

**AGENDA OF THE  
SPECIAL HAILEY CITY COUNCIL MEETING  
Monday June 21, 2021 \* 4:30 PM to 5:10 PM  
Hailey City Hall Meeting Room**

**ACTION ITEM** = a vote may occur but is not required to be taken

**ACTION ITEM**.....

Hailey City Council Meetings are open to the public, in person at 115 S Main St Hailey  
Participants are also welcome to join our meeting from a computer, tablet or smartphone.  
Both in-person and electronic participants will be heard equally during public comment times.

**Via teleconference:** +1 (872) 240-3311, **Access Code:** 543-667-133

**Via One-touch:** United States <tel:+18722403311>, [543667133#](tel:+18722403311),

**From your computer, tablet or smartphone:**

<https://www.gotomeet.me/CityofHaileyCityCouncil>

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**4:30 p.m. CALL TO ORDER -**

Open Session for Public Concerns

**MAYOR'S REMARKS:**

MR 000

**EXECUTIVE SESSION:**      **Real Property Acquisition under IC 74-206 (1)(c)**

**DELIBERATION & MOTIONS FOLLOWING EXECUTIVE SESSION**

- NB 211 Consideration of Real Property Purchase terms, with approval or denial of associate agreements, offers or counteroffers. **ACTION ITEM** .....
- NB 212 Consideration of Resolution 2021-\_\_\_\_, authorizing the Mayor to sign an agreement for a real property inspection with Sawtooth Inspections. **ACTION ITEM** .....
- NB 213 Consideration of Resolution 2021-\_\_\_\_, authorizing the Mayor to sign agreements for structural evaluation of real property by a structural engineer. **ACTION ITEM** .....
- NB 214 Consideration of Emergency Ordinance No. \_\_\_\_\_, to prohibit fireworks within the City limits of Hailey, based on imminent peril and impending danger to the public health, safety, and welfare exists caused by the severe drought and the high risk of severe fire danger associated with use of fireworks in such conditions. **ACTION ITEM** .....

**STAFF REPORTS:** Staff Reports

Council Reports

Mayor's Reports

SR 000

Next Ordinance Number - 1284      Next Resolution Number- 2021-65

**AGENDA ITEM SUMMARY**

**DATE:** 06/21/2021

**DEPARTMENT:** Admin/Legislative

**DEPT. HEAD SIGNATURE:** HD

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**SUBJECT:**

Consideration of Real Property Purchase terms, with approval or denial of associate agreements, offers or counteroffers. **ACTION ITEM**

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**AUTHORITY:**

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**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

Following the Hailey City Council's June 14<sup>th</sup> Executive Session, the city council reconvened in open session to deliberate on a purchase and sale agreement which would allow a 60-day evaluation period for the City of Hailey to examine the feasibility, benefits, affordability and public sentiment of a potential purchase of real property comprising ¼ city block at 116 S River Street, Hailey Idaho. This ¼ block is exactly the same size as the current Hailey City Hall/Library building at 115 South Main. It lies across the alley, and currently houses a building occupied by Copy & Print, which building was constructed in the mid-1960's for use as a post office facility.

Over 25 years ago, the US Post Office moved from the River/Croy Street downtown location it had occupied for 30 years. Hailey City officials thereafter have on numerous occasions reached out to the owners to inquire if they had any interest in selling. They did not until now; Hailey officials learned a few weeks ago that property had been listed for \$1.1 million. In pursuing the matter, Hailey also learned that the seller is willing to enter into a 60-day purchase and sale agreement that allows Hailey to perform due diligence and think through the viability of such purchase.

The Hailey City Council adopted a Resolution last Monday, June 14, 2021, authorizing Mayor Burke and city officials to sign a purchase and sale agreement and associate documents, which offer earnest money toward a purchase price of \$900,000, which is fully refundable, without any penalty, should the City decide to exit the agreement at any time and for any reason within a 60-day 'free look' period.

The City of Hailey has received a counter-offer, which will be reviewed in executive session during a special meeting convened for Monday, June 21, 2021 at 4:30 PM. Following the executive session, the city council will reconvene in open session to make a motion whether to accept, reject or modify the proposed offer.

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**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Motion to accept, reject or modify the proposed counteroffer. There is no need to adopt a separate resolution, because Resolution 2021-64 adopted on June 14, 2021 authorizes the mayor to sign all documents related to the Real Estate Purchase and Sale Agreement.

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**FOLLOW-UP REMARKS:\***

**CITY OF HAILEY** <sup>64</sup>  
**RESOLUTION NO. 2021-** \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY AUTHORIZING THE MAYOR TO SIGN A REAL ESTATE PURCHASE AND SALE AGREEMENT, AND RELATED DOCUMENTS, OFFERING TO PURCHASE HAILEY TOWNSITE LOTS 17, 18, 19 & 20, BLOCK 32, WITH THE CONDITION THAT THE CITY CAN WITHDRAW SAID OFFER AT ITS SOLE AND SUBJECTIVE DISRECTION, WITHOUT PENALTY, WITHIN 60 DAYS OF EXECUTION THEREOF.**

WHEREAS, The City of Hailey, like all Idaho Municipal Corporations has the power pursuant to Idaho Code Section 50-301 to acquire and hold real property needful for the uses or purposes of the city, and exercise all powers and perform all functions of local government not specifically prohibited or in conflict with the general laws or the constitution of the State of Idaho, and

WHEREAS, The City of Hailey owns certain real property, within and without the corporate limits of the City of Hailey, including Lots 7, 8, 9 & 19, Block 32, Hailey Townsite, which parcel, described further, by the Blaine County Assessor, as parcel 115 and commonly known as 115 S. Main Street, being also Hailey City Hall, and the location of the Hailey Library, and

WHEREFORE, the above referenced City of Hailey municipal campus parcel, is adjacent to Lots 17, 18, 19 & 20, Block 32 Hailey Townsite, also identified, by the Blaine County Assessor, as Parcel 116, and

WHEREAS, the City of Hailey is growing, has and will continue to have needs to hold and develop real property in keeping with its duty to serve the general welfare and good governance, and

WHEREAS, the City of Hailey has both identified and unidentified potential synergistic public uses for Parcel 116, and considers acquisition of same to be a generational opportunity, and

WHEREAS, the source of funding or financing for acquisition of Parcel 116, has not been identified, nor has the condition of the existing structure or title been fully researched or publicly vetted, and


WEREAS, the City of Hailey desires to preserve flexibility regarding acquisition of Parcel 116, and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY HEARBY AUTHORIZES THE MAYOR TO SIGN A REAL ESTATE PURCHASE AND SALE AGREEMENT, AND RELATED DOCUMENTS, OFFERING TO PURCHASE HAILEY TOWNSITE LOTS 17, 18, 19 & 20, BLOCK 32, WITH THE CONDITION THAT THE CITY CAN WITHDRAW SAID OFFER AT ITS SOLE AND**

SUBJECTIVE DISRECTION, WITHOUT PENALTY, WITHIN 60 DAYS OF EXECUTION THEREOF.

