty Deed

Attachment 6 Certificate of Completion

Attachment 7 Declaration of Groundwater Extraction System Easement

Attachment 8 Perpetual Pedestrian Walkway Easement



**Attachment 2**  
**Legal Description of Agency Property**

11/29/2017

**Legal Description by Hodge & Associates**  
**For George Skandalos and Carly Lilly**  
**Sangria Parcel**

A legal description for a parcel of land, located in the NE1/4 of the NE1/4 of Section 18, T39N, R5W, B.M., in the City of Moscow, Latah County, Idaho. Being more particularly described as follows:

Commencing at the northeast corner of Section 18, thence along the north line of said Section, S87°45'28"W, 363.92 feet; thence, departing said line, S0°45'10"W, 40.18 feet to the northeast corner of Deed of Dedication, Instrument #584290; thence along the east line of said Deed, S0°45'10"W, 153.40 feet to the southeast corner of said Deed; thence along the south line of said Deed, S88°17'30"W, 5.17 feet to a point on the west right-of-way of Jackson Street and the **Point of Beginning**;

Thence along said right-of-way, N0°45'57"E, 110.33 feet;  
Thence departing said line, S88°18'03"W, 6.92 feet;  
Thence S58°21'11"W, 205.80 feet;  
Thence N31°38'49"W, 25.00 feet;  
Thence N58°21'11"E, 198.69 feet;  
Thence N0°45'57"E, 13.20 feet to the south right-of-way of Sixth Street;  
Thence along said right-of-way the following courses:  
    thence S88°18'03"W, 75.32 feet;  
    thence N82°15'29"W, 29.22 feet;  
    thence S88°18'34"W, 111.87 feet to a point on the west line of Warranty Deed Instrument #539491;  
Thence departing said right-of-way, along said west line, S1°42'23"E, 104.41 feet;  
Thence along the southwest line of said Warranty Deed, S40°29'13"E, 17.68 feet;  
Thence departing said line, N88°17'30"E, 30.47 feet;  
Thence S31°38'49"E, 25.00 feet;  
Thence S1°42'23"E, 6.52 feet to the south line of Warranty Deed Instrument #539491;  
Thence along said south line, N88°17'30"E, 182.23 feet to the **Point of Beginning**.

Parcel contains 0.63 acres more or less.



**Attachment 3**  
**Schedule of Performance**

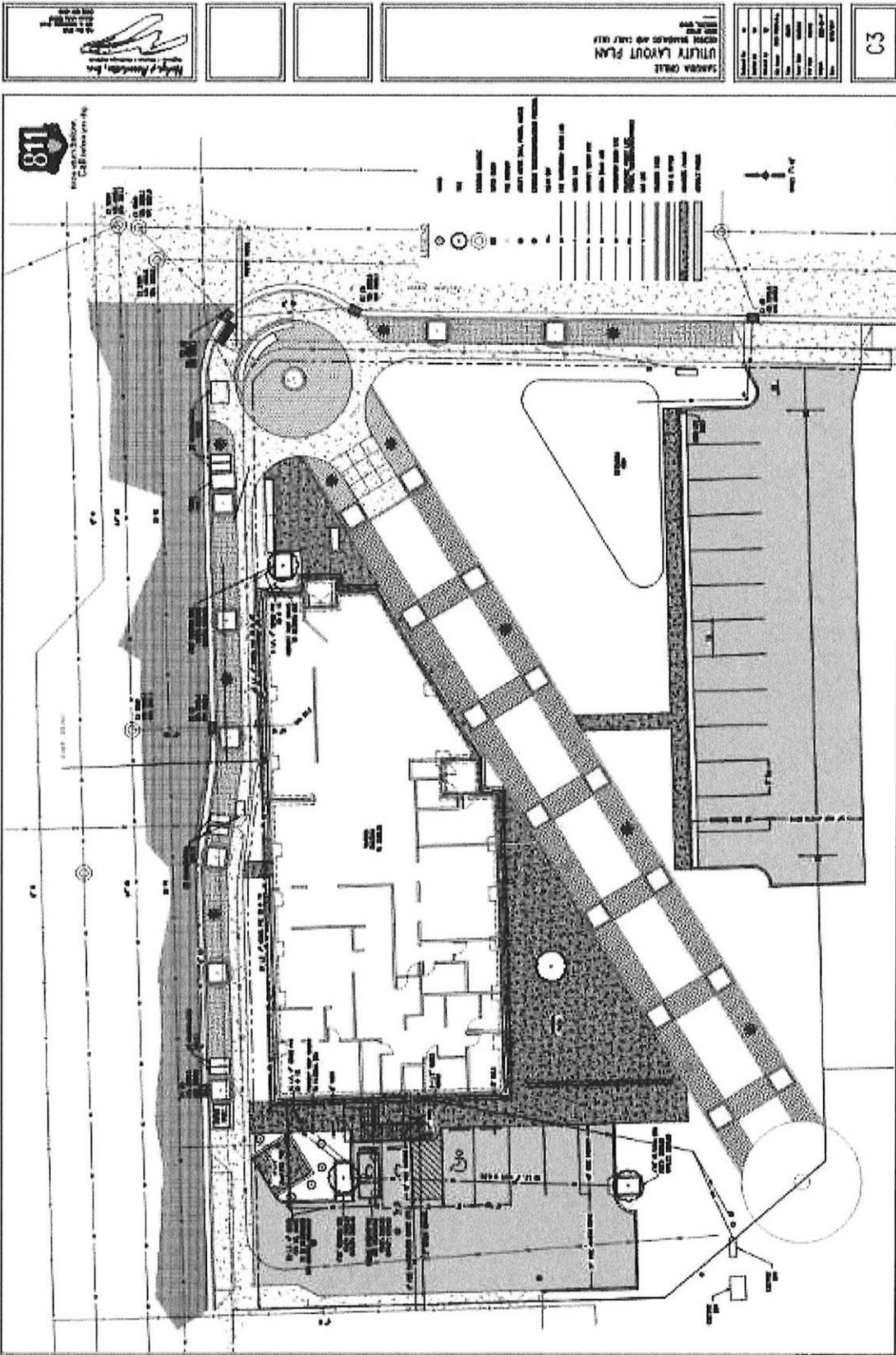
<b>Action</b>	<b>Date</b>
Execution of Agreement by Developer. Developer shall execute and deliver this Agreement to Agency.	On or before February 2, 2018.
Deposit. Developer shall deliver the Deposit to Agency.	Upon execution of this Agreement by both parties.
Execution of Agreement by Agency. Agency shall execute and deliver this Agreement to Developer.	On or before February 2, 2018.
Delivery of Agency's Environmental Information	Within twenty (20) days of the Effective Date of this Agreement
Opening of Escrow. Agency shall open an escrow for conveyance of the Site to Developer.	Within ten (10) days of the Effective Date.
Nonrefundable Deposit. Developer's deposit shall become nonrefundable under any condition.	Upon the approval by Agency under Section 2 above of Developer's evidence of financing.
Submission—Evidence of Developer's Equity Capital and Mortgage Financing. Developer shall submit to Agency for review and approval evidence of equity capital and mortgage financing necessary for acquisition and development of the Site.	Within ninety (90) days of the Effective Date.
Approval—Evidence of Equity Capital and Mortgage Financing. Agency shall approve or disapprove Developer's evidence of equity capital and mortgage financing.	Within twenty (20) days after receipt thereof by the Agency.
Delivery—Preliminary Title Report. Agency shall deliver the preliminary title report for the Agency Property to Developer.	Within ten (10) days of the Effective Date.
Deposit of Deed. Agency shall deposit the deed to the Agency Property and required sums into the escrow.	Prior to the Closing date.

