

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("Buyer"), and James L. Zahn and Sandra L. Zahn, husband and wife, ("Sellers"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 17.16 below).

RECITALS

Sellers are the owners of certain real property located in Thurston County, Washington, consisting of approximately 83.01 acres, more or less, and more particularly described on **Exhibit "A"** (legal description) and shown on **Exhibit "B"** (general vicinity sketch) attached hereto and by this reference incorporated herein.

Buyer has determined that the Property is suitable for a public park for recreation and open space purposes for the citizens and residents of the City of Olympia.

The signatories to this Agreement acknowledge they are authorized to execute associated documents, to correct legal descriptions if need be, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

The Parties now enter into this Agreement to memorialize the terms and conditions under which Sellers will sell the Property to Buyer.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Property. Subject to the terms and conditions of this Agreement, Sellers agree to sell and convey to Buyer, and Buyer agrees to purchase from Sellers, the following:

1.1 Land. The approximately 83.01 acres, more or less, constituting the Property legally described on **Exhibit "A"** to this Agreement and generally shown on a sketch attached as **Exhibit "B"** to this Agreement.

1.2 Appurtenances. All rights, privileges, and easements appurtenant to the Property owned by Sellers, including without limitation any and all leases, subleases, easements, rights-of-way and other appurtenances, also including any dwellings, manufactured homes, buildings, structures or fixtures located upon and used in connection with the beneficial use and enjoyment of the Property (the "Appurtenances").

The Property and Appurtenances described in Paragraph 1 above are collectively referred to in this Agreement as the "Property."

2. Escrow. Within three (3) business days of the Effective Date of this Agreement, the Parties shall confirm that an escrow account is opened for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, "Escrow Company"). Darla Wilkins or another designee of Escrow Company will serve as escrow agent for Closing of this Agreement ("Escrow Agent"). The Parties shall deliver a fully executed copy of this Agreement to Escrow Agent.

3. Purchase Price. The purchase price to be paid by Buyer to Sellers for the Property (the "Purchase Price") is TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS and NO CENTS (\$10,700,000.00) U.S.

4. Payment of Purchase Price. On the Closing Date, Buyer shall deposit with Escrow Company the sum of FOUR MILLION DOLLARS and NO CENTS (\$4,000,000.00) to be credited against the Purchase Price upon Closing; and

4.1 First Installment. Buyer shall pay Sellers the sum of FOUR MILLION DOLLARS and NO CENTS (\$4,000,000.00) on or before July 31, 2019 (the "First Installment"); and

4.2 Second Installment. Buyer shall pay Sellers the sum of ONE MILLION DOLLARS and NO CENTS (\$1,000,000.00) on or before February 28, 2020 (the "Second Installment"); and

4.3 Third Installment. Buyer shall pay Sellers the sum of ONE MILLION DOLLARS and NO CENTS (\$1,000,000.00) on or before February 28, 2021 (the "Third Installment"); and

4.4 Fourth Installment. Buyer shall pay Sellers the final installment of SEVEN HUNDRED THOUSAND DOLLARS and NO CENTS (\$700,000.00) on or before February 28, 2022 (the "Fourth Installment").

On the Closing Date, Buyer shall deliver to Sellers a promissory note (the "Note") in the principal amount of SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS and NO CENTS (\$6,700,000.00) representing Buyer's obligation to pay the First Installment, Second Installment, Third Installment, and Fourth Installment, together with a deed of trust on the Property to secure payment of the Note (the "Deed of Trust"). The Note shall be on form LPB 28A-05, shall be zero interest, and completed in accordance with and consistent with the terms set forth in this Agreement. The Deed of Trust shall be on form LPB 20-05 rev2/2008, completed in accordance and consistent with the terms set forth in this Agreement.