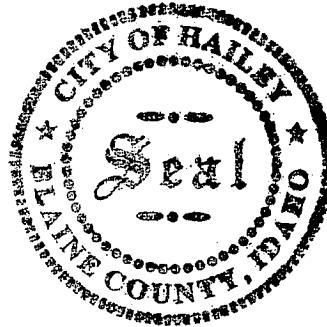
Passed this 14<sup>th</sup> day of June, 2021.

City of Hailey

  
\_\_\_\_\_  
Martha Burke, Mayor

ATTEST:

  
\_\_\_\_\_  
Mary Cone, City Clerk





RE-23 COMMERCIAL/INVESTMENT REAL ESTATE PURCHASE AND SALE AGREEMENT

JULY 2019 EDITION



Page 1 of 7

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

NO WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF HABITABILITY, AGREEMENTS OR REPRESENTATIONS NOT EXPRESSLY SET FORTH HERE IN SHALL BE BINDING UPON EITHER PARTY.

ID# JKSPiersonHailey DATE June 15, 2021

LISTING AGENCY Coldwell Banker Distinctive Properties Office Phone # (208) 622-3400 Fax # (208) 622-3800
Listing Agent James M. Kuehn E-Mail jim@svmproperties.com Phone # (208) 622-3400
SELLING AGENCY Coldwell Banker Distinctive Properties Office Phone # (208) 622-3400 Fax # (208) 622-3800
Selling Agent James M. Kuehn E-Mail jim@svmproperties.com Phone # (208) 720-1212

1. BUYER: Martha Burke (Mayor)

(Hereinafter called "BUYER") agrees to purchase, and SELLER Ted Pierson

(Hereinafter called "SELLER") agrees to sell the following described real estate hereinafter referred to as "PROPERTY"

COMMONLY KNOWN AS 116 River St

City Hailey County Blaine Idaho, Zip 83333 legally described as: Hailey Lots 17,18,19 & 20

Block 32

OR Legal Description Attached as exhibit (Exhibit must accompany original offer and be signed or initiated by BUYER and SELLER.)

2. \$900,000.00 PURCHASE PRICE: Nine Hundred Thousand Dollars

which shall be payable by federal wire transfer or other collected funds at Closing, unless otherwise specified in an addendum hereto. Title of SELLER is to be conveyed by [ ] warranty deed [X] special warranty deed or [ ] deed (not including closing costs).

3. FINANCING CONTINGENCY: This [ ] IS [ ] IS NOT an all cash offer. If this is an all cash offer BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCING CONTINGENCY. If this is not an all cash offer and an appraisal is required by lender, the PROPERTY must appraise at not less than purchase price or BUYER'S Earnest Money shall be returned at BUYER'S request. BUYER shall exercise good faith reasonable efforts to obtain financing. BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements of the SELLER. This Agreement is only subject to a satisfactory appraisal and final lender underwriting after the release of all contingencies, inspections, due diligence and feasibility studies have been completed to the satisfaction of BUYER.

This offer is contingent upon the sale, refinance, and/or closing of any other property [ ] Yes [X] No (N/A if left blank)

Cash proceeds from another sale: [ ] Yes [X] No (N/A if left blank)

4. \$ 10,000.00 EARNEST MONEY: Ten Thousand Dollars

BUYER hereby offers the above stated amount as Earnest Money which shall be credited to BUYER upon closing. Earnest Money is/will be:

Evidenced by: Held By: Delivered: Deposited:
[ ] Cash [ ] Responsible Broker [ ] With Offer [X] Upon Receipt and Acceptance
[ ] Personal Check [X] Closing Company [ ] Within 5 business days (three [3] if left blank) of acceptance. [ ] Upon Receipt Regardless of Acceptance
[ ] Cashier's Check [ ] See Section 5 [ ] See Section 5 [ ] See Section 5
[X] Wire Transfer
[ ] Note
[ ] See Section 5

THE RESPONSIBLE BROKER SHALL BE: Gary Shook

5. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations, addenda and/or contingencies which must be satisfied prior to closing 1.)Contingent on to Seller giving Buyer an exclusive and uninterrupted 60 business day Due Diligence period, to include, but not limited to review and acceptance of Preliminary Title Report, financial feasibility study, Profit and Loss Statement from last year the this year's YTD, lease, past 2 years utility records (gas, electrical, water, sewer and garbage), Seller's Property Disclosure, list of service providers, landscaping, snow removal, HVAC, sprinkler system etc., to be provided to Buyer, by Seller within 5 days after mutual acceptance. Property inspection to be performed in this "Free Look" period. Seller understands that the City of Hailey will require several administrative meetings, which increases the Due Diligence period to 60 days. Release of this contingency is at the sole discretion of the Buyer. 2.)Buyer understands that the Lessee is on a month to month lease and may be moving from the current location. See Addendum #1.

6. DEADLINES: The following deadlines shall be binding on the parties and referred by name in this Agreement. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

(A) "SELLER DISCLOSURE DEADLINE": 10 CALENDAR DAYS (ten [10] if left blank) FROM: Mutual Acceptance
(B) "DUE DILIGENCE DEADLINE": 60 CALENDAR DAYS (thirty [30] if left blank) FROM: Mutual Acceptance
(C) "SETTLEMENT AND CLOSING DEADLINE": August 31, 2021 (DATE)

X BUYER'S Initials (mb) Date 6/15/2021 SELLER'S Initials (TP) Date 6/18/2021 8:23 AM MDT

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PROPERTY ADDRESS: 116 River St, Hailey, ID 83333 ID#: JKPSPIersonHailey

7. TITLE COMPANY: The parties agree that Sun Valley Title Company located at 271 1st Ave N, Ketchum, ID 83340 shall provide the title policy and preliminary report of commitment.

8. ACCEPTANCE: This offer may be revoked at any time prior to acceptance and is made subject to acceptance on or before (Date) June 18, 2021 at (Local Time in which PROPERTY is located) 5:00 MDT [ ] A.M. [X] P.M.

9. ASSIGNMENT: This Agreement and any rights or interests created herein [X] may [ ] may not be sold, transferred, or otherwise assigned.

