

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

This PURCHASE AND SALE AGREEMENT (“Agreement”) is entered into by and between THE CITY OF SEATTLE, a Washington municipal corporation (“Buyer”), and ELM GROVE LLC, a Washington limited liability company (“Seller”), as of the date this Agreement has been executed by both Buyer and Seller (“Effective Date”). Seller and Buyer may be referred to hereinafter individually as “Party” or collectively as the “Parties.”

Intending to be legally bound, for good and valuable consideration, including the mutual covenants and promises of the parties, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

1. Property. The “Property” subject to this Agreement consists of all of the following:

(a) That certain tract and parcel of vacant real property located at 1024 South Elmgrove Street, Tax Parcel Numbers 732790121501 and 322404900209 and more particularly and legally described in Exhibit A and depicted in the map in Exhibit B, attached together with all buildings, structures and other permanent improvements, if any, thereon (the “Real Property”).

(b) To the extent assignable, all rights, privileges, covenants and easements appurtenant to the Real Property, including without limitation all minerals, oil, gas and other hydrocarbon rights on or associated with the land, all development rights, air rights, and any and all appurtenances used in connection with the beneficial use and enjoyment of the Real Property (collectively, the “Appurtenances”).

(c) All of the property referred to in this Agreement as the “Property” or “Real Property.”

2. Purchase. Seller shall sell and convey the Property to Buyer, and Buyer shall purchase the Property from Seller, on the terms, covenants and conditions set forth in this Agreement.

3. Purchase Price.

3.1. Amount. The purchase price (“Purchase Price”) for the Property is Three Million Nine Hundred Thousand and no/100 Dollars (\$3,900,000.00).

3.2. Payment. Buyer shall pay Seller the Purchase Price at Closing. All references to dollars shall mean those amounts in United States currency.

3.3. Deposit. Within ten (10) days of the Effective Date, Buyer will open an escrow account with First American Title Company, 16340 SE 256th St. #B200, Covington, WA 98042 (referred to hereafter as “Escrow Holder” or “Title Company”) and shall deliver to Escrow Holder Fifty Thousand and NO/100 Dollars (\$50,000.00) (the “Deposit”) in immediately available funds, together with the original of the fully executed Agreement. The Deposit shall be applicable to the Purchase Price at Closing, and shall be non-refundable except in event of Seller’s default, Seller’s failure to satisfy its obligations under this Agreement, or Buyer’s decision to terminate the Agreement if Buyer becomes aware of an environmental contamination issue during Buyer’s investigation of the property described in Section 6.

4. Title.

4.1. Condition of Title. Seller shall convey to Buyer a statutory warranty deed, subject only to the Permitted Exceptions (defined in Subsection 4.3 below). Consistent with the Condition of Title in this section, Seller agrees that Title insurance to the Property shall be issued as a standard owner's policy of title insurance, unless Buyer elects to obtain an ALTA extended coverage owner's policy as provided in Section 4.2 below.

4.2. Title Insurance Commitment. Buyer has obtained a current title insurance commitment issued by Title Company, No. 4209-2975812, dated May 17, 2019, including subsequent updates thereto ("Commitment"). Buyer may elect to obtain a 2006 ALTA Owner's Extended Coverage Policy of title insurance (the "Title Policy"). If required by the Title Company to issue an extended coverage owner's ALTA title insurance policy, Buyer shall obtain a survey and title updates for an extended policy at its own expense. Seller shall provide the ALTA affidavits required under Section 8.1(c).

4.3. Permitted Exceptions. Those exceptions to title listed on Exhibit B attached hereto, if any, together with any additional exceptions to title approved in writing by Buyer constitute permitted exceptions ("Permitted Exceptions"). Seller, at its sole cost and expense, shall remove all exceptions other than Permitted Exceptions.

5. Conditions Precedent.

5.1. Conditions Precedent to Buyer's Obligation to Purchase. Buyer's obligations with respect to purchase of the Property and the Closing are subject to fulfillment, or waiver thereof by Buyer in writing, of all conditions contained within this Agreement ("Buyer's Conditions Precedent"), including the following, not later than the Closing Date (unless an earlier date is specified):

(a) Title Policy. The Title Company shall be prepared to issue the Title Policy in the amount of the Purchase Price subject only to preprinted general exceptions contained in the Commitment and Permitted Exceptions (defined Subsection 4.3 above).

(b) Moratorium. No reassessment, reclassification, rezoning or other change to the zoning of Property by judicial or administrative decision or proceedings (including amendments and modifications of any of the foregoing) pending or proposed to be imposed by any governmental or quasi-governmental authority or any public or private utility having jurisdiction over the Property shall have occurred that would adversely impact Buyer's intended use of the Property.

(c) Zoning; Survey. There are no uncured violations of zoning ordinances or other laws, ordinances or restrictions applicable to the Property, and there are no encroachments upon the Property other than as shown on the survey by Duncanson Company, Inc. dated April 9, 2019, a copy of which has been provided to Buyer.