5. Closing Date. The Closing (the "Closing") of the purchase and sale of the Property under this Agreement shall be held at the offices of the Escrow Company, and shall occur on a date no later than thirty (30) business days after the waiver or expiration of the Feasibility Contingency in Paragraphs 7.4 and 7.5 of this Agreement (the "Closing Date"), unless an earlier or later time is agreed upon between the Parties. Closing shall occur when the Deed

(as hereinafter defined) to Buyer is executed and recorded, and the Purchase Price as described in Paragraph 4 is delivered to the Escrow Company for delivery to Sellers.

6. Title and Survey Matters.

6.1 Title Binder. Buyer shall order a preliminary commitment for an ALTA owner's standard coverage title insurance policy provided by Thurston County Title Insurance Company ("Title Company") describing the Property, showing all matters of record pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, Buyer shall obtain from Title Company a written supplemental report to such preliminary commitment in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such preliminary commitment, supplemental reports and true, correct and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder."

6.2 Title Review. Within fourteen (14) business days after Buyer's receipt of the updated Title Binder, Buyer shall review the Title Binder and any surveys of the Property, and shall notify Sellers what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property (the "Title Review Period"). If no title matters appear in the updated Title Binder since the initial preliminary commitments, then the Parties shall proceed to Closing as set forth in this Agreement. If any title matters appear and Buyer objects to any of the same during the Title Review Period, then Sellers shall have ten (10) business days after receiving Buyer's objections to notify Buyer if Sellers will remove any of the exceptions objected to prior to the Closing Date or if Sellers elect not to remove such objected to exceptions. If Sellers shall fail to remove any such exceptions objected to by Buyer from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Buyer may elect to either terminate this Agreement, or take title despite the existence of such exception. If Buyer elects to terminate, neither Buyer nor Sellers shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect. Sellers shall not be required to incur any expense in order to render their title marketable or to remove any matter disapproved by Buyer; provided that, Sellers shall not refuse to remove any disapproved item that involves only payment of a monetary obligation of Sellers' secured by a lien or other encumbrance on the Property.

6.3 Title Policy. At Closing, Sellers and Buyer shall cause Title Company to issue a standard ALTA owner's policy ("Title Policy") to Buyer, at Sellers' cost. The Title Policy shall (a) be satisfactory to Buyer, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer. The Title Policy shall contain endorsements as Buyer may require; provided that Buyer shall be solely responsible for all additional costs and requirements to obtain such endorsements. Buyer's obligation to Close this transaction shall be contingent on Buyer's approval, in its sole and absolute discretion of the Title Policy required under this Paragraph 6.

7. Conditions and/or Contingencies to Buyer's Obligations.

7.1 Documents and Reports. Within fifteen (15) business days after the execution and delivery of this Agreement (the "Document Delivery Date"), Sellers shall deliver to Buyer copies of the documents and reports listed on attached **Exhibit "C"** to this Agreement and in Sellers' possession. Sellers shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on **Exhibit "C"** not in Sellers' possession.

7.2 Inspection of the Property. Buyer shall have the right and permission from the date Sellers sign this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer's cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Buyer shall indemnify and hold harmless Sellers from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Sellers as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Sellers to review a written description of Buyer's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the property. Buyer shall also provide Sellers with a copy of all soil or environmental test results for the property upon Sellers' request. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Sellers in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

7.3 Appraisal of the Property. Buyer shall have the right to obtain an appraisal. Buyer's appraiser may enter onto the property as is necessary to appraise the Property.

7.4 Approval of Property/Feasibility Contingency. Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property and documents delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be twenty-one (21) business days from the last date this Agreement was executed by a Party to sign same.

7.5 Contingency/Feasibility Period. As used herein, the term "Contingency or Feasibility Period" shall be twenty-one (21) business days from the last date this Agreement was executed by a Party to sign same.

7.6 Buyer's Right to Terminate. If Buyer's conditions set forth in Paragraph 7.4 above are not satisfied in Buyer's sole and absolute discretion, Buyer shall have the right to terminate this Agreement by sending written notice to Sellers and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the

Contingency/Feasibility Period. If Buyer gives its Termination Notice to Sellers, this Agreement shall terminate and neither Buyer nor Sellers shall have any further liability to the other under this Agreement.