<p>Submission—Final Construction Drawings, Landscaping, and Grading Plans. Developer shall prepare and submit to Agency for review and approval of Final Construction Plans for the Site as follows:</p> <p>A. Plans sufficient to obtain an excavation permit;</p> <p>B. Plans sufficient to obtain a structural building permit; and</p> <p>C. Plans sufficient to obtain a final building permit for the Project, including landscaping plans.</p>	<p>On or before 30 days prior to Closing Date.</p>
<p>Closing Under Escrow. Agency shall convey title to the Agency Property to Developer, and Developer shall accept such conveyance.</p>	<p>Subject to conditions of Closing, but prior to the Commencement Date of July 31, 2018</p>
<p>Submission—Certificate of Insurance. Developer shall furnish to Agency duplicate originals or appropriate certificates of bodily injury and property damage insurance policies.</p>	<p>On or before the Commencement Date of July 31, 2018.</p>
<p>Governmental Permits. Developer shall obtain any and all permits required by the City or any other governmental agency.</p>	<p>On or before the Commencement Date of July 31, 2018.</p>
<p>Commencement of Construction of Developer's Improvements. Developer shall commence construction of the improvements to be constructed on the Agency Property.</p>	<p>On or before the Commencement Date of July 31, 2018.</p>
<p>Project Completion and Receipt of Certificate of Occupancy from City.</p>	<p>On or before September 30, 2019.</p>

Issuance—Certificate of Completion. Agency shall record in records of Latah County and furnish Developer with a Certificate of Completion.

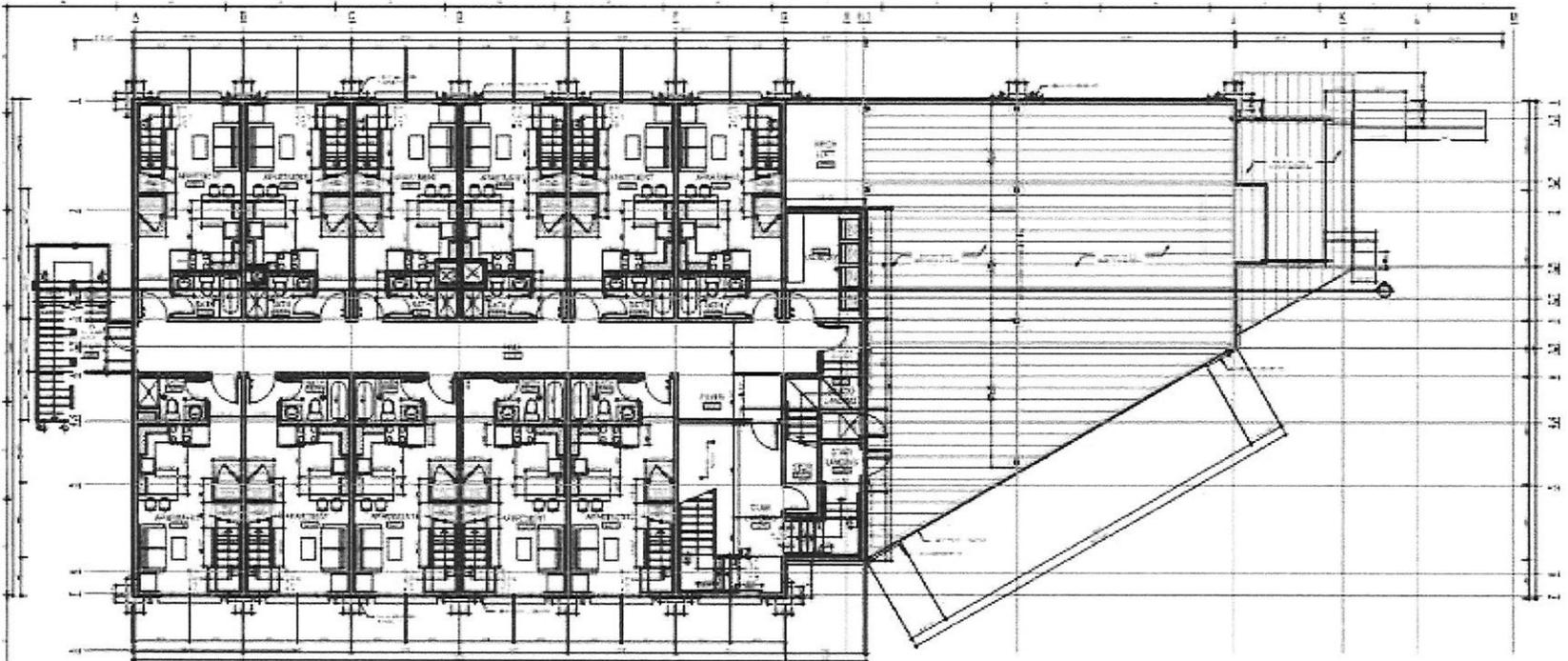
Promptly after completion of all construction required to be completed by Developer on the Site and upon written request therefor by Developer following issuance of City Letter of Occupancy upon written request by Developer.