(d) Noncompliance - Violation. Existing uses of the Property are in full compliance with all applicable zoning laws (and applicable variances) and any other local, municipal, regional, state or federal requirements, and the improvements on the Property comply with all applicable building, safety, health, zoning, environmental, subdivision and other laws, ordinances and regulations.

(e) No Actions or Proceedings. There is no action or proceeding pending or threatened, with respect to the title, ownership, maintenance, use or operation of the Property.

(f) No Environmental Violations. The Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under, above or about the Property, including but not limited to soil and groundwater conditions.

(g) Representations, Warranties and Covenants of Seller. Seller shall have performed each agreement to be performed by Seller under this Agreement, and Seller's representations and warranties in this Agreement shall be true and correct as of Closing.

(h) No Adverse Changes. As of Closing, there shall have been no adverse change in the physical condition of the Property from the date of this Agreement.

(i) Seller's Deliveries. Seller shall have delivered each of the items described (and no later than the delivery time specified) in Subsection 6.1 to Buyer and in Subsection 8.1 to Escrow Holder.

(j) Investigation. Buyer shall have notified Seller that the condition stated in Subsection 6.3 has been satisfied or waived within the time period required therein.

(k) Ordinance. On or before the Closing Date, an ordinance shall be in effect authorizing the transaction contemplated in this Agreement and appropriating funds to complete this transaction.

(l) No Seller Bankruptcy. If at any time prior to Closing, (i) there shall be filed against or by Seller a petition in bankruptcy or insolvency or a petition seeking to effect any plan or other arrangement with creditors or seeking the appointment of a receiver and the same is not discharged or dismissed before Closing; (ii) a receiver or liquidator is appointed for all or substantially all of Seller's property; (iii) or Seller makes an assignment for the benefit of creditors or takes any other similar action for the benefit or protection of creditors, then Buyer shall have the right in its sole and absolute discretion and in addition to all other remedies available to Buyer pursuant to this Agreement or at law or in equity to cancel and terminate this Agreement after which the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations under this Agreement.

5.2. Benefit of Buyer. The Buyer's Conditions Precedent is solely for the benefit of Buyer and may be waived only in writing by Buyer. Buyer shall have the right to waive any condition. The waiver by Buyer of any condition in any specific circumstances shall not be a waiver of such condition with respect to any other circumstances or a waiver of any other condition and shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller, unless the waiver expressly so provides.

5.3. Termination. If any Buyer's Condition Precedent is not satisfied or waived prior to Closing (or such earlier date as provided elsewhere in this Agreement), then Buyer, in Buyer's sole discretion, shall have the right to terminate this Agreement by written notice to Seller and Escrow Holder, and the parties shall have no further obligations under this Agreement. Seller shall be entitled to retain the non-refundable Deposit, except in event of Seller's default, or Seller's failure to satisfy its obligations under

this Agreement, or Buyer's decision to terminate the Agreement if Buyer becomes aware of an environmental contamination issue during Buyer's investigation of the property described in Section 6, provided that if an environmental contamination issue is discovered, Buyer will make reasonable efforts to reach an agreed solution to that issue pursuant to this Agreement before terminating the Agreement.

6. Investigation of the Property.

6.1. Seller's Initial Deliveries. Within seven (7) days after the Effective Date, Seller shall, at its sole expense, deliver to Buyer (a) a completed disclosure statement for commercial real estate in the form required by Section 64.06.013 of the Revised Code of Washington; (b) all leases, contracts, and accounting records affecting the Property, if any; (c) signed complete copies of all Deeds of Trust, promissory notes, or other financial agreements or documents or conveyance instruments secured by the Property; and (d) other documents, records and materials concerning the operation or physical condition of the Property, including, without limitation, all surveys, maps, plans, soils reports and environmental site assessments in Seller's possession and control.

6.2. Entry. Without limiting any other rights of Buyer under this Agreement, as of the Effective Date, Buyer and Buyer's agents and employees shall have the right to enter the Property to conduct soils, engineering, environmental and other tests, inspections, surveys and investigations at the Property ("Investigations") at Buyer's sole expense. Seller agrees to cooperate with any Investigations made by or at Buyer's direction. The exercise by Buyer of any of the preceding rights or any other act of Buyer shall not negate any representation, warranty or covenant of Seller, or modify any of Buyer's rights or Seller's obligations in the event of any breach by Seller of any of its representations, warranties or covenants under this Agreement. To the extent permitted by applicable law, Buyer shall indemnify and hold Seller harmless from any and all damages, expense, liens or claims (including attorneys' fees) arising from Buyer's exercise of its rights under this Subsection 6.2 or failure to pay third parties, and the provisions of this indemnity shall survive termination of this Agreement. Buyer's activities at the Property shall be conducted during normal business hours, Monday through Friday, and shall not unreasonably interfere with the existing tenant's operations. Buyer shall give Seller and tenant 48 hours prior notice to requested time of access.