7.7 Additional Closing Conditions. Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing.

(i) Prior to Closing, all Contracts or Leases (whether written or oral), with respect to the Property shall be terminated in writing, except for any Assumed Contracts or Leases. Sellers shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts or Leases, in a form acceptable to Buyer;

(ii) All representations and warranties of Sellers contained herein, to the best of Sellers' knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

(iii) Sellers shall have performed all obligations to be performed by them hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

(iv) At Closing, title to the Property shall be in the condition required by Paragraph 6 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

(v) At Closing, the physical condition of any buildings or structures, forest and ground cover shall be substantially the same as on the date hereof, ordinary wear and tear excepted.

If the conditions set forth in Paragraph 7 are not satisfied as of the Closing Date and Buyer does not waive the same, Buyer may terminate this Agreement by written notice given to Sellers, and thereafter Buyer shall have no further liability to Sellers under this Agreement.

7.8 As-is Condition. Buyer acknowledges the Property is sold in its "As-is where is" condition. Buyer hereby waives the right to any seller disclosure statement, which would otherwise be required under RCW Chapter 64.06. Further, in the event a seller's disclosure statement or any portion thereof is required under RCW Chapter 64.06 pursuant to RCW 64.06.040(3), Buyer hereby waives any right of rescission of this Agreement that Buyer might otherwise have under RCW Chapter 64.06.

8. Sellers' Representations and Warranties. Sellers hereby make the following representations and warranties, to the best of Sellers' knowledge, which representations and warranties shall be deemed made by Sellers to Buyer also as of the Closing Date:

8.1 Title. Sellers are the sole owners of the Property, except for reservations of record. At Closing, Sellers shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed to Buyer, free and clear of unapproved encumbrances of record.

8.2 Compliance with Law; Compliance with Property Restrictions. The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.

8.3 Bankruptcy, etc. No bankruptcy, insolvency, rearrangement or similar action involving Sellers or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Sellers.

8.4 Taxes and Assessments. Other than amounts disclosed by the Title Binder, 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.

8.5 Foreign Person. Sellers are not a foreign person and are a "United States Person" as such term is defined in Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing an affidavit evidencing such fact and such other documents as may be required under the Code.

8.6 Mechanics' Liens. No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

8.7 Underground Storage Tanks. Sellers acknowledge a subterranean storage or underground storage tanks exist on the Property. To the best of Sellers' knowledge, the tank is not leaking.

8.8 Leases and Other Agreements. Sellers represent that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those of record or disclosed pursuant to Paragraph 7.1.

8.9 Assumption of Liabilities. Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Sellers arising prior to the Closing Date.

8.10 Defaults. Sellers are not in default and there has occurred no uncured event which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.

8.11 Utilities. The Property may or may not be served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. All such utilities are located within the boundaries of the Property or within lands dedicated to public use or within recorded easements for the same.

8.12 Public Improvements. Sellers have no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.

8.13 Subdivision. The conveyance of the Property will not constitute a violation of any subdivision ordinance. The improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.

8.14 Due Authority. Sellers and Buyer have 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 Sellers and Buyer and constitute their legal, valid and binding obligation enforceable against Sellers and Buyer in accordance with its terms.

8.15 No Omissions. 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 and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

9. Covenants of Sellers. Sellers covenant and agree as follows:

9.1 Perform Obligations. From the date of this Agreement to the Closing Date, Sellers will perform any monetary and non-monetary obligations they have regarding the Property.

9.2 No Liens. From the date of this Agreement to the Closing Date, Sellers will not allow any lien to attach to the Property, nor will Sellers grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.

9.3 Provide Further Information. From the date of this Agreement to the Closing Date, Sellers will notify Buyer of each event of which Sellers become aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

10. Closing.

10.1 Time and Place. Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in Paragraph 5 of this Agreement.

10.2 Documents to be Delivered by Sellers. For and in consideration of, and as a condition precedent to the payment to Sellers of the Purchase Price, Sellers shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) Title Documents. Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Buyer, or by the Title Company as a condition to its insuring Buyer's good and marketable fee simple title to the Property.