SECTION LINE 1-1

**SANGRIA DEVELOPMENT - MIXED USE**

1000 SQ. FT.  
1000 SQ. FT.

**GENERAL NOTES**

- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE IBC AND ALL APPLICABLE CODES.
- 2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITIES.
- 3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE LOCAL AUTHORITIES.
- 4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND UTILITIES AT ALL TIMES.
- 5. ALL UTILITIES SHALL BE PROTECTED AND DEEPER THAN THE EXISTING FINISH FLOOR.
- 6. ALL CONCRETE SHALL BE CAST AND CURED IN ACCORDANCE WITH THE ACI 308.1R-08.
- 7. ALL STEEL SHALL BE A36 OR A572 GR. 50.
- 8. ALL WOOD SHALL BE SDR #1 OR BETTER.
- 9. ALL GLASS SHALL BE LAMINATED GLASS.
- 10. ALL FINISHES SHALL BE AS SHOWN ON THE FINISH SCHEDULE.

**REVISIONS**

- 1. 10/15/2023: REVISED PER COMMENTS FROM ARCHITECT.
- 2. 10/15/2023: REVISED PER COMMENTS FROM ARCHITECT.
- 3. 10/15/2023: REVISED PER COMMENTS FROM ARCHITECT.
- 4. 10/15/2023: REVISED PER COMMENTS FROM ARCHITECT.
- 5. 10/15/2023: REVISED PER COMMENTS FROM ARCHITECT.

**ALL THE GENERAL NOTES**

- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE IBC AND ALL APPLICABLE CODES.
- 2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITIES.
- 3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE LOCAL AUTHORITIES.
- 4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND UTILITIES AT ALL TIMES.
- 5. ALL UTILITIES SHALL BE PROTECTED AND DEEPER THAN THE EXISTING FINISH FLOOR.
- 6. ALL CONCRETE SHALL BE CAST AND CURED IN ACCORDANCE WITH THE ACI 308.1R-08.
- 7. ALL STEEL SHALL BE A36 OR A572 GR. 50.
- 8. ALL WOOD SHALL BE SDR #1 OR BETTER.
- 9. ALL GLASS SHALL BE LAMINATED GLASS.
- 10. ALL FINISHES SHALL BE AS SHOWN ON THE FINISH SCHEDULE.



ARCHITECT  
1000 SQ. FT.  
1000 SQ. FT.

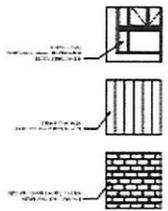
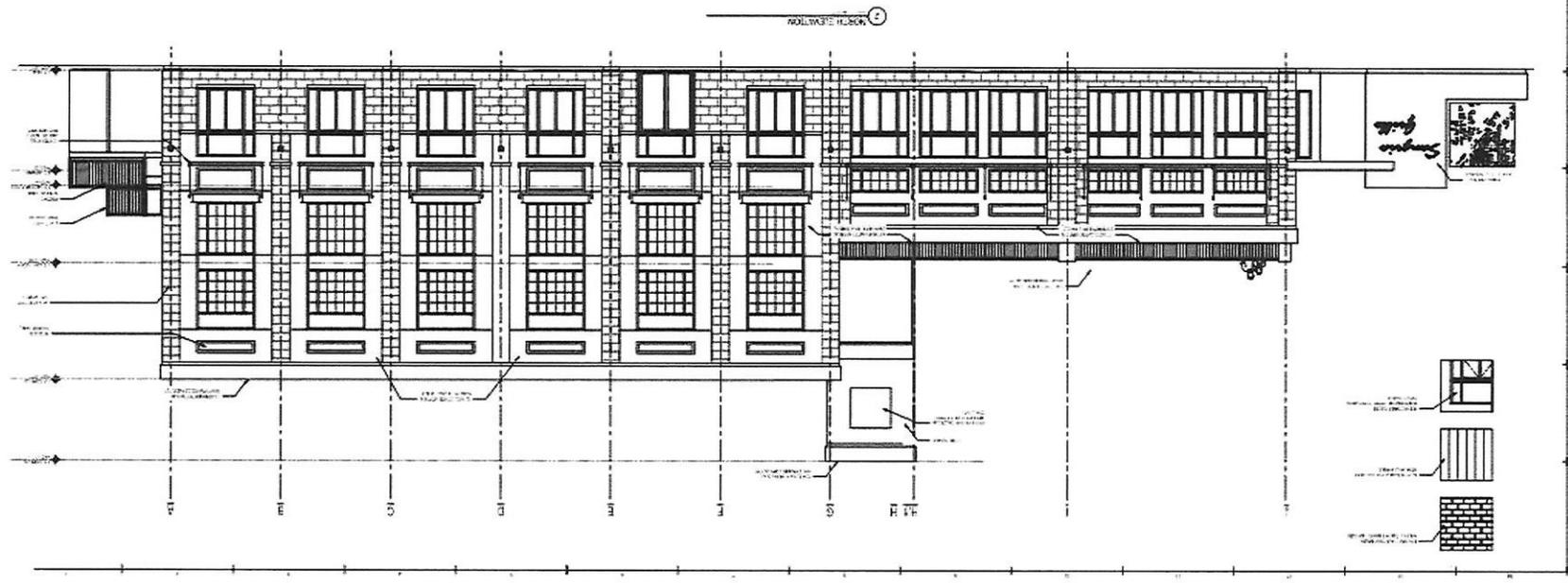
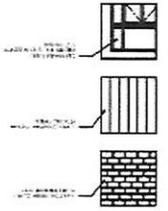
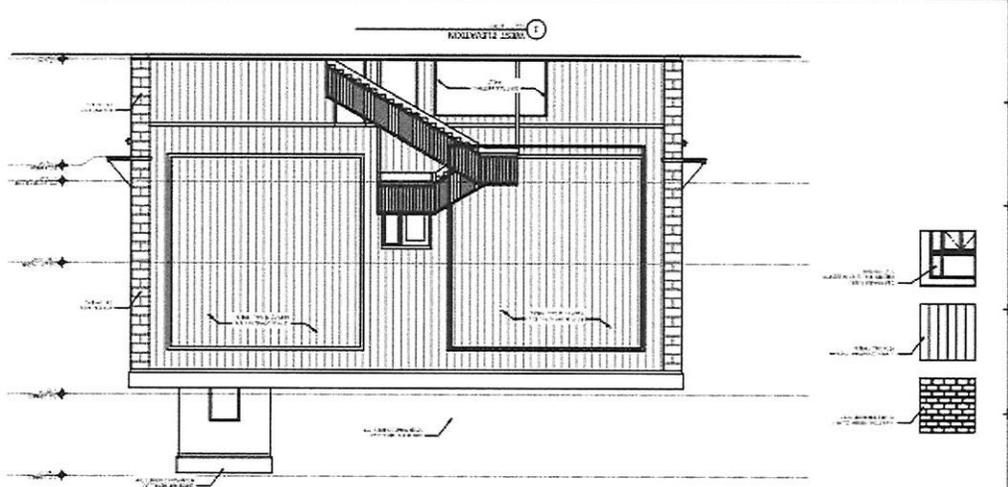
NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMITTING	10/15/2023
2	REVISED PER COMMENTS FROM ARCHITECT	10/15/2023
3	REVISED PER COMMENTS FROM ARCHITECT	10/15/2023
4	REVISED PER COMMENTS FROM ARCHITECT	10/15/2023
5	REVISED PER COMMENTS FROM ARCHITECT	10/15/2023