6.3. Period for Investigations. Closing of this transaction is conditioned on Buyer's satisfaction with the Property, the suitability of the Property for Buyer's intended uses and the feasibility of this transaction in Buyer's sole and absolute discretion. Buyer shall have until 45 days from the Effective Date, or June 30, 2021, whichever is latest, to conduct its Investigations and to review the items delivered by Seller pursuant to Subsection 6.1 above (the "Contingency Period"). If Buyer fails to notify Seller and the Escrow Holder in writing that this condition is satisfied or waived prior to 5:00 p.m. Pacific Time on the final day of the Contingency Period, then this Agreement shall be deemed terminated, and both Seller and Buyer shall be released and discharged from all further obligations under this Agreement except for those obligations that expressly survive Closing. Seller shall be entitled to retain the non-refundable Deposit, according to Sections 3.3 and 5.3 and, except as provided in Subsection 6.2, neither party shall be subject to a claim by the other for damages of any kind with respect to this Agreement or Buyer's attempt to purchase the Property.

7. Seller's Obligations. From the Effective Date until the Closing Date, Seller shall, at its sole expense:

7.1. Promptly notify Buyer upon learning of any fact or event that would make any of the representations or warranties of Seller contained in this Agreement or any Buyer's Conditions Precedent untrue or misleading in any material respect or that would cause Seller to be in violation of any of its covenants or other obligations hereunder.

7.2. Notify Buyer promptly upon receiving notice of a claim or pending litigation affecting the Property, or notice of any event, transaction, or occurrence before Closing that would materially adversely affect the Property or any part thereof.

7.3. Not convey, mortgage, grant a deed of trust, or contract to do the foregoing or otherwise allow or consent to convey, abandon, relinquish, cloud or encumber title to the Property or any interest therein or part thereof without Buyer's consent.

7.4. Maintain the Property in good order, condition and repair, and otherwise operate the Property and maintain its business records in the same manner as before the making of this Agreement, the same as though Seller were retaining the Property.

7.5. Maintain all casualty, liability and hazard insurance currently in force with respect to the Property through Closing without diminution in coverage.

7.6. Remedy any violations of law or municipal ordinances or regulations of any federal, state, local or other governmental departments of which Seller is aware.

7.7. Take no action that will adversely affect title to the Property nor take action that impairs the issuance of the Title Policy as described in Section 4 of this Agreement.

7.8. Notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

8. Deliveries to Escrow Holder.

8.1. By Seller. Seller shall deliver or cause to be delivered to Escrow Holder on or prior to the Closing Date the following items, the delivery of each of which shall be a condition to the performance by Buyer of its obligations under this Agreement:

(a) Deed. A statutory warranty deed, duly executed and acknowledged by Seller (the "Deed"), conveying to Buyer fee simple title to the Property, subject only to the Permitted Exceptions.

(b) FIRPTA Affidavit. A certificate evidencing that Seller is exempt from the withholding requirements of Section 1445 of the Internal Revenue Code.

(c) ALTA Affidavits. Any affidavits, certifications or instruments, including any lien affidavits or mechanic's lien indemnifications, duly executed and acknowledged by Seller, as reasonably may be required by the Title Company in order to issue the Title Policy.

(d) Closing Certificates. A certificate of Seller dated as of the Closing Date certifying that all of Seller's representations and warranties remain true as of the Closing Date, or if not, specifying the respect in which any representation or warranty is no longer true.

(e) Certificates of Authority. Such certificates as are necessary or required by Buyer or the Title Company to evidence the authority of Seller and its signatories to execute the instruments to be executed by Seller in connection with this transaction, and evidence that the execution of such instruments has been properly authorized by Seller.

(f) Excise Tax Affidavit. A real estate excise tax affidavit signed by Seller.

(g) Such other instruments or documents as may be reasonably required by the Title Company, or pursuant to the provisions of this Agreement, or as mutually agreed by Seller and Buyer to be necessary to fully consummate the transaction contemplated hereby.

8.2. By Buyer. Buyer shall deliver or cause to be delivered to Escrow Holder on or prior to the Closing Date the following items:

(a) Purchase Price. Buyer shall deliver or cause to be delivered to Escrow Holder on or before the Closing Date cash by federal funds, wire transfer or cashier's check in the amount necessary to pay the balance of the Purchase Price and Buyer's share of closing costs and prorations.

(b) Excise Tax Affidavit. A real estate excise tax affidavit signed by Buyer.

(c) Such other instruments or documents as may be reasonably required by the Title Company, or pursuant to the provisions of this Agreement, or as mutually agreed by Seller and Buyer to be necessary to fully consummate the transaction contemplated hereby.