10. ITEMS INCLUDED & EXCLUDED IN THIS SALE: All existing fixtures and fittings that are attached to the PROPERTY are INCLUDED IN THE PURCHASE PRICE (unless excluded below) and shall be transferred free of liens and in as-is condition. Unless specifically excluded below, the fixtures and fittings and irrigation fixtures and equipment, that are now on or used in connection with the PROPERTY are included in the purchase price and shall include (1) all personal property owned by the SELLER and used primarily in connection with the PROPERTY, and (2) all rights and easements appurtenant to the PROPERTY. BUYER should satisfy himself/herself that the condition of the included items is acceptable. The terms stated in this section shall control over any oral statements, prior written communications and/or prior publications including but not limited to MLS listings and advertisements. Personal property described in a property disclosure report shall not be inferred as to be included unless specifically set forth herein.

ITEMS SPECIFICALLY INCLUDED IN THIS SALE: Bike racks, lot, improvements

ITEMS SPECIFICALLY EXCLUDED IN THIS SALE: Lessee's and Lessor's personal property that is currently on site

11. SETTLEMENT AND CLOSING DATE: Settlement and Closing shall take place on the Settlement and Closing Deadline, unless the parties to this Agreement agree up on another date in writing. Settlement and Closing shall be deemed to have occurred only when all of the following have been fully completed: (a) BUYER and SELLER have signed and delivered to the Escrow Agent all documents required by this Agreement, by any lender, or by applicable law; (b) any monies required to be paid by the BUYER under this Agreement (including any proceeds of any new loan) have been delivered by BUYER, or BUYER's lender, to the Escrow Agent; (c) any monies required to be paid by the SELLER under this Agreement have been delivered by SELLER to the Escrow Agent; and (d) the applicable closing documents have been recorded in the official records of the County Recorder of the county in which the PROPERTY is located. At Closing, SELLER and BUYER shall execute an Assignment and Assumption Agreement transferring all leases and vendor contracts assumed by BUYER through written agreement of the Parties.

12. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the BUYER additional coverage

(A). PRELIMINARY TITLE COMMITMENT AND CC&RS: No later than the Seller Disclosure Deadline, SELLER shall furnish to BUYER, at SELLER's sole cost and expense, a preliminary commitment of a title insurance policy showing the condition of the title to said PROPERTY, which shall include a copy of each instrument, agreement or document listed as an exception to title in the title commitment that is reasonably available to SELLER and a copy of any covenants, conditions and restrictions (CC&Rs) applicable to the PROPERTY. BUYER shall have fifteen (15) business days from receipt of the preliminary commitment within which to object in writing to the condition of the title as set forth in the preliminary commitment. BUYER shall have fifteen (15) business days from receipt of the CC&Rs to object to any term stated therein. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title and the CC&Rs. If the title of said PROPERTY is not marketable, or cannot be made so within ten (10) business days after notice containing a written statement of defect is delivered to SELLER, or BUYER objects to the CC&Rs then BUYER, at BUYER's option, may either: (a) terminate this agreement by written notice to the SELLER, in which BUYER'S Earnest Money deposit shall be returned to BUYER and neither party shall have any further rights, obligations or liabilities except as expressly set forth in this Agreement; or (b) continue with this Agreement and, if closing occurs, accept the CC&Rs and title subject to the uncured title defects other than monetary liens. SELLER covenants and agrees that all monetary liens shall be removed by SELLER at closing or insured against by the title insurer, whether or not BUYER has designated such monetary liens as title defects. Nothing contained herein shall constitute a waiver of BUYER to challenge CC&R terms directly with a homeowner's association after closing.

(B). STANDARD COVERAGE OWNER'S POLICY: At Settlement, SELLER shall, at SELLER's sole expense, furnish to BUYER a title insurance policy in the amount of the purchase price of the PROPERTY showing marketable and insurable title subject to the liens, encumbrances and defects to be discharged or assumed by BUYER as provided herein. BUYER, at its sole option, cost and expense, may elect to obtain an Extended Coverage ALTA policy of title insurance or additional specific endorsements.

13. SQUARE FOOTAGE AND BOUNDARY VERIFICATION: BUYER is aware that any reference to the square footage, the boundaries and/or property lines of the real property or improvements is approximate. If exact knowledge of the square footage, boundaries and/or property lines is material to the BUYER, they must be verified by BUYER during the inspection period. BUYER is advised that fences, walls, hedges, and other natural or constructed barriers or markers do not necessarily identify true property boundaries. Property lines and boundaries maybe verified by surveys.

BUYER'S Initials (mb) Date 6/16/2021 SELLER'S Initials TP Date 6/18/2021 8:23 AM MDT

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PROPERTY ADDRESS: 116 River St, Hailey, ID 83333 ID#: JKPSPiersonHailey

14. SELLER DISCLOSURES. No later than the Seller Disclosure Deadline, SELLER shall disclose, and provide copies if available, to BUYER the following:

- (a) any studies and/or reports that have previously been performed in connection with or for the PROPERTY, including without limitation, environmental reports, soil studies, seismic studies, site plans and surveys;
(b) any notices relating to a violation of applicable law including, without limitation, environmental law and laws relating to land use, zoning or compliance with building codes;
(c) SELLER shall make available for inspection all documents in SELLER's possession relating to ownership, operation, renovation or development of the PROPERTY including: statements for real estate tax assessments and utilities for the last year; property management agreements; leases or other occupancy agreements; maintenance records, accounting records and audit records for the past year; and installment purchase contracts or leases of personal property used in connection with the PROPERTY; and
(d) all other documents described in any Addenda or Counteroffer to this Agreement.

15. FEASIBILITY CONTINGENCY:

(A). BUYER's obligations under this Agreement are conditioned upon BUYER's satisfaction, in BUYER's sole discretion, concerning all aspects of the feasibility of the PROPERTY for BUYER's intended purpose. This shall include, but is not limited to: the contracts and leases affecting the PROPERTY; the potential financial performance of the PROPERTY; the availability of government permits and approvals; and the outcome of any appraisals and lender underwriting. This contingency shall be deemed waived unless BUYER gives written notice to SELLER on or before the Due Diligence Deadline that the PROPERTY is unfit for BUYER's intended purpose. If such notice is given, the Earnest Money shall be refunded to BUYER.
(B). INSPECTION OF VENDOR CONTRACTS: In addition to the documents to be disclosed under the Seller Disclosures, SELLER shall make available for inspection by BUYER and its agents by the Seller Disclosure Deadline all "Vendor Contracts" which shall include maintenance and service contracts, and installment purchase contracts or leases and personal property or fixtures used in connection with the PROPERTY. BUYER shall determine by the Due Diligence Deadline: (i) whether SELLER will agree to terminate any objectionable Vendor Contracts; and (ii) whether SELLER will agree to pay any damages or penalties resulting from the termination of objectionable Vendor Contracts. BUYER's voluntary waiver of the Feasibility contingency shall signify BUYER's acceptance of all Vendor Contracts that SELLER has not agreed in writing to terminate. BUYER shall be solely responsible for obtaining any required consents to assumptions of Vendor Contracts and the payment of any assumption fees. SELLER shall cooperate with BUYER's efforts to receive any such consents but shall not be required to incur any additional expenses or liabilities in doing so.