(ii) Authority. Such evidence as the Title Company shall require as to authority of Sellers to convey the Property to Buyer.

(iii) Surveys and Drawings. All surveys, site plans and plans and specifications relating to the Property as are in the possession or control of Sellers, if any.

(iv) Assignment. Sellers and Buyer agree any assignment of Buyer's rights under this Agreement shall be subject to Sellers' approval, which shall not be unreasonably withheld, conditioned or denied.

(v) Warranty Deed. A statutory warranty deed ("Deed") conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property in the form set forth in **Exhibit "D"** attached hereto.

10.3 Payment of Costs. At Closing, Sellers shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, one-half of the escrow fee, the recording fees, the technology fee, and real property excise taxes. Buyer shall pay one-half of the escrow fee.

10.4 Taxes. Buyer is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(3).

10.5 Monetary Liens. Sellers shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where Sellers are exempt by statute or administrative rule or regulation.

10.6 Possession. Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the improvements and appurtenances, if any, shall be delivered to Buyer in good order.

10.7 Proration. All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer were in possession of the Property as of the date of Closing.

10.8 Lease. A Lease Agreement ("Lease") shall be executed between Buyer as Landlord, and Sellers as Tenants, in the form set forth in **Exhibit "E"** attached hereto, and shall become effective upon conveyance of the Property to Buyer, and the Lease being fully executed by the Parties.

11. Environmental.

11.1 Hazardous Substances. Notwithstanding anything to the contrary in this Agreement or otherwise, the Parties agree that Sellers shall defend, indemnify, or hold Buyer harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising out of the past release or threatened release of Hazardous Substances on, under, above, or about the Property before Closing, except for the past release or threatened release of any Hazardous Substance on, under, above, or about the Property caused or contributed to by Buyer, or any employee, agent, or contractor of Buyer.

11.2 Definitions. The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.

12. Indemnification. Sellers shall pay, protect, pay the defense costs of, indemnify and hold Buyer and their successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Sellers set forth in this Agreement, (b) the failure of Sellers to perform any obligation required by this Agreement to be performed by Sellers, (c) the ownership, maintenance, and/or operation of the Property by Sellers prior to the Closing not in conformance with this Agreement, or (d) any injuries to persons or property from any cause occasioned in whole or in part by any acts or omissions of the Sellers, their representatives, employees, contractors or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 12 applies to Losses arising out of the presence of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property caused or contributed to by Buyer, or any employee, agent, or contractor of Buyer..

13. Condemnation. In the event of any commenced, to be commenced or consummated proceedings in eminent domain or condemnation (collectively "Condemnation") respecting the Property or any portion thereof, Buyer may elect, by written notice to Sellers, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement neither Buyer nor Sellers shall have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect, there shall be no reduction in the Purchase Price, and Sellers shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, Sellers' entire right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation proceeding. Buyer shall have the right at all times to participate in all negotiations and dealings with the condemning authority and approve or disapprove any proposed settlement in respect to

such matter. Sellers shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.

14. Casualty. If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Sellers, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement neither Buyer nor Sellers, have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect, the Purchase Price shall be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Sellers shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Sellers may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Sellers shall forthwith notify Buyer in writing of any such casualty respecting the Property.

15. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "Notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by Federal Express, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by Federal Express or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given forty-eight (48) hours after the deposit thereof in the United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Buyer: Steven R. Hall, City Manager
City of Olympia
601 4th Ave E
Olympia, WA 98501
Email: shall@ci.olympia.wa.us

With a copy to: Mark Barber, City Attorney
City of Olympia
601 4th Ave E
Olympia, WA 98501
Email: mbarber@ci.olympia.wa.us

To Sellers: James L. Zahn and Sandra L. Zahn
3325 Yelm Highway SE
Olympia, WA 98501
Email: jlzahn@comcast.net

With a copy to: Brent F. Dille
Dille Law, PLLC
2010 Caton Way SW, Ste 101
Olympia, WA 98502
Telephone: (360) 350-0270
Email: brent@dillelaw.com

Any party hereto may change its address for receiving notices as herein provided by a written notice given in the manner aforesaid to the other party hereto.