9. Close of Escrow.

9.1. Time. Closing shall occur in the office of Escrow Holder on a date mutually agreeable to Buyer and Seller after Buyer's Conditions Precedent have been satisfied or waived, but in any event no later than August 30, 2021, unless further extended by written agreement or unless accelerated by written agreement if the Parties conclude an earlier Closing is possible. As used in this Agreement, "Closing," "Closing Date" or "Date of Closing" means the date on which all appropriate documents are recorded, and proceeds of sale are available for disbursement to Seller in accordance with this Agreement. Funds held in reserve accounts pursuant to escrow instructions shall be deemed, for purposes of the definition of "Closing," "Closing Date" and "Date of Closing," as available for disbursement to Seller.

9.2. Closing Costs and Prorations.

(a) Closing Costs. Buyer and Seller shall each pay its own attorneys' fees. Buyer shall pay the cost of recording the Deed, escrow fees, the title insurance premium charged by the Title Company for Buyer's Title Policy and the endorsements required by Buyer, and the cost of any survey required by the Title Company (if any). Seller's monetary liens on the Property, if not previously discharged, shall be discharged in full out of the Purchase Price at Closing. Seller shall pay real estate excise tax, if any is due.

(b) Prorations. Seller shall be responsible for paying real property taxes, general assessments, surface water management fees and other fees (if any) payable to governmental entities, utilities and operating expenses relating to the Property through the Closing Date. If Seller is entitled to a reimbursement for overpayment of real property taxes, it shall be Seller's responsibility to seek such reimbursement from the appropriate taxing authority outside of Closing. Subject to Seller's obligation under Section 6.1(b) to deliver to Buyer leases on the property prior to Closing, Buyer acknowledges that at Closing, Seller will be assigning, and Buyer will be assuming an existing triple net lease on the Property in which the tenant is responsible for maintenance, utilities, taxes and insurance pursuant to the terms of said lease. To the extent the tenant pays expenses set forth herein directly, Escrow Holder shall only pro rate those expenses paid by Seller. For those expenses for which Seller pays, Seller shall provide evidence satisfactory to Buyer that accounts for utility services to the Property, including but not limited to electricity, heating oil (if applicable), natural gas (if applicable), solid waste, water, sewer, telephone, internet service, and cable, are current and there are no delinquent charges owing. Seller shall pay any special assessments against the Property in existence as of the Closing Date through the Closing Date. All expenses of the Property, including but not limited to, real property taxes, surface water management fees and other fees (if any) payable to governmental entities, rents, utility charges, amounts payable under contracts that Buyer elects to accept or assume, annual permits and other expenses normal to ownership, use, operation and maintenance of the Property shall be prorated as of 11:59 p.m. on the Closing Date.

9.3. Procedure. Escrow Holder shall close escrow as follows:

(a) Obtain the release of the Property from any liens described in the Commitment, and delivery of all documents by Seller, and in this Agreement except the Permitted Exceptions;

(b) Confirm with Buyer satisfactory evidence of delivery of all documents by Seller;

(c) Confirm with Seller satisfactory evidence of delivery of all documents by Buyer;

(d) Pay applicable real estate transfer excise taxes and record the Deed;

(e) Complete the prorations and credits;

(f) Issue and deliver the Title Policy to Buyer;

(g) Deliver any other documents deposited by Seller with Escrow Holder to Buyer;

(h) Deliver the Purchase Price less Seller's closing costs and prorations and Buyer credits, if any, to Seller;

(i) Forward to Buyer and Seller, in duplicate, a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited with Escrow Holder, with such recording and filing date endorsed thereon; and

(j) Deliver lease security deposits and prorated rents to Buyer.

9.4. Incorporation of Escrow Instructions. This Agreement shall serve as escrow instructions, and an executed copy of this Agreement shall be deposited by Buyer with Escrow Holder following its execution. The parties may execute additional escrow instructions provided that such additional escrow instructions shall not change the terms of this Agreement.

9.5. Possession. Possession of the Property shall be delivered to Buyer upon Closing, subject to Seller's tenant's rights under existing lease.

9.6. Deliveries Outside of Escrow. On the Closing Date Seller shall deliver to Buyer outside of escrow all original books and records of account, contracts, leases and leasing correspondence, receipts for deposits, unpaid bills and other papers pertaining to the Property, architectural and engineering plans, drawings and specifications for the improvements to the Property, all "As-Built" plans and specifications, original operating permits and certificates relating to use, occupancy or operation of the Property, all advertising materials, booklets, keys and other items, if any, used in Seller's operation of the Property.

10. Brokerage Commission. Seller warrants to Buyer and Buyer warrants to Seller that each party's sole contact with the other and with the Property regarding this transaction has been directly with the other party and has not involved any broker or finder. Seller and Buyer further warrant to each other that no broker or finder can properly claim a right to a commission or finder's fee based upon contacts between the claimant and that party with respect to the other party or the Property. To the extent permitted by applicable law, each party shall indemnify, defend and hold the other party harmless from and against any loss, cost or expense, including, but not limited to, attorneys' fees and court costs, resulting from any claim for a fee or commission by any broker or finder in connection with the Property and this Agreement resulting from the indemnifying party's actions.