16. INSPECTION/DUE DILIGENCE:

(A). In conducting BUYER's due diligence prior to the Due Diligence Deadline, or at any time thereafter if and to the extent required by the lender, BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at BUYER'S expense unless otherwise agreed upon in writing by the parties. BUYER must provide reasonable advance notice of BUYER's intent to inspect or test the PROPERTY, and all inspections, investigations, tests, surveys and other studies must be conducted at reasonable times. SELLER shall have the right to accompany BUYER and any of its agents on the PROPERTY at all times. All inspections and tests shall be conducted in a manner that does not unreasonably disrupt the activities and business of SELLER and its tenants. BUYER shall indemnify, hold harmless and defend SELLER, its tenants and employees for any claims for liens, physical damage or personal injury resulting from BUYER's due diligence inspections and/or tests.

(B). SATISFACTION/REMOVAL OF INSPECTION DUE DILIGENCE CONTINGENCIES:

(1). If BUYER, in BUYER's sole discretion, determines that the results of the BUYER's due diligence are not acceptable, then BUYER, no later than the Due Diligence Deadline, shall either: (a) cancel this Agreement providing written notice to SELLER, in which event the Earnest Money deposit shall be returned to BUYER; or (b) providing to SELLER a written notice setting forth BUYER's disapproved items.

(2). If BUYER does not within the strict time period specified take either of the actions stated in Section 16 (B)(1), BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction; (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct; and (d) unless another condition or contingency set forth in an Addendum or Counteroffer remains unsatisfied, the Earnest Money deposit shall become nonrefundable except upon an instance of SELLER's default.

(3). If BUYER timely provides notice of disapproved items to SELLER, BUYER and SELLER shall have five (5) business days after SELLER's receipt of the notice of disapproved items in which to agree in writing upon the manner of resolving the disapproved items. If BUYER and SELLER have not agreed in writing upon the manner of resolving the disapproved items by the deadline, BUYER may cancel this Agreement by delivering written notice to SELLER no later than fifteen (15) days after SELLER's receipt of the notice of disapproved items; whereupon the Earnest Money deposit shall be returned to BUYER and neither party shall have any further rights or obligations under this Agreement. If BUYER does not give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct and the Earnest Money deposit shall become nonrefundable except upon an instance of SELLER's default.

17. SELLER REPRESENTATIONS AND WARRANTIES: SELLER represents and warrants that the following statements are true and complete as of the date of SELLER's execution of this agreement and shall be true as of the date of Settlement and Closing:

- (a). There is no action, suit, administrative proceeding or other proceeding pending in any court or before any arbitrator of any kind or before or by any governmental body or, to SELLER's knowledge, threatened against SELLER and/or the PROPERTY which may adversely affect this transaction;
(b). All work which will be performed in, on or about the PROPERTY or materials furnished to the PROPERTY which might, in any circumstance, give rise to a mechanic's or materialman's lien will be paid and no such liens shall encumber the PROPERTY at the time of Settlement and Closing;
(c). SELLER has not received any written notice or citation indicating that the PROPERTY is in material violation of any applicable law;
(d). Neither SELLER nor any other person, to SELLER's knowledge, have ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under, or at the PROPERTY in violation of applicable law; and
(e). To SELLER's knowledge, the consummation of the transaction contemplated by this Agreement does not and will not conflict with or result in a material breach of any of the terms or provisions of any other agreement, arrangement, undertaking, accord, document or instrument to which SELLER is a party or by which SELLER or the PROPERTY is bound.

X BUYER'S Initials (MB) Date 6/15/2021 SELLER'S Initials (TP) Date 6/18/2021 8:23 AM MDT

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PROPERTY ADDRESS: 116 River St, Halley, ID 83333 ID#: JKPSPIersonHalley

18. CONDITION OF PROPERTY AT CLOSING: Upon expiration of the Due Diligence Deadline, BUYER agrees to purchase the PROPERTY in as-is condition with all faults and with no further repairs required, subject only to the representations and warranties stated herein, or unless otherwise agreed upon by the parties in writing. Upon Closing, BUYER will assume all obligations with respect to the PROPERTY.

19. OPERATIONS PRIOR TO CLOSING: Between the parties' execution of this Agreement and Closing, and except otherwise agreed to by the parties in writing, SELLER: (a) shall not execute any lease affecting the PROPERTY; (b) shall comply with all applicable laws affecting the PROPERTY; (c) shall not create or force to be created any further monetary liens on the PROPERTY; (d) shall not make any substantial alterations or improvements to the PROPERTY; (e) shall continue and maintain all current casualty and liability insurance policies covering the PROPERTY; (f) shall not use, produce manufacture, generate, treat, handle, store, release or dispose of any hazardous material in, on or under the PROPERTY, except as permitted by applicable environmental laws; (g) SELLER shall continue to operate the PROPERTY in the ordinary course of its business; and (h) maintain the PROPERTY in the same or better condition than as existing on the date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided by this Agreement. After the Feasibility Period, SELLER shall not enter into or modify existing rental agreements or leases (except that SELLER may enter into, modify, extend, renew or terminate rental agreements or leases in the ordinary course of its business), service contracts, or other agreements affecting the PROPERTY which have terms extending beyond Closing without first obtaining BUYER's consent, which shall not be unreasonably withheld.

20. CLOSING COSTS AND PRORATIONS: Unless otherwise stated, SELLER and BUYER shall each pay one-half of the fee charged by the Escrow Agent for its services in the Settlement and Closing. SELLER shall deliver an updated rent roll to Closing Agent not later than five (5) days before the scheduled Closing date and any other information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for Closing. SELLER certifies that the information contained in the rent roll is correct as of the date submitted. If tenants pay any expenses directly, then Closing Agent shall only pro rate those mortgage reserves for assumed financing for which BUYER receives the benefit after Closing. If the PROPERTY was taxed under a deferred classification prior to Closing, then SELLER shall pay all taxes, interest, penalties, deferred taxes or similar items which result from removal of the PROPERTY from the deferred classification. At Closing, all refundable deposits on tenancies shall be credited to BUYER or delivered to BUYER. BUYER shall pay any sales or use tax applicable to the transfer of personal property included in the sale. Property taxes and water assessments (using the last available assessment as a basis), rents collected, interest and reserves, liens, encumbrances or obligations assumed, and utilities shall be prorated upon closing or as of date. Prorations set forth in this section shall be made by the Escrow Agent as of the Settlement Date unless otherwise agreed to by the parties in writing. BUYER to reimburse SELLER for fuel in tank Yes No N/A. Dollar amount may be determined by SELLER's supplier.

Table with columns for BUYER, SELLER, Shared Equally, N/A and item descriptions like Appraisal Fee, Environmental Inspection, etc.