DATE	DESCRIPTION
10/15/2023	ISSUED FOR PERMITTING
10/15/2023	REVISED PER COMMENTS FROM ARCHITECT
10/15/2023	REVISED PER COMMENTS FROM ARCHITECT
10/15/2023	REVISED PER COMMENTS FROM ARCHITECT
10/15/2023	REVISED PER COMMENTS FROM ARCHITECT

A2.2







**SANGRIA DEVELOPMENT - MIXED USE**

STH & JACKSON

ARCHITECTS

1000 10TH AVENUE, SUITE 1000  
DENVER, CO 80202  
TEL: 303.733.1234  
WWW.STHJACKSON.COM

AS.2

DATE: 10/15/2014

DRAWN BY: [Name]

CHECKED BY: [Name]

SCALE: 1/8" = 1'-0"

PROJECT NO: [Number]

SHEET NO: [Number]

**Attachment 5  
Form of Deed**

Recording Requested By and  
When Recorded Return to:

---

---

SPACE ABOVE THIS LINE FOR  
RECORDER'S USE ONLY

**WARRANTY DEED**

THE MOSCOW URBAN RENEWAL AGENCY CORPORATION ("**Grantor**"), for value received, does hereby grant, bargain, sell, and convey unto Sangria Legacy LLC, an Idaho limited liability company ("**Grantee**"), which has a current address of 2124 Pullman Road, Moscow, Idaho, all of that certain real property located in Latah County, Idaho, and described on Exhibit "A" attached hereto and incorporated herein ("**Property**").

TOGETHER WITH all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all estate, right, title and interest in and to the Property and to have and to hold, all and singular the Property together with its appurtenances unto Grantee and Grantee's successors and assigns forever.

1. SUBJECT TO general property taxes for 2018 not yet due and payable; taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof; easements, claims of easement or encumbrances which are not shown by the public records; any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the public records; (a) unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

2. ALSO SUBJECT TO those covenants, conditions and restrictions applicable to Developer, its successors and assigns, as owner of the Property which is subject to that certain Legacy Crossing Urban Renewal District Redevelopment Plan adopted by the City of Moscow under

Ordinance No. 2008-10 on June 2, 2008 (the "Plan") and the Moscow City Code, including the Zoning Code, provided, that no amendment to the Plan shall affect the Property and/or any interest of Grantee, its successors and/or assigns, in and to the Property unless Grantee, its successors and/or assigns, consent in writing to any such amendment and any such amendment, including any such written consent, is properly recorded in the records of Latah County, Idaho and further provided that any and all such covenants, conditions, and restrictions under the Plan, as may be so amended from time to time, shall automatically terminate and be null and void and of no further force and effect as of 12:00 p.m. December 31, 2032.

3. ALSO, from the date of recordation of this Deed until Grantee's execution and recordation in the records of Latah County, Idaho of a Certificate of Completion acknowledging Grantee's completion of the construction and development of the Project (the "Project"), defined in that certain Disposition and development Agreement between Grantor and Grantee dated \_\_\_\_\_, 2018 which is available for review as a public record at the offices of Grantor and the City of Moscow, Idaho SUBJECT TO the covenants, conditions and restrictions as follows: (i) Grantee shall not assign, lease, transfer or convey any rights in and to the Property, no voluntary or involuntary successor in interest of Grantee shall acquire any rights in and to the Property and Grantee shall not place or allow to be placed on the Property any mortgage, trust deed, encumbrance or lien, except any mortgage, trust deed, encumbrance or lien securing Grantee's financing the Project it being understood that no violation or breach of the covenants, conditions and/or restrictions in this Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust, or other financing or security instrument financing the Project provided, however, any successor of Grantee to the Property shall be bound by the covenants, conditions and restrictions set forth in this paragraph whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale, or otherwise, without the prior written consent of Grantor and (ii) majority ownership and control of Grantee shall be held by Carly Lilly and/or George Skandalos who shall be key participants in Grantee's activities. All of the covenants, conditions and restrictions set forth in this paragraph shall automatically terminate and be null and void and of no further force and effect upon Grantee's execution and recordation in the records of Latah County, Idaho of a Certificate of Completion acknowledging Grantee's completion of the construction and development of the Project.