11. Condemnation.

11. If there is a condemnation (by an entity other than Buyer) of all or part of the Property initiated before Closing, Seller shall promptly notify Buyer and Buyer shall have the option for ten (10) days following the date the notice is received (a) to proceed with the Closing, in which event all condemnation proceeds already received by Seller by the Closing shall be paid to Buyer and the right to receive such proceeds not yet received by Seller shall be assigned to Buyer at the Closing, or (b) to terminate this Agreement. Unless this Agreement is terminated, Seller shall take no action with respect to any condemnation proceeding without the prior written consent of Buyer. Buyer shall take no action to initiate a condemnation proceeding for all or any portion of the Property.

12. Representations, Warranties and Covenants.

12.1. Seller's Representations and Warranties. In addition to the representations, warranties and covenants contained elsewhere in this Agreement, Seller, as of the Effective Date and as of the Closing Date, makes the following representations, warranties and covenants:

- (a) Title. Seller is the sole owner of the Property.
- (b) Agreements to Transfer or Encumber. Seller has not committed nor obligated itself in any manner whatsoever to sell or encumber the Property or any interest therein to any party other than Buyer, nor committed or obligated to lease all or any portion of the Property.
- (c) Compliance with Law. To the best of Seller's knowledge, the property complies in all material respects (both condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property (including those related to zoning, building, subdivision, engineering, and Environmental or Safety Laws) that remains uncured.
- (d) Bankruptcy, Etc. No bankruptcy, insolvency, rearrangement or similar action involving Seller or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Seller.
- (e) Litigation. There is no pending or to Seller's best knowledge threatened in writing, judicial, non-judicial foreclosure, or municipal or administrative proceedings with respect to this transaction or in any manner affecting the Property or any portion thereof or in which Seller is or will be a party by reason of Seller's ownership of the Property.
- (f) Notices. Seller have not received any written notices from any insurance companies, governmental agencies or from any other parties with respect to any violations or other matters concerning the Property.
- (g) Taxes and Assessments. Other than amounts disclosed by the Commitment, to the best of Seller' knowledge, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.
- (h) Tax Returns. Seller has filed all local, state and federal tax forms that are required to be filed by Seller, have paid all taxes due and payable by Seller to date and will pay all such taxes that become due and payable by Seller prior to the Closing.
- (i) Underground Storage Tanks; Hazardous Substances. To the best of Seller's knowledge, (i) there are no cisterns, wells, subterranean storage or underground storage tanks on the Property, (ii) there are no Hazardous Substances currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental or Safety Law, and (iii) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental or Safety Laws at the Property. Buyer acknowledges that Buyer is aware that underground storage tanks have been removed from the Property, and that to the best of Seller's knowledge, the area was remediated and Phase One and Phase Two environmental reports will be provided

to Buyer, during the Inspection Period, indicating that no further remediation is required. Buyer agrees to rely solely on Buyer's own inspections.

(j) Violation of Property Restrictions. To the best of Seller's knowledge, the Property and the current use, occupation and condition thereof do not violate any applicable deed restrictions or other covenants, restrictions or agreements (including, without limitation, any of the Permitted Exceptions), site plan approvals, zoning or urban redevelopment plans applicable to the Property.

(k) Tax Valuation/Assessment. Seller has no knowledge and has not received any notice of: (a) proceedings pending for the correction of the assessed valuation of Real Property, or (b) any other pending or threatened special assessments affecting the Real Property.

(l) Authority. Seller has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and constitute the Seller's legal, valid and binding obligation enforceable against Seller in accordance with its terms. The consummation by Seller of the sale of the Property is not in violation of or in conflict with nor does it constitute a default under any of the terms of any agreement or instrument to which Seller is or may be bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.

(n) No Omissions. All representations and warranties made by Seller in this Agreement, and all information contained in any certificate furnished by Seller to Buyer in connection with this transaction, are free from any untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained herein or therein not misleading. The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be.

(o) Leases, Service Contracts or Other Contracts. Subject to Seller's obligation under Section 6.1(b) to deliver to Buyer leases on the property prior to Closing, the parties acknowledge that there is an existing lease on the Property, which shall be assigned by Seller to Buyer at Closing. Buyer agrees to assume and perform the lease according to its terms and conditions, and further agrees to indemnify and hold Seller harmless from any claims, causes of action, liability, loss or damages, including reasonable attorney's fees, which may occur or arise under the assigned lease by any acts or omissions of Buyer after Closing. This term shall survive Closing. Prior to Closing, Buyer, Seller, and tenant will execute a lease transfer agreement that will confirm the respective parties' contact information, and require tenant to pay Leasehold Excise Tax to Buyer in lieu of property tax payments (special district charges will still be applicable).