16. Event of Default. In the event of a default under this Agreement by Sellers (including a breach of any representation, warranty covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Sellers' obligations hereunder.

17. Miscellaneous.

17.1 Applicable Law. This Agreement shall in all respects, be governed by the laws of the State of Washington.

17.2 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder, to carry out the intent of the Parties hereto.

17.3 Modification or Amendment, Waivers. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. 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.

17.4 Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. Any assignment shall be subject to Sellers' approval, which shall not be unreasonably withheld, conditioned or denied. Buyer must notify and, if required, request approval by Sellers of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement. No assignment shall be permitted by Sellers of the Lease referenced in Paragraph 10.8 above, and in **Exhibit "E."**

17.5 Entire Agreement and No Third Party Beneficiaries. This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

17.6 Attorneys' Fees. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

17.7 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 it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Sellers 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.

17.8 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.

17.9 Survival. The covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof.

17.10 Finders' or Brokers' Fees. Sellers represent and warrant that if they have engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement, that Sellers shall pay such fee in connection with the transactions contemplated by this Agreement. Sellers agree to indemnify, defend and hold harmless Buyer against any loss, liability, damage, cost, claim or expense, including interest, penalties and reasonable attorneys' fees that Buyer shall incur or suffer due to a breach by Sellers of the representation and warranty set forth above.

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

17.12 Risk of Loss. All of Sellers' personal property, of any kind or description whatsoever that is on the Property after Closing, shall be at Sellers' sole risk of loss, except such personal property used in connection with the Lease referenced in Paragraph 10.8 and in **Exhibit "E."**

17.13 Force Majeure. Performance by Sellers 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, riot, civil disorder, 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).

17.14 Recitals. The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof.

17.15 Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Agreement.

17.16 Effective Date. The term “date of this Agreement” or “date hereof” or “Effective Date,” as used in this Agreement, shall mean the later of the following dates: (1) the date of Buyer’s signature on this Agreement; or (2) the date of Sellers’ signatures on this Agreement.

18. Expiration. This offer will expire if not executed by Sellers and Buyer on or before 5:00 p.m. on August 22, 2018.

[Signatures appear on the following page]

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel B of Boundary Line Adjustment No. BLA-1644, as recorded February 28, 1995, under Auditor's File Nos. 9502280026 and 9502280027; excepting therefrom that portion conveyed to Thurston County, a municipal corporation, by instrument recorded January 23, 1995, under Auditor's File No. 9501230119. Also excepting that portion, if any, lying within Parcel A of Boundary Line Adjustment No. BLA-03-105181TC, as recorded September 12, 2003, under Auditor's File No. 3574063. Except manufactured home.

Together with Lot A of Boundary Line Adjustment No. BLA-03-10518TC as recorded September 12, 2003 under Auditor's File No. 3574062 and 3574063.

Situated in Thurston County, Washington.

[THIS LEGAL DESCRIPTION SHOULD BE REVISED TO INCLUDE THE MANUFACTURED HOME ON THE PREMISES. THIS STRUCTURE SHOULD NOT BE EXCEPTED.]

SELLERS:

JAMES L. ZAHN and SANDRA L. ZAHN,
and the marital composed thereof

James L. Zahn

James L. Zahn

Date: Aug 3, 2018

Sandra L. Zahn

Sandra L. Zahn

Date: August 3, 2018

BUYER:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven R. Hall, City Manager

Date: _____

APPROVED AS TO FORM:

Mark Barber

Mark Barber, City Attorney

Date: 8/3/2018

EXHIBIT “C”
DOCUMENTS AND REPORTS

1. Copies of all of leases, subleases or other occupancy agreements relating to the Property, including but not limited to any agricultural leases or agreements if any, with originals to be delivered at Closing.
2. Copies of all licenses, permits and approvals, if any, issued by governmental authorities for the use and occupancy of the Property or any facility or structure located thereon.
3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Sellers.
4. Any service contracts or other similar agreements related to the Property.
5. Reports of environmental conditions related to the Property, if any.
6. Surveys, if any.
7. Soils reports, if any.