4. ALSO SUBJECT TO Grantee's covenant in perpetuity by and for itself, its executors, administrators, successors, assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property; nor shall the Grantee itself, or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

The covenants, conditions and restrictions set forth in this Deed shall, until any such termination(s) as provided above, be binding for the benefit of the Grantor, its successors and assigns, and any successor in interest to the Property, or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or

remains an owner of any land or interest therein to which such covenants relate. The Grantor and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of any such breach. The covenants contained in this Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors, and such aforementioned parties. Notwithstanding the foregoing, if Grantee or any subsequent owner of any portion of the Property conveys any portion of the Property, such owner shall, upon the conveyance, be released and discharged from all of its obligations in connection with the portion of the Property conveyed by it arising under this Deed after the conveyance but shall remain liable for all obligations in connection with the portion of the Property so conveyed arising under this Deed prior to the conveyance. The new owner of any such portion of the Property shall be liable for all obligations arising under this Deed with respect to such portion of the Property after the conveyance.

Grantor hereby covenants that it is the owner in fee simple of the Property and that it does warrant and will defend the quiet and peaceable possession of the Property by Grantee, its successors and assigns forever, against lawful claims.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized.

**GRANTOR:**

URBAN RENEWAL AGENCY

By: \_\_\_\_\_  
Executive Director  
Date: \_\_\_\_\_

The provisions of this Deed are hereby approved and accepted:

**GRANTEE:**

SANGRIA LEGACY LLC

By: \_\_\_\_\_  
Its  
Date: \_\_\_\_\_

**ACKNOWLEDGEMENTS**

STATE OF IDAHO     )  
                                  ) ss.  
County of             )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned, a Notary Public in and for said State, personally appeared known or identified to me to be the Executive Director of The Urban Renewal Agency of the City of Moscow, Idaho the entity that executed the within instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity 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  
My commission expires

STATE OF IDAHO     )  
                                  ) ss.  
County of             )

On this \_\_\_\_ day of \_\_\_\_\_, 2018, before me, the undersigned, a Notary Public in and for said state, personally appeared Carly Lilly and George Skandalos, known or identified to me to be the members of Sangria Legacy LLC, an Idaho limited liability company, the entity that executed the within instrument or the persons who executed the instrument on behalf of said entity, and acknowledged to me that such entity 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  
My commission expires

PROPERTY DESCRIPTION EXHIBIT "A"

11/29/2017

Legal Description by Hodge & Associates  
For George Skandalos and Carly Lilly  
Sangria Parcel

A legal description for a parcel of land, located in the NE1/4 of the NE1/4 of Section 18, T39N, R5W, B.M., in the City of Moscow, Latah County, Idaho. Being more particularly described as follows:

Commencing at the northeast corner of Section 18, thence along the north line of said Section, S87°45'28"W, 363.92 feet; thence, departing said line, S0°45'10"W, 40.18 feet to the northeast corner of Deed of Dedication, Instrument #584290; thence along the east line of said Deed, S0°45'10"W, 153.40 feet to the southeast corner of said Deed; thence along the south line of said Deed, S88°17'30"W, 5.17 feet to a point on the west right-of-way of Jackson Street and the **Point of Beginning**:

Thence along said right-of-way, N0°45'57"E, 110.33 feet;  
Thence departing said line, S88°18'03"W, 6.92 feet;  
Thence S58°21'11"W, 205.80 feet;  
Thence N31°38'49"W, 25.00 feet;  
Thence N58°21'11"E, 198.69 feet;  
Thence N0°45'57"E, 13.20 feet to the south right-of-way of Sixth Street;  
Thence along said right-of-way the following courses:  
    thence S88°18'03"W, 75.32 feet;  
    thence N82°15'29"W, 29.22 feet;  
    thence S88°18'34"W, 111.87 feet to a point on the west line of Warranty Deed Instrument #539491;  
Thence departing said right-of-way, along said west line, S1°42'23"E, 104.41 feet;  
Thence along the southwest line of said Warranty Deed, S40°29'13"E, 17.68 feet;  
Thence departing said line, N88°17'30"E, 30.47 feet;  
Thence S31°38'49"E, 25.00 feet;  
Thence S1°42'23"E, 6.52 feet to the south line of Warranty Deed Instrument #539491;  
Thence along said south line, N88°17'30"E, 182.23 feet to the **Point of Beginning**.

Parcel contains 0.63 acres more or less.



**ATTACHMENT 6**

**Form of Certificate of Completion**

THIS CERTIFICATE OF COMPLETION ("**Certificate**") is made as of the \_ day of

, 20\_ , by the MOSCOW URBAN RENEWAL AGENCY ("**Agency**").

Agency is an independent public body corporate and politic and exercises governmental functions and powers and is organized and exists under the Idaho Urban Renewal Law of the State of Idaho, Chapter 20, Title 50, Idaho Code) and has a mailing address of PO Box 9203, Moscow, Idaho 83843 .

Agency and Sangria Legacy LLC, an Idaho limited liability company ("**Developer**") entered into that certain Disposition and Development Agreement dated \_\_\_\_\_, 2018 ("**DDA**"), which concerns the disposition and development of the real property described in Exhibit A (the "**Property**").

Agency hereby acknowledges and declares that Developer has met its obligations under the DDA to develop the Project on the Property.

Agency transferred fee simple title in the Property to Developer by means of that certain Warranty Deed, recorded under Instrument No. \_\_\_\_\_, records of Latah County, Idaho (the "Warranty Deed").

Agency hereby acknowledges and declares that Developer has met its obligations under the Warranty Deed for completion of the construction and development of the Project on the Property.

This Certificate has been issued and recorded in accordance with the requirements of the DDA and, upon such recordation, shall automatically terminate and render null and void and of no further force and effect all covenants, conditions and restrictions set forth in numbered Paragraph 3 of the Warranty Deed.