(p) Mechanic's Liens. No labor, material or services have been furnished in, on or about the Property or any part thereof that has not been paid in full prior to Closing.

12.2. Seller's Knowledge. Whenever the phrases “to Seller's knowledge” or “to the best of Seller's knowledge” or any similar phrase is used herein, those phrases mean the present, actual knowledge (as opposed to the imputed knowledge) of the fact or condition by Brian Hicks (“Seller's Representative”). The representations and warranties contained in Section 12.1 are the representations and warranties of Seller, not Seller's Representative, and shall not create any individual liability for Seller's Representative. Seller represents and warrants that Seller's representative, Brian Hicks, is the Seller's Representative most knowledgeable regarding the Property.

12.3 Effect of Buyer's Inspections. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

12.4 Survival Period. Subject to the provisions of Section 12.5, and notwithstanding anything else to the contrary contained in this Agreement, in any exhibits attached hereto, or in any documents executed or to be executed at Closing or otherwise in connection herewith (collectively, the “Purchase Documents”), all of Seller's representations, warranties, covenants, undertakings, indemnities, and agreements contained in any of the Purchase Documents (collectively, “Seller's Undertakings”) shall survive the Closing for a period of six (6) months (the “Survival Period”).

12.5 Assumption of Liabilities. Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing Date. Other than such obligations so expressly assumed by Buyer or any liens or other obligations with respect to the Property that result from any action or activities by or on behalf of Buyer after the Closing Date, Seller, after the Date of Closing, will pay and discharge any and all liabilities of each and every kind arising out of or by virtue of the possession, ownership or use of the Property prior to the Closing Date, and shall indemnify, defend and hold Buyer harmless therefrom.

12.6 Provide Further Information. From the Effective Date through the Closing Date, Seller will notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof promptly upon learning of the occurrence of such event.

13. Environmental Compliance. In addition to and without limiting any other representations, warranties, covenants and agreements in this Agreement, Seller represents, warrants, covenants and agrees:

13.1. Hazardous Substances. Except for petroleum products in connection with motor vehicles, lawn mowers, and underground storage tank for heating oil, Seller has not used or stored on, under or about the Property or transported to or from the Property any Hazardous Substance or allowed any other person or entity to do so. Seller has not, generated, manufactured, produced, stored, released, discharged or disposed of on, under, above or about the Property (or off-site of the Property that might affect the Property) or transported to or from the Property, any Hazardous Substance or allowed any other person or entity to do so. Seller has no knowledge nor has Seller observed any questionable practice or conduct indicating that any Hazardous Substance has been used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or above Property (or off-site of the Property that might affect the Property) or transported to or from the Property by any entity, firm or person, or from any source whatsoever.

13.2. Pre-closing Covenant. Seller will not use, generate, manufacture, produce, store, release, discharge or dispose of on, under, above or about the Property (or off-site of the Property that might affect the Property), or transport to or from the Property, any Hazardous Substance or authorize any other person or entity to do so, prior to the Closing.

13.3. Intentionally Omitted.

13.4. Definitions. For the purpose of this Section 13, the following terms shall be defined as provided below unless the context clearly requires a different meaning:

(a) "Environmental or Safety Law" means the Federal Water Pollution Control Act, the Clean Air Act, the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Superfund Amendment and Reauthorization Act, the Toxic Substances Control Act ("TSCA"), the Occupational Safety and Health Act, the Hazardous Materials Transportation Act, the Hazardous Materials Transportation Uniform Safety Act, the Oil Pollution Act of 1990, the Washington Water Pollution Control Act, the Clean Air Washington Act, the Washington Hazardous Waste Management Act ("HWMA"), the Washington Model Toxics Control Act ("MTCA"), the Washington Industrial Safety and Health Act, the Washington Worker and Community Right to Know Act, and the Washington Oil and Hazardous Substance Spill Prevention and Response Act, together with all regulations promulgated under any such authority, and any and all other federal, state, regional, local or international statutes, regulations, rules, ordinances, orders, court or regulatory agency directives, permits, licenses, governmental authorizations and common law causes of action that apply to (1) any hazardous substance or material regulated or restricted under CERCLA, RCRA, TSCA, MTCA, or the HWMA; (2) any other pollutant, contaminant, or waste; (3) the health or safety of persons; or (4) the protection of the environment or land use. "Environmental or Safety Law" includes past and future amendments and supplements.

(b) "Hazardous Substances" means any hazardous, toxic, or dangerous substance, waste, or material that is regulated under any Environmental or Safety Law.