21. POST-CLOSING ADJUSTMENTS, COLLECTIONS AND PAYMENTS: To the extent any items were prorated or credited at Closing based upon estimates, BUYER and SELLER shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof after Closing. Any bills or invoices received by BUYER after Closing which relate to services rendered or goods delivered to the SELLER or the PROPERTY prior to Closing shall be paid by SELLER upon presentation of such bill or invoice. At BUYER's option, BUYER may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of BUYER's written demand to SELLER for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amounts of those expenses, then BUYER shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of SELLER for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of SELLER shall be turned over by BUYER to SELLER promptly after receipt. SELLER shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing.

22. RISK OF LOSS OR NEGLECT: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the PROPERTY be materially damaged by fire, neglect, or other destructive cause prior to closing, this agreement shall be voidable at the option of BUYER.

BUYER'S Initials (MB) Date 6/15/2021 SELLER'S Initials TP Date 6/18/2021 8:25 AM MDT

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PROPERTY ADDRESS: 116 River St, Hailey, ID 83333 ID#: JKPSPIersonHailey

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**23. SECTION 1031 TAX DEFERRED EXCHANGE:** If applicable, each party shall cooperate with the other Party in effectuating an exchange under IRS Section 1031; provided however, that the other Party's cooperation shall be conditioned on the following: (a) the exchange shall be at no additional liability and/or cost to the other Party; (b) the exchange shall not delay Settlement or Closing; and (c) the other Party shall not be required to acquire title to any proposed exchange properties to accommodate an exchange. The exchanging party shall indemnify, defend and hold the other Party harmless from and against all claims, demands, costs and expenses which that Party may sustain as a result of the actual or attempted 1031 exchange.

**24. POSSESSION:** BUYER shall be entitled to possession  upon closing or  date \_\_\_\_\_ time \_\_\_\_\_  A.M.  P.M.

**25. TRANSMISSION OF DOCUMENTS:** Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either the BUYER or SELLER, or the lender, or the Closing company, the BUYER and SELLER will confirm facsimile or electronic transmitted signatures by signing an original document.

**26. WIRE TRANSFER WARNING:** Electronic means of transferring money (i.e. ETF, wire transfer, electronic check, direct deposit, etc...) are subject to sophisticated cyber fraud attacks. These attacks are even more prevalent in real estate transactions due to the large sums of money being exchanged. BUYER is advised that Brokerage will not provide electronic transfer instructions by e-mail. Following money transfer instructions contained in an email from any party is inherently dangerous and should be avoided. BUYER agree that if BUYER use, or authorize the use of, electronic transfer of funds in a transaction they hereby hold the Brokerages, their agents, and the designated title and escrow company harmless from any and all claims arising out of inaccurate transfer instructions, fraudulent interception of said funds and/or any other damage relating to the conduct of third parties influencing the transfer process or stealing funds.

**27. BUSINESS DAYS:** A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real PROPERTY is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73 - 108. If the time in which any act required under this agreement is to be performed is based upon a business day calculation, then it shall be computed by excluding the calendar day of execution and including the last business day. The first business day shall be the first business day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

**28. CALENDAR DAYS:** A calendar day is herein defined as Monday through Sunday, midnight to midnight in the local time zone where the subject PROPERTY is physically located. A calendar day shall include any legal holiday. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day, thus the first day shall be the day after the date of execution. Any reference to "day" or "days" in this agreement means the same as calendar day, unless specifically enumerated as a "business day."

**29. DEFAULT: If BUYER defaults** in the performance of this Agreement, SELLER shall be entitled, as SELLER's sole and exclusive remedy, to terminate this Agreement by written notice to the BUYER, in which event the Earnest Money deposit shall be paid to SELLER as liquidated damages. However, in the event the parties mutually agree in writing that the Earnest Money shall become non-refundable, said agreement shall not be considered an election of remedies by SELLER and the non-refundable Earnest Money shall not constitute liquidated damages; nor shall it act as a waiver of other remedies, all of which shall be available to SELLER; it may however be used to offset SELLER'S damages. **If SELLER defaults**, having approved said sale and fails to consummate the same as herein agreed, BUYER's Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, credit report fees, inspection fees, Brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

**30. EARNEST MONEY DISPUTE/INTERPLEADER:** Notwithstanding any termination or breach of this Agreement, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing company, Broker may reasonably rely on the terms of this Agreement or other written documents signed by both parties to determine how to disburse the disputed money. However, Broker or closing company shall not be required to take any action but may await any proceeding, or at Broker's or closing company's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover all costs which were incurred as a result of the dispute including, but not limited to, reasonable attorney's fees. If either parties' Broker incurs attorney's fees as a result of any Earnest Money dispute, whether or not formal legal action is taken, said Broker is entitled to recover actual fees incurred from either BUYER or SELLER.

**31. ATTORNEY'S FEES:** If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

**32. SEVERABILITY:** In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

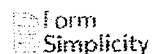
**33. COUNTERPARTS:** This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

**34. AUTHORITY OF SIGNATORY:** If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.

**35. ENTIRE AGREEMENT:** This Agreement including any addendums or exhibits, constitutes the entire Agreement between the parties respecting the matters set forth and supersedes all prior Agreements between the parties respecting such matters. This Agreement may be modified only by a written agreement signed by each of the parties.

X BUYER'S Initials (MB) Date 6/15/2021 SELLER'S Initials TP Date 6/18/2021 8:25 AM MDT

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PROPERTY ADDRESS:

116 River St, Hailey, ID 83333

ID#: JKPSPiersonHailey

36. MINERAL RIGHTS: Any and all mineral rights appurtenant to the PROPERTY, and owned by SELLER, are included in and are part of the sale of this PROPERTY, and are not leased or encumbered, unless otherwise agreed to by the parties in writing.

37. WATER RIGHTS: Any and all water rights including but not limited to water systems, wells, springs, lakes, streams, ponds, rivers, ditches, ditch rights, and the like, if any, appurtenant to the PROPERTY, and owned by SELLER, are included in and are a part of the sale of this PROPERTY, and are not leased or encumbered, unless otherwise agreed to by the parties in writing.

38. ACKNOWLEDGMENT OF PROFESSIONAL REVIEW: BUYER and SELLER hereby acknowledge that their Broker and/or Agent advised both parties to obtain professional inspections of the PROPERTY, including inspections of the PROPERTY's title and platting, zoning requirements and the PROPERTY's services and utilities. Additionally, BUYER and SELLER have been advised to obtain appropriate tax, accounting, legal or other professional advice or counsel when necessary, including, but not limited to, independent legal review of this Agreement. Furthermore, it is acknowledged that the parties Brokers and/or Agents have not made any representations or warranties or conducted any independent investigation of the condition or financial feasibility of the PROPERTY. BUYER and SELLER have not relied on any marketing material or assertions of any Broker and/or Agent in determining the viability or fitness of the PROPERTY for its intended purpose.

39. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section 1:

- A. The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).
- B. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.
- C. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).
- D. The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).

Section 2:

- A. The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).
- B. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.
- C. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).
- D. The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

X BUYER'S Initials ( MB ) Date 6/15/2021 SELLER'S Initials TP ( ) Date 6/18/2021 8:25 AM MDT

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PROPERTY ADDRESS: 116 River St, Hailey, ID 83333 ID#: JKPSPiersonHailey

40. BUYER'S SIGNATURES:

SEE ATTACHED BUYER'S ADDENDUM(S): #1 (Specify number of BUYER addendum(s) attached.)
SEE ATTACHED BUYER'S EXHIBIT(S): (Specify number of BUYER exhibit(s) attached.)

BUYER does currently hold an active Idaho real estate license. BUYER is related to agent.

BUYER Signature Martha Burke

BUYER (Print Name) Martha Burke

If BUYER is an entity: Name of Entity City of Hailey

Signor's Position: Mayor

Date 6/15/21 Time 4:45 A.M. P.M.

Phone # (208) 720-1212 Cell #

Address 115 S. Main St. Ste.H

E-Mail lisa.horowitz@haileycityhall.com

City Hailey State ID Zip 83333

Fax #

BUYER does currently hold an active Idaho real estate license. BUYER is related to agent.

BUYER Signature

BUYER (Print Name)

If BUYER is an entity: Name of Entity

Signor's Position:

Date Time A.M. P.M.

Phone # Cell #

Address

E-Mail

City State Zip

Fax #

41. SELLER'S SIGNATURES: On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER
SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #
SIGNATURE(S) SUBJECT TO ATTACHED EXHIBIT(S) #

SELLER does currently hold an active Idaho real estate license. SELLER is related to agent.

SELLER Signature Ted Pierson

SELLER (Print Name) Ted Pierson

If SELLER is an entity: Name of Entity Two MP LLC

Signor's Position: Trustee

Date 6/18/2021 8:25 AM MDT Time A.M. P.M.

Phone # 208.539.4477 Cell # 208.539.4477

Address 1834 E 1600 ST GOODING ID 83330-0000

E-Mail piersonconstruction@outlook.com

City Gooding State ID Zip 83333

Fax # (208)934-4944

CONTRACTOR REGISTRATION # (if applicable)

SELLER does currently hold an active Idaho real estate license. SELLER is related to agent.

SELLER Signature

SELLER (Print Name)

If SELLER is an entity: Name of Entity

Signor's Position:

Date Time A.M. P.M.

Phone # Cell #

Address

E-Mail

City State Zip

Fax #

CONTRACTOR REGISTRATION # (if applicable)

LATE ACCEPTANCE

If acceptance of this offer is received after the time specified, it shall not be binding on the BUYER unless BUYER approves of said acceptance within calendar days (three [3] if left blank) by BUYER initialing HERE ( ) ( ) Date . If BUYER timely approves of SELLER's late acceptance, an initialed copy of this page shall be immediately delivered to SELLER.



RE-11 ADDENDUM

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



1 Today's Date: June 15, 2021

2  
3 This is an ADDENDUM to the [X] Purchase and Sale Agreement [ ] Other  
4 ("Addendum" means that the information below is added material for the agreement (such as lists or descriptions) and/or means the form is  
5 being used to change, correct or revise the agreement (such as modification, addition or deletion of a term)).

6  
7 AGREEMENT DATED: ID # JKPS Pierson Hailey

8  
9 ADDRESS: 116 River St, Hailey, ID 83333

10  
11 BUYER(S): City of Hailey

12  
13 SELLER(S): Ted Pierson

14 The undersigned parties hereby agree as follows:

15 ADDENDUM TO REAL ESTATE PURCHASE AND SALE AGREEMENT  
16 Hailey Townsite Lots 17, 18, 19 & 20 / 116 River Street  
17 (Seller Pierson / Buyer City of Hailey)  
18  
19

20 The City of Hailey makes the offer contained in this Commercial Real Estate Purchase and Sale Agreement on the condition the  
21 City may withdraw from the contract at its sole and subjective discretion, without penalty, any time within sixty (60) days of  
22 execution, during which period the City will exercise due diligence and determine whether to proceed to closing. ("Free Look"  
23 period. The City may, at any time during the "free look" period terminate the contract for any reason, or no reason at all, and if it  
24 does so, will be refunded the deposited earnest money. Due diligence may include, but is not necessarily limited to, review and  
25 acceptance of Preliminary Title Report, Financial Feasibility Study (to include appraisal as it deems appropriate), building and  
26 environmental inspections, review of Seller's Property Disclosure, public process and any other internal or external acts and/or  
27 inspections the City deems to serve the public interest prior to finally committing to purchase the real property in question  
28 pursuant to the terms of this Agreement.  
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31 SELLER, TED PIERSON

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31 BUYER, CITY OF HAILEY

32 BY: MARTHA BURKE, MAYOR

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48 To the extent the terms of this ADDENDUM modify or conflict with any provisions of the Purchase and Sale Agreement including all prior  
49 Addendums or Counter Offers, these terms shall control. All other terms of the Purchase and Sale Agreement including all prior  
50 Addendums or Counter Offers not modified by this ADDENDUM shall remain the same. Upon its execution by both parties, this agreement  
51 is made an integral part of the aforementioned Agreement.

52  
53 BUYER: Martha Burke Date: 6/15/2021  
54 City of Hailey, MARTHA BURKE, MAYOR

55 BUYER: Date:  
56  
57 SELLER: Ted Pierson Date: 6/18/2021 8:26 AM MDT  
58 Ted Pierson

59 SELLER: Date:

**AGENDA ITEM SUMMARY**

**DATE:** 06/21/2021

**DEPARTMENT:** CDD/Admin

**DEPT. HEAD SIGNATURE:** LH

**SUBJECT:** Consideration of resolution 2021-\_\_, a resolution authorizing a contract for services with Sawtooth Inspections for a commercial property inspection.

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND**

If the City chooses to enter into a Purchase and Sale Agreement for property located at 116 S River Street, a commercial inspection of the building will be needed. Joey Petelle of Sawtooth Home Inspections is qualified for such work, and is available the week of June 28<sup>th</sup>, 2021 to perform such an inspection. His report will assess various aspects of the building that is usual and customary with applicable national standards.

Attachments to this Report:

- 1) Resolution 2021-\_\_ and Agreement with Sawtooth Inspections for a commercial inspection for a property located at 116 S River Street, Hailey.