EXHIBIT "D"
FORM OF STATUTORY WARRANTY DEED

AFTER RECORDING MAIL TO:

City of Olympia
Attn: Legal Department
P.O. Box 1967
Olympia WA 98507-1967

Document Title:	Statutory Warranty Deed
Grantors:	James L. Zahn and Sandra L. Zahn, husband and wife
Grantee:	City of Olympia, a Washington municipal corporation
Abbreviated Legal Description:	Parcel B BLA-1644, together with Parcel A BLA-030105181
Assessor's Tax Parcel Number:	09330005001, 09330005000, 09330008002

The Grantors, **JAMES L. ZAHN AND SANDRA L. ZAHN, HUSBAND AND WIFE**, for and in consideration of the sum of TEN and NO/100---(\$10.00) Dollars, and other valuable considerations, in hand paid, hereby convey and warrant to the Grantee, **CITY OF OLYMPIA**, a Washington municipal corporation, the following described real estate and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington, including all after acquired title:

Parcel B of Boundary Line Adjustment No. BLA-1644, as recorded February 28, 1995, under Auditor's File Nos. 9502280026 and 9502280027; excepting therefrom that portion conveyed to Thurston County, a municipal corporation, by instrument recorded January 23, 1995, under Auditor's File No. 9501230119. Also excepting that portion, if any, lying within Parcel A of Boundary Line Adjustment No. BLA-03-105181TC, as recorded September 12, 2003, under Auditor's File No. 3574063. Except manufactured home.

Together with Lot A of Boundary Line Adjustment No. BLA-03-10518TC as recorded September 12, 2003 under Auditor's File No. 3574062 and 3574063.

Situated in Thurston County, Washington.

Subject to the matters set forth on Exhibit A attached hereto. [Permitted Exceptions to be attached]

EXHIBIT A
Permitted Exceptions

EXHIBIT "E"
LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("Lessor"), and James L. Zahn and Sandra L. Zahn, husband and wife, ("Lessees"), jointly referred to as "the Parties." This Lease shall not be effective until the "Effective Date" (as defined in Paragraph 13.15 below).

RECITALS

Lessor is the owner of a residential single-family dwelling commonly located at 3323 Yelm Hwy SE, Olympia, Washington 98501, in Thurston County, Washington, consisting of a single-family residence, garage, and shop, located and shown on Exhibit "A" (general vicinity sketch) attached hereto and by this reference incorporated herein.

Lessor acquired the Property for future use as a public park for recreation and open space purposes for the citizens and residents of the City of Olympia.

As part of Lessor's purchase of the Property from Lessees, Lessor agreed to permit Lessees to continue occupancy of the single-family residential dwelling and use of the associated adjacent outbuildings during their lifetimes, as more particularly described herein.

The Parties acknowledge that each has been represented by legal counsel of their choice in the negotiations and drafting of this Lease and that the Parties agree to exempt themselves from the provisions of the Residential Landlord-Tenant Act, Chapter RCW 59.18, specifically including, but not limited to the provisions of RCW 59.18.060, 59.18.100, 59.18.110, 59.18.120, 59.18.130, and 59.18.190, on the grounds that (1) the Lease and agreement herein does not appear in a standard form lease or rental agreement; (2) there is no substantial inequality in the bargaining position of the two parties; (3) the exemption does not violate the public policy of this state in favor of ensuring safe, and sanitary housing; and (4) that the attorney for the Lessees, as tenants, has approved in writing the exemption as complying with subsections (1) through (3) of RCW