14. As-Is Sale; Release; Seller Disclosure Form.

14.1. As-Is Sale. Buyer acknowledges that, except for the representations and warranties of Seller set forth in this Agreement and the Purchase Documents, the Property is being purchased on an "as is" basis, and that no implied or express representations or warranties have been made by Seller except as expressly provided in this Agreement. Buyer acknowledges that (a) Buyer has had or will have, pursuant to this Agreement, an adequate opportunity to make such legal, factual and other inquiries and investigation as Buyer deems necessary, desirable or appropriate with respect to the Property, and (b) except as otherwise expressly set forth in Section 12.1 of this Agreement, neither Seller, nor anyone acting for or on behalf of Seller, has made any representation, warranty, promise or statement, express or implied, to Buyer, or to anyone acting for or on behalf of Buyer, concerning the Property or the condition, use or development thereof. Buyer represents that, in entering into this Agreement, Buyer has not relied on any representation, warranty, promise or statement, express or implied, of Seller, or anyone acting for or on behalf of Seller,

other than as expressly set forth in Section 12.1 of this Agreement, and that Buyer shall purchase the Property based upon Buyer's own prior investigation and examination of the Property. If Buyer elects to proceed to Closing, such election will be made at Buyer's absolute discretion, in reliance solely upon the tests, analyses, inspections and investigations that Buyer makes, or had the right to make and opted not, or otherwise failed, to make, and not in reliance upon any alleged representation made by or on behalf of Seller, except as set forth in Section 12.1.

15. Survival. Subject to the limitations in Section 12.4, the covenants, agreements, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof.

16. Entire Agreement. This Agreement contains the entire integrated agreement of the parties, including all of the covenants and conditions between the parties with respect to the subject matter of this Agreement, and supersedes all prior correspondence, agreements and understandings, both verbal and written. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by Seller and Buyer. The parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the parties.

17. Default; Remedies, Specific Performance.

17.1 Seller Default. This Agreement pertains to the conveyance of real property, the unique nature of which is hereby acknowledged by the parties. Consequently, if Seller breaches or defaults under this Agreement or any of the representations, warranties, terms, covenants, conditions or provisions hereof, Buyer shall have, in addition to a claim for damages for such breach or default, and in addition and without prejudice to any other right or remedy available under this Agreement or at law or in equity, the right (a) to specific performance of this Agreement; or (b) to terminate this Agreement upon written notice without liability to Seller.

17.2 Buyer Default. If Buyer fails to perform its obligations pursuant to this Agreement at or prior to Closing for any reason except (a) failure of any condition precedent to Buyer's obligations to Close or (b) failure by Seller to perform its obligations hereunder, then Seller, as its sole and exclusive remedy, may terminate this Agreement and receive the Deposit as liquidated damages and not as penalty, in full satisfaction of claims against Buyer hereunder. Seller and Buyer agree that Seller's damages resulting from Buyer's default are difficult, if not impossible, to determine, and the Deposit is a fair estimate of those damages and has been agreed to in an effort to cause the amount of damages to be certain.

18. Notices. All written notices required to be given pursuant to the terms hereof shall be either delivered personally; deposited in the United States mail, certified mail, return receipt requested, postage prepaid and addressed to the addresses listed below with copies to the parties listed after such address (if any) sent by facsimile transmission to the numbers below or sent by electronic transmission to the email address below, with receipt acknowledged:

SELLER:

Brian Hicks
Elm Grove, LLC
P.O Box 752
Shasta Lake, CA 96019
Facsimile: N/A Telephone: (530) 945-4443
Email: brian@bwhicks.com
And
Michael C. Malnati
Reed Longyear Malnati & Ahrens, PLLC
801 2nd Ave., Suite 1415
Seattle, WA 98104
Telephone: (206) 624-6271
Email: mmalnati@reedlongyearlaw.com

BUYER:

Seattle Department of Parks and Recreation
300 Elliott Avenue West, Suite 100
Seattle, WA 98134
Attn: Lise Ward
Facsimile: (206) 233-7038 Telephone: (206) 733-9106
Email: lise.ward@seattle.gov

The foregoing addresses may be changed by written notice to the other party as provided herein. Mailed notice properly given shall be deemed received five (5) days after deposit in the U.S. mail, certified mail, return receipt requested. Email transmission with read receipt confirmed by email, of any signed original document or notice, and retransmission of any signed email transmission, shall be the same as personal delivery of an original. At the request of either party, or the Escrow Holder, the parties will confirm facsimile or email transmitted signatures by signing an original document.

19. Section 1031 Like-Kind Exchange. If Seller intends for this transaction to be part of a Section 1031 like-kind exchange, then Buyer agrees to cooperate in completion of the like-kind exchange so long as Buyer incurs no additional liability in doing so, and so long as any expenses incurred by Buyer that are related only to the exchange are paid or reimbursed to Buyer at or prior to Closing. Notwithstanding any other term in this Agreement, but subject to obligations under 6.1(b) to deliver any agreements or contracts related to the property to Buyer, Seller may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

20. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

21. Waivers. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

22. Construction. Captions are solely for the convenience of the parties and are not a part of this Agreement. This Agreement shall not be construed as if one of the parties had prepared it, but rather as if both parties had prepared it. If the date on which Buyer or Seller are required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

23. Time. Time is of the essence of every provision of this Agreement.

24. Force Majeure. Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

25. Successors. The terms, conditions and covenants contained in this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

26. Applicable Law. This Agreement shall be interpreted and governed by the laws of the State of Washington. The venue of any legal action or claim related to this Agreement shall be in the Superior Court for King County.