URBAN RENEWAL Agency

By \_  
Executive Director

Date: \_



**Attachment 7**  
**Declaration of Easement**

DECLARATION OF EASEMENT AND AGREEMENT  
For  
ACCESS, OPERATION, AND MAINTENANCE  
For  
GROUNDWATER EXTRACTION  
SYSTEM

THIS DECLARATION OF EASEMENT AND AGREEMENT ("Declaration"), made this day of \_  
, 201\_ , between Sangria Legacy LLC, an Idaho limited liability company,

hereinafter referred to as Grantor, and THE URBAN RENEWAL AGENCY OF THE CITY OF MOSCOW, IDAHO, an independent public body corporate and politic, hereinafter referred to as the Grantee. Grantor and Grantee are collectively referred to as the "Parties."

WITNESSETH, THAT:

WHEREAS, Grantor owns certain real property in Latah County, Idaho, more particularly described on Exhibit A (the "**Property**"); and

WHEREAS, Grantee, the prior owner of the Property, had, prior to transferring the Property to Grantor, installed a Groundwater Extraction System on the Property that includes two (2) monitoring wells, trenches for discharge to the sewer, trenches for electrical lines, a power meter control box, and three (3) extraction wells in locations generally depicted on Exhibit B.; and

WHEREAS, Grantee is responsible for the operation and maintenance responsibilities of the Groundwater Extraction System pursuant to duties, obligations and responsibilities set forth in an Environmental Covenant and Covenant Not to Sue (the "Grantee's Environmental Duties").

WHEREAS, Grantee warrants and represents that Grantee will comply in all respects and perform all necessary activities to properly discharge Grantee's Environmental Duties.

NOW THEREFORE, in consideration of the mutual covenants and stipulations hereinafter stated, the parties hereto do mutually agree as follows:

1. Grant of Easement. The Grantor, subject to the terms and conditions of this Easement, hereby authorizes and grants to Grantee a perpetual nonexclusive appurtenant easement (the "Easement") upon, over, across, through and under the Property for the purpose of and in order to monitor, maintain, and operate the Groundwater Extraction System, located as shown on the attached Exhibit B, which is hereby made a part of this Easement, for the purpose of carrying out the work described herein. The Easement shall be a burden upon the Property and, subject to this Declaration, shall run with the land.

2. Operation and Maintenance of the Groundwater Extraction System

a. In association with operation and maintenance responsibilities, the Grantee shall be responsible for all costs, including electrical expenses, associated with the Groundwater Extraction System.

b. Except in emergency situations, the Grantee will access the Groundwater Extraction System from West 6<sup>th</sup> Street and shall notify the Grantor twenty-four (24) hours in advance of the date access is needed for regular monitoring, operating, or maintaining the Groundwater Extraction System.

c. The facilities of the Grantee shall be operated and maintained by the Grantee without cost to the Grantor, and in such a manner as to cause no unreasonable interference with the private enjoyment by the Grantor of the Grantor's property and no damage or destruction to Grantor's improvements on the Property. All activities on the Groundwater Extraction System of the Grantee shall be undertaken only at reasonable times during normal business hours (unless an emergency requires activities during non-business hours), according to plans, and in a manner satisfactory to Grantor.

d. The Grantee shall conduct its activities in a good, workmanlike manner and shall comply with local and state laws and any reasonable requests of the Grantor affecting such activities on the Grantor's property.

e. In the event of an emergency, Grantor grants permission for Grantee to enter onto the Property during non-business hours and other times as required to conduct necessary operation and maintenance activities. Grantee shall provide reasonable notice to Grantor as circumstances permit.

### 3. Indemnification.

Unless caused by the negligence or willful misconduct of Grantor, Grantee hereby agrees to defend, indemnify and hold Grantor harmless from and against any and all loss, damage, cost or expense, including, but not limited to, attorneys' fees and court costs, which may be incurred or suffered by Grantor in connection with any failure by Grantee to comply fully with its obligations under this Declaration. This provision shall survive the expiration or termination of this Declaration.

### 4. Termination

This Easement will terminate and all rights of the Grantee hereunder will cease, and the Grantee will quietly deliver to the Grantor possession of the Property in like condition as when granted, reasonable wear and damage by the elements excepted upon Grantee's receipt of written confirmation from the Idaho Department of Environmental Quality that the operation of the Groundwater Extraction System is no longer required for the Property pursuant to the Covenant Not to Sue, Latah County, Idaho Recorder's Office Instrument No. 585299 or by mutual written agreement by all Parties to this Easement and Grantee will thereupon promptly and properly execute and record a termination of this Easement in the records of Latah County, Idaho.

### 5. Removal of Structures

Upon the termination of this Easement, the Grantee shall at Grantor's sole election and at no cost to the Grantor, either timely remove any or all Groundwater Extraction System improvements placed by it or its predecessors on the Easement from the Property as specified by Grantor within thirty (30) days of such termination or not remove any of the Groundwater Extraction System improvements. Any remaining improvements shall be the property of the

Grantor.

6. Recording

This Easement is required to be recorded by the Grantee and certified copies returned to Grantor of this Easement within 30 days of execution by Grantor and delivery to Grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Easement the day and year first above written.

**GRANTEE**

DATED this \_ day of \_ , 2018. AGENCY:

THE URBAN RENEWAL AGENCY  
OF MOSCOW IDAHO

By: \_  
Steve McGeehan, Chair

**GRANTOR**

DATED this \_ day of \_ , 2018. DEVELOPER:

SANGRIA LEGACY LLC  
an Idaho limited liability company

By:  
Carly Lilly, Member

By:  
George Skandalos, Member

STATE OF IDAHO     )  
                                  ) ss.  
County of Latah     )

On this \_ day of \_ , 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared Steve McGeehan, known or identified to me to be the Chair and authorized representative of The Urban Renewal Agency of the City of Moscow, Idaho, an independent public body corporate and politic, who executed the instrument on behalf of said entity and acknowledged to me that said entity executed the same.

\_\_\_\_\_  
Notary Public for the State of Idaho  
My commission expires: \_

STATE OF IDAHO     )  
                                  ) ss.  
County of Latah     )

On this \_ day of \_ , 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared Carly Lilly, known or identified to me to be a Member and authorized representative of Sangria Legacy LLC, an Idaho limited liability company, who executed the instrument on behalf of said company and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on the date last above written.

\_\_\_\_\_  
Notary Public for the State of Idaho  
My commission expires: \_

STATE OF IDAHO     )  
                                  ) ss.  
County of Latah     )

On this \_ day of \_ , 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared George Skandalos, known or identified to me to be a Member and authorized representative of Sangria Legacy LLC, an Idaho limited liability company, who executed the instrument on behalf of said company and acknowledged to me that said company executed the same.

\_\_\_\_\_  
Notary Public for the State of Idaho  
My commission expires: \_

Exhibit A

11/29/2017

**Legal Description by Hodge & Associates  
For George Skandalos and Carly Lilly  
Sangria Parcel**

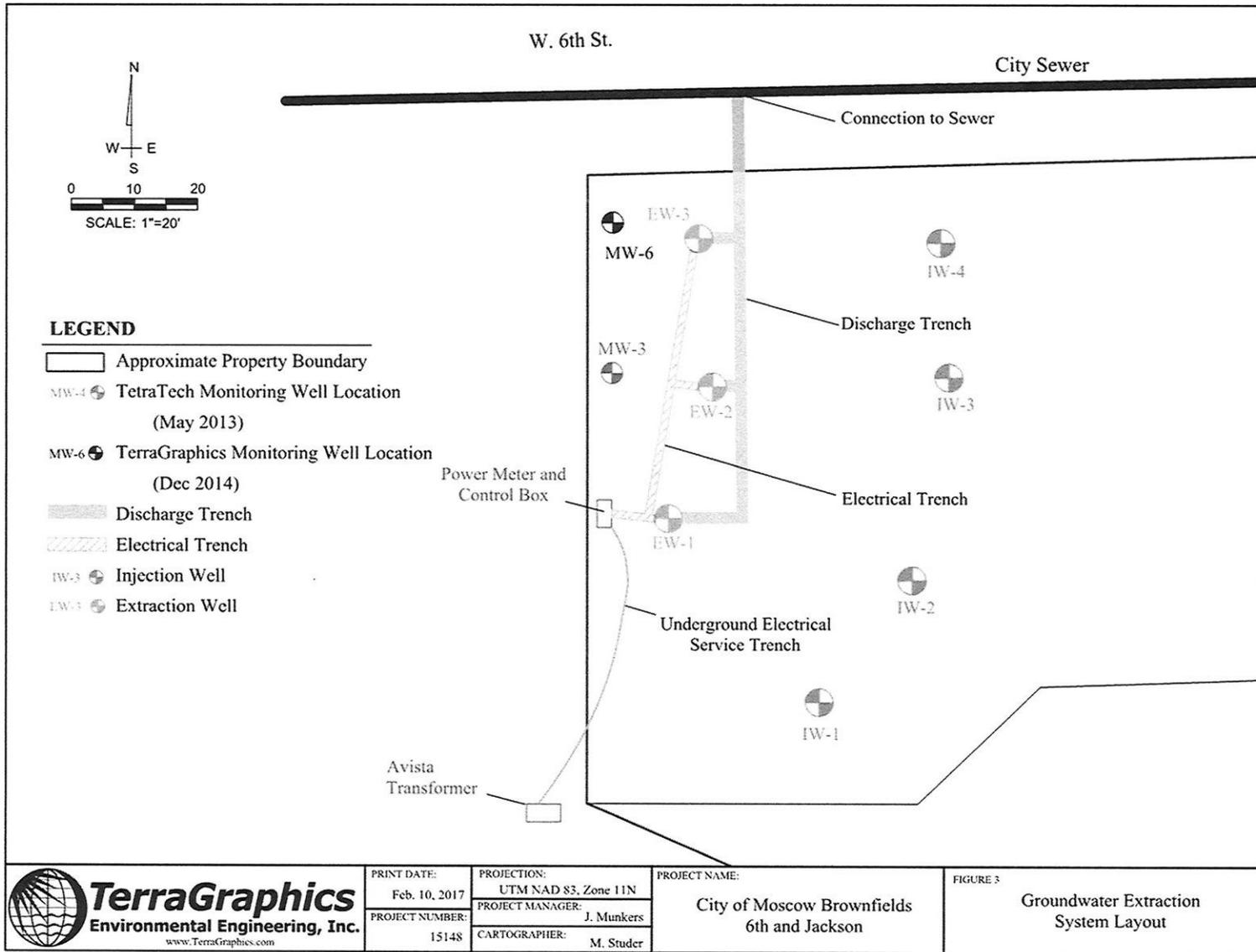
A legal description for a parcel of land, located in the NE1/4 of the NE1/4 of Section 18, T39N, R5W, B.M., in the City of Moscow, Latah County, Idaho. Being more particularly described as follows:

Commencing at the northeast corner of Section 18, thence along the north line of said Section, S87°45'28"W, 363.92 feet; thence, departing said line, S0°45'10"W, 40.18 feet to the northeast corner of Deed of Dedication, Instrument #584290; thence along the east line of said Deed, S0°45'10"W, 153.40 feet to the southeast corner of said Deed; thence along the south line of said Deed, S88°17'30"W, 5.17 feet to a point on the west right-of-way of Jackson Street and the **Point of Beginning**:

Thence along said right-of-way, N0°45'57"E, 110.33 feet;  
Thence departing said line, S88°18'03"W, 6.92 feet;  
Thence S58°21'11"W, 205.80 feet;  
Thence N31°38'49"W, 25.00 feet;  
Thence N58°21'11"E, 198.69 feet;  
Thence N0°45'57"E, 13.20 feet to the south right-of-way of Sixth Street;  
Thence along said right-of-way the following courses:  
    thence S88°18'03"W, 75.32 feet;  
    thence N82°15'29"W, 29.22 feet;  
    thence S88°18'34"W, 111.87 feet to a point on the west line of Warranty Deed Instrument #539491;  
Thence departing said right-of-way, along said west line, S1°42'23"E, 104.41 feet;  
Thence along the southwest line of said Warranty Deed, S40°29'13"E, 17.68 feet;  
Thence departing said line, N88°17'30"E, 30.47 feet;  
Thence S31°38'49"E, 25.00 feet;  
Thence S1°42'23"E, 6.52 feet to the south line of Warranty Deed Instrument #539491;  
Thence along said south line, N88°17'30"E, 182.23 feet to the **Point of Beginning**.

Parcel contains 0.63 acres more or less.





PRINT DATE: Feb. 10, 2017	PROJECTION: UTM NAD 83, Zone 11N
PROJECT NUMBER: 15148	PROJECT MANAGER: J. Munkers
	CARTOGRAPHER: M. Studer

PROJECT NAME: City of Moscow Brownfields 6th and Jackson
--

FIGURE 3 Groundwater Extraction System Layout
---

**Attachment 8**  
**Pedestrian Walkway Easement**

**PERPETUAL PEDESTRIAN WALKWAY EASEMENT AND AGREEMENT**

SANGRIA LEGACY LLC, an Idaho limited liability company, GRANTOR, owner of the Easement Area described below, for value received, does hereby grant the CITY OF MOSCOW, a municipal corporation of the State of Idaho, 206 East Third Street, Moscow, Idaho 83843, GRANTEE, its successors and assigns, a perpetual, non-exclusive public easement and public right-of-way for the purpose of entering, accessing, constructing, operating, maintaining, repairing and/or replacing a pedestrian walkway dedicated for public use connecting Grantee's central business district with the University of Idaho campus, over and upon the following described real property located in the City of Moscow, Latah County, Idaho, to wit:

Commencing at the northeast corner of Section 18, Township 39 North, Range 5 West, Boise Meridian thence along the north line of said Section 18, S87°45'28"W, 363.92 feet; thence, departing said line, S0°45'10"W, 40.18 feet to the northeast corner of Deed of Dedication, Instrument #584290; thence along the east line of said Deed of Dedication, S0°45'10"W, 153.40 feet to the southeast corner of Warranty Deed Instrument #539491; thence along the south line of said Warranty Deed, S88°17'30"W, 187.40 feet; thence N1°42'23"W, 6.52 feet to the **Point of Beginning**:

Thence N31°38'49"W, 25.00 feet;  
Thence N58°21'11"E, 2.00 feet;  
Thence S31°38'49"E, 25.00 feet;  
Thence S58°21'11"W, 2.00 feet to the **Point of Beginning**.

(the "Easement Area")

RESERVING TO GRANTOR, its successors and assigns, all rights to the Easement Area for access and other lawful purposes that do not unreasonably interfere with Grantee's rights hereunder in and to the Easement Area, and, in particular, Grantor covenants and agrees that it, its successors and assigns, will not obstruct public access over and upon the Easement Area by placement of any structure, fence, or other physical barrier on the surface of the Easement Area or alter the structure, configuration or slope of the public pedestrian walkway constructed upon the Easement Area without the written consent of Grantee.

Grantee, its successors and assigns, shall be responsible for and do all things necessary and proper for the workmanlike and safe operation and maintenance of the public pedestrian walkway constructed upon the Easement Area.

Grantee does, to the extent permitted by Idaho law, hereby agree to defend, hold harmless and indemnify Grantor, its successors and assigns, from any claim of liability or any other claim involving or arising out of the Grantee's and the public's use of Easement Area unless caused by Grantor's negligent or willful conduct.

In addition to all other remedies allowed by law, the parties hereto and their respective successors and assigns shall have the right to seek injunctive relief for the enforcement of the terms and conditions of this instrument.

In case suit or action is instituted in connection with this instrument, the prevailing party shall be entitled to recover from the losing party such sums as the court may adjudge reasonable as attorney fees and costs in such suit or action and upon appeal.

It is expressly intended that these agreement, covenants, rights, reservations, burdens and restrictions shall run with the Easement Area and shall be binding upon and inure to the benefit of Grantor and Grantee, and their respective successors and assigns.

GRANTOR:

GRANTEE:

By: \_\_\_\_\_

By: \_\_\_\_\_

CITY OF MOSCOW

STATE OF IDAHO     )  
                                  ) ss.  
County of Latah     )

On this \_ day of \_ , 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared Carly Lilly, known or identified to me to be a Member and authorized representative of Sangria Legacy LLC, an Idaho limited liability company, who executed the instrument on behalf of said company and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on the date last above written.

\_\_\_\_\_  
Notary Public for the State of Idaho  
My commission expires: \_

STATE OF IDAHO     )  
                                  ) ss.  
County of Latah     )

On this \_ day of \_ , 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared George Skandalos, known or identified to me to be a Member and authorized representative of Sangria Legacy LLC, an Idaho limited liability company, who executed the instrument on behalf of said company and acknowledged to me that said company executed the same.

\_\_\_\_\_  
Notary Public for the State of Idaho  
My commission expires: \_

STATE OF IDAHO     )  
                                  ) ss.  
County of Latah     )

On this \_ day of \_ , 2018, before me, the undersigned, a Notary Public

in and for said State, personally appeared \_\_\_\_\_, known or identified to me to be \_\_\_\_\_ and authorized representative of the City of Moscow, Idaho, who executed the instrument on behalf of said entity and acknowledged to me that said entity executed the same.

\_\_\_\_\_  
Notary Public for the State of Idaho  
My commission expires: \_

7  
 1/4" ✓  
 18 Aluminum Cap  
 By L. Hodge, PE/LS #3003  
 CPF Instrument #393941

Bross Cap  
 By L. Hodge, PE/LS #3003  
 CPF Instrument #457174

Sixth Street

Jackson Street

Parcel to be Transferred to Sangria (North Portion)  
 Total Sangria Parcel Area = 0.63 Acres

Parent Parcel Warranty Deed Instrument #539491

Retained by Moscow Urban Renewal Agency

Parcel to be Transferred to Sangria (South Portion)

Legend

- Set 5/8" Iron Pin w/ Plastic Cap "Priest 6449"
- ⊙ Found Aluminum Cap, "LS #10162"
- Found 5/8" Iron Pin, No Cap
- Calculated Point
- Subject Parcel Boundary
- - - Let Line
- - - Right-of-Way
- - - Right-of-Way, Prior to 2017 Acquisition
- ▨ Section Line
- ▨ Access Easement