**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:** Caselle # \_\_\_\_\_  
 Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ \_\_\_\_\_  
 Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
 Staff Contact: \_\_\_\_\_ Phone # \_\_\_\_\_  
 Comments: \_\_\_\_\_

**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:** (IF APPLICABLE)

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> City Administrator | <input type="checkbox"/> Library                 | <input type="checkbox"/> Benefits Committee |
| <input type="checkbox"/> City Attorney      | <input type="checkbox"/> Mayor                   | <input type="checkbox"/> Streets            |
| <input type="checkbox"/> City Clerk         | <input type="checkbox"/> Planning                | <input type="checkbox"/> Treasurer          |
| <input type="checkbox"/> Building           | <input type="checkbox"/> Police                  | _____                                       |
| <input type="checkbox"/> Engineer           | <input checked="" type="checkbox"/> Public Works | _____                                       |
| <input type="checkbox"/> Fire Dept.         | <input type="checkbox"/> P & Z Commission        | _____                                       |

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Motion to adopt resolution 2021-\_\_, a resolution authorizing the Mayor to sign a contract for services with Sawtooth Inspections for a commercial property inspection.

**ADMINISTRATIVE COMMENTS/APPROVAL:**

City Administrator \_\_\_\_\_ Dept. Head Attend Meeting (circle one) Yes No

**ACTION OF THE CITY COUNCIL:**

"I move to adopt resolution 2021-\_\_, a resolution authorizing the Mayor to sign a contract for services with Sawtooth Inspections for a commercial property inspection.

Date \_\_\_\_\_

City Clerk \_\_\_\_\_

**FOLLOW-UP:**

\*Ord./Res./Agrmt./Order Originals: Record  
Copies (all info.): \_\_\_\_\_  
Instrument # \_\_\_\_\_

\*Additional/Exceptional Originals to: \_\_\_\_\_  
Copies (AIS only)

**CITY OF HAILEY**  
**RESOLUTION NO. 2021-\_\_**

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY**  
**AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT WITH SAWTOOTH**  
**HOME INSPECTIONS, LLC IN THE AMOUNT OF \$900.00**

WHEREAS, the City of Hailey requires a commercial inspection related to a Purchase and Sale Agreement for property located at 116 S. River Street, and;

WHEREAS, the City of Hailey and Sawtooth Home Inspections, LLC agree to the terms and conditions of the agreement, a copy of which is attached hereto.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO**, that the City of Hailey approves agreement with Sawtooth Home Inspections, LLC and that the mayor is authorized to execute the attached documents,

Passed this \_\_\_\_ day of June, 2021.

City of Hailey

\_\_\_\_\_  
Martha Burke, Mayor

ATTEST:

\_\_\_\_\_  
Mary Cone, City Clerk

This is an Agreement between you, the undersigned Client, and us, Sawtooth Inspections, pertaining to our inspection of the Property at: **116 S River St, Hailey, ID 83333**

The terms below govern this Agreement.

1. You will pay us **\$900** for our inspection.
2. We will perform a limited visual inspection of the home/building as they exist at the time of the inspection and provide you with a written report identifying the defects that we (1) observed and (2) deemed material. The report is only supplementary to the seller's disclosure. You agree that if Sawtooth Inspections recommends further evaluation of a condition noted in the Inspection Report that you will do so before the end of any inspection contingency and prior to closing.
3. Unless otherwise noted in this Agreement or it is not possible, We will perform the inspection in accordance with the current Standards of Practice of the International Association of Certified Home Inspectors ("InterNACHI") posted at <http://www.nachi.org/sop.htm>. You understand that these standards contain limitations, exceptions, and exclusions. You understand that InterNACHI is not a party to this Agreement, has no control over us, and does not supervise us.
4. Unless otherwise indicated in writing, we will NOT test for the presence of radon – a colorless, odorless, radioactive gas that may be harmful to humans. Unless otherwise indicated in writing, we will not test for mold. Unless otherwise indicated in writing, we will not test for compliance with applicable building codes or for the presence of or for any potential dangers arising from the presence of asbestos, lead paint, formaldehyde, soil contamination, and other environmental hazards or violations. If any structure or portion of any structure that is to be inspected is a log home, log structure or includes similar log construction, you understand that such structures have unique characteristics that may make it impossible for us to inspect and evaluate them. Therefore, the scope of our inspection will not include decay of the interior of logs in log walls, log foundations or roofs, or similar defects.
5. Our inspection and report are for your use only. You give us permission to discuss observations with real estate agents, owners, repairpersons, or other interested parties. You will be the sole owner of the report and all rights to it. We are not responsible for the use or misinterpretation by third parties, and third parties who rely on it in any way do so at their own risk and release us (including employees and business entities) from any liability whatsoever. If you or any person acting on your behalf provide the report to a third party who then sues you and/or us, you release us for any liability agree to pay our costs and legal fees in defending any action naming us. Our inspection and report are in no way a guarantee or warranty, express or implied, regarding the future use, operability, habitability, or suitability of the home/building or its components. We disclaim all warranties, express or implied, to the fullest extent allowed by law.
6. We assume no liability for the cost of repair or replacement of unreported defects or deficiencies either current or arising in the future. You agree that in all cases our liability shall be limited to liquidated damages in an amount not greater than the fee you paid us. You waive any claim for consequential, exemplary, special, or incidental damages or for the loss of the use of the home/building. You acknowledge that the liquidated damages are not a penalty, but that we intend them to (i) reflect the fact that actual damages may be difficult and impractical to ascertain; (ii) allocate risk between us; and (iii) enable us to perform the inspection for the agreed-upon fee.
7. We do not perform engineering, architectural, plumbing, or any other job function requiring an occupational license in the jurisdiction where the property is located. If we hold a valid occupational license, we may inform you of this and you may hire us to perform additional functions. Any agreement for such additional services shall be in separate agreement.
8. If you believe you have a claim against us, you agree to provide us with the following: (1) written notification of adverse conditions within seven (7) days of discovery; and (2) immediate access to the premises. Failure to comply with these conditions releases us from liability. Any legal action must be brought within one (1) year

from the date of the Inspection, failure to bring said action within one (1) year of the date of the Inspection is a full and complete waiver of any rights, actions, or causes of actions that may have arisen therefrom. Time is expressly of the essence herein. This time period may be shorter than otherwise provided for by law.

9. If a court declares any provision of this Agreement invalid, the remaining provisions remain in effect. This Agreement represents our entire agreement; there are no terms or promises other than those set forth herein. No statement or promise by us shall be binding unless reduced to writing and signed by one of our authorized officers. Any modification of this Agreement must be in writing and signed by you and by one of our authorized officers. This Agreement shall be binding upon and enforceable by the parties and their heirs, executors, administrators, successors, and assignees. You will have no cause of action against us after one year from the date of the inspection.
10. Payment of the inspection fee (less any deposit noted above) is due when we complete the inspection. You agree to pay all costs and attorney's fees incurred in collecting the fee owed to us. If the Client is a corporation, LLC, or similar entity, you personally guarantee payment of the fee.
11. If you request a re-inspection, the re-inspection is subject to the terms of this Agreement.
12. You may not assign this Agreement.
13. If a court finds any term of this Agreement ambiguous or that it otherwise requires judicial interpretation, the court shall not construe that term against us by reason of the rule that any ambiguity in a document is construed against the party drafting it. You had the opportunity to consult qualified counsel before signing this Agreement.
14. If there is more than one Client, you are signing on behalf of all of them, and you represent that you are authorized to do so.
15. Any dispute, controversy, interpretation, or claim including claims for, but not limited to, breach of contract, any form of negligence, fraud, or misinterpretation arising out of, from or related to, this contract or arising out of, from, or related to the inspection or inspection report shall be submitted first to a Non-Binding Mediation conference and absent a voluntary settlement through Non-Binding Mediation to be followed by final and Binding Arbitration, if necessary. If the dispute is submitted to Binding Arbitration, the decision of the Arbitrator appointed thereunder shall be final and binding and the enforcement of the Arbitration Award may be entered in any Court or administrative tribunal having jurisdiction thereof. NOTICE: YOU AND WE WOULD HAVE A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE DISPUTES THROUGH MEDIATION AND BINDING ARBITRATION.

I HAVE CAREFULLY READ THIS AGREEMENT. I AGREE TO IT AND ACKNOWLEDGE RECEIVING A COPY OF IT. .

Client Name:

\_\_\_\_\_

**AGENDA ITEM SUMMARY**

**DATE:** 06/21/2021

**DEPARTMENT:** Admin/Fire

**DEPT. HEAD SIGNATURE:** HD/MB

---

**SUBJECT:**

Consideration of Emergency Ordinance No. \_\_\_\_\_, to prohibit fireworks within the City limits of Hailey, based on imminent peril and impending danger to the public health, safety, and welfare exists caused by the severe drought and the high risk of severe fire danger associated with use of fireworks in such conditions. **ACTION ITEM**

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**AUTHORITY:**

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**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

Following the Hailey City Council's June 14<sup>th</sup> denial of a fireworks sales permit for all fireworks stands in Hailey, Mayor Burke will request the Hailey City Council impose an emergency ban on fireworks within the City of Hailey. The proposed action does not constitute a permanent ban at this time, but an emergency ban due to the elevated fire dangers posed by the area's drought conditions. Under an emergency declaration of the mayor, the Hailey City Council is required to affirm that declaration in a public meeting. This matter will be considered during an special meeting of the Hailey City Council which will be convened at 4:30 p.m. on Monday, June 21, 2021. If approved, the provisions will be immediately enforced and remain in effect through the July 4<sup>th</sup> holiday and up to 180 days thereafter, until otherwise rescinded by the Hailey City Council.

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**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Motion to approve Emergency Ordinance No. \_\_\_\_\_, to prohibit fireworks within the City limits of Hailey, based on imminent peril and impending danger to the public health, safety, and welfare exists caused by the severe drought and the high risk of severe fire danger associated with use of fireworks in such conditions.

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**FOLLOW-UP REMARKS:\***

**HAILEY ORDINANCE NO. \_\_\_\_\_**

**AN EMERGENCY ORDINANCE OF THE CITY OF HAILEY, BLAINE COUNTY, IDAHO, FINDING AN IMMINENT PERIL TO THE PUBLIC HEALTH, SAFETY, OR WELFARE DUE TO SEVERE DROUGHT CONDITIONS; PROHIBITING THE USE OF FIREWORKS IN THE CITY OF HAILEY, PROVIDING EXCEPTIONS, PROVIDING A SAVINGS AND SEVERABILITY CLAUSE, A REPEALER CLASE, A PUBLICATION PROCESS AND PROVIDING AN EFFECTIVE DATE.**

- A. Lack of precipitation in the Big Wood Basin since 2019 has created severe drought conditions and extreme fire danger in Blaine County.
- B. The use of fireworks within the area would present an imminent and severe fire threat based on current conditions.
- C. The use of fireworks would constitute an impending danger to public health, safety, and welfare requiring immediate enforcement of this prohibition.
- D. Idaho Code §50-901 provides for the immediate effect, upon posting in five public places of the city, and enforcement of emergency ordinances in situations of impending danger requiring immediate enforcement.

**NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HAILEY:**

**Section 1. FINDING OF IMMINENT PERIL TO THE PUBLIC HEALTH SAFETY AND WELFARE.** The Hailey City Council hereby finds that an imminent peril and impending danger to the public health, safety, and welfare exists caused by the severe drought and the high risk of severe fire danger associated with use of fireworks in such conditions.

**Section 2. DECLARATION OF PROHIBITION AND IMMEDIATE EFFECT.** Effective immediately upon posting of this ordinance, the use of fireworks is prohibited within the city limits of the City of Hailey. This prohibition shall be in effect for one-hundred and eighty (180) days from the effective date of this Ordinance, unless earlier rescinded by the City Council.

**Section 3. EXCEPTIONS.** The Hailey City Community Fireworks Display conducted by contracted pyrotechnicians with oversight by Hailey Fire Department officials are exempt from this prohibition.

**Section 4. SAVINGS AND SEVERABILITY CLAUSE.** It is hereby declared to be the legislative intent that the provisions and parts of this Ordinance shall be severable. If any paragraph, part, section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid for any reason by a Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

**Section 5. REPEALER CLAUSE.** All City of Hailey ordinances or resolutions or parts thereof which are in conflict herein are hereby repealed.

**Section 5. POSTING, PUBLICATION, AND EFFECTIVE DATE.** Finding that there is impending danger necessitating immediate enforcement, this Ordinance shall take effect immediately by proclamation of the Mayor pursuant to Idaho Code §50-901 and upon posting in five public places of the City. This Ordinance, or a summary thereof in compliance with Section 50-901A, Idaho Code, shall further be published once in the official newspaper of the City.

**Section 6. EFFECTIVE DATE.** This Ordinance shall be in full force and effect immediately upon its passage, and upon approval and proclamation by the Mayor with posting according to law.

PASSED BY the CITY COUNCIL and APPROVED by the MAYOR of Hailey, Idaho, on this 21st day of June, 2021.

APPROVED BY the Mayor of the City of Hailey, Idaho, this 21st day of June 2021.

APPROVED:

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Martha Burke  
Mayor

ATTEST:

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Mary Cone, City Clerk

POSTED in the following five public places on June 21, 2021:

1. Hailey City Hall
2. .
3. .
4. .
5. .
6. Published in Idaho Mountain Express June 30, 2021.

ACKNOWLEDGMENT OF POSTING AND PUBLICATION

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Mary Cone, City Clerk