27. No Third Party Beneficiary. The parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the parties, and therefore, nothing in this Agreement express or implied shall confer upon any person any right or interest whatsoever, other than directly to the parties and their heirs, executors, personal representatives, successors and assigns.

28. Reservation of Rights and Responsibilities. Except as set forth in this Agreement, Buyer and Seller retain all rights, privileges, obligations and remedies as set forth under applicable federal, state or local laws.

29. Entire Agreement. This Agreement (a) constitutes the sole and only agreement of the parties hereto with respect to the subject matter hereof (b) supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof, and (c) cannot be changed except by their written consent.

30. Counterparts. The parties may execute this Agreement in one or more identical counterparts, all of which when taken together will constitute one and the same instrument. A facsimile or electronic mail transmission shall be binding on the party or parties whose signatures appear thereon. If so executed, each counterpart is to be deemed an original for all purposes, and all counterparts shall, collectively, constitute one agreement, but in making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart.

31. No Recording of Agreement. Neither party (nor any of their respective agents or representatives) shall record this Agreement (or any memorandum or short form of this Agreement) without the prior written consent of the other.

32. Incorporation of Exhibits. All exhibits hereto and all other documents and instruments referred to herein or in any exhibit or attachments hereto are incorporated by reference as a part of this Agreement. The Exhibit List to this Agreement shall be as follows:

- Exhibit A Legal Description of Property
- Exhibit B: Map of property
- Exhibit C Permitted Exceptions

Signatures of the Parties to this Agreement are on the following pages.

BUYER:

THE CITY OF SEATTLE, A WASHINGTON MUNICIPAL CORPORATION

By: _____
Jesús Aguirre, Superintendent of Parks and Recreation

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ Superintendent of Parks and Recreation of The City of Seattle, a Washington municipal corporation, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the day and year first above written.

(TYPE OR PRINT NAME)

[SEAL] Notary Public in and for the State
 of Washington, residing at _____.
 My Commission expires on _____.

SELLER:

Elm Grove, LLC, a Washington limited liability company

By: _____

Name: Brian Hicks

Its: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, known to me to be the individual who executed the foregoing instrument as _____ of Elm Grove, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the day and year first above written.

(TYPE OR PRINT NAME)

[SEAL]

Notary Public in and for the State
of Washington, residing at _____.
My Commission expires on _____

Exhibit A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KING, STATE OF WA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

LOTS 11 THROUGH 20, INCLUSIVE, AND 38 THROUGH 46, ALL IN BLOCK 13, RIVER PARK, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 7 OF PLATS, PAGE 41, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 82673 FOR COMMERCIAL WATERWAY DISTRICT NUMBER 1.

PARCEL B:

TOGETHER WITH THE WEST 112.75 FEET OF THE SOUTH 100 FEET OF THE NORTH 360 FEET OF GOVERNMENT LOT 1, SECTION 32, TOWNSHIP 24 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 82673 FOR COMMERCIAL WATERWAY DISTRICT NUMBER 1.

Exhibit B

MAP



Exhibit C

PERMITTED EXCEPTIONS

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.
2. 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.
3. Any facts, rights, interests, or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
4. Easements, claims of easement or encumbrances which are not shown by the Public Records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
6. (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; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
7. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
8. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity
11. & 12. General Taxes for the year 2021 prorated after the date of closing.
Tax Account Nos.: 732790121501 and 3224049002.
14. No protest can be made against the construction of or assessment for a permanent watermain Agreement and the terms and conditions thereof:

Between: Nellie Manson
And: Seattle Water Department
Recording Information: 6373301
Affects: portion of said premises
15. Conditions, notes, easements, provisions and/or encroachments contained or delineated on the face of the Survey recorded under Recording No. 8804229006.
16. Conditions, notes, easements, provisions and/or encroachments contained or delineated on the face of the Survey recorded under Recording No. 20100719900001.
17. Conditions, notes, easements, provisions and/or encroachments contained or delineated on the face of the Survey recorded under Recording No. 20200113900003.

18. Rights of the State of Washington in and to that portion of said premises, if any, lying in the bed or former bed of Duwamish Waterway, if it is navigable.

19. Any question that may arise due to the shifting and/or changing in the course of Duwamish Waterway.

20. Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the right of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.

21. Paramount rights and easements in favor of the United States for commerce, navigation, fisheries and the production of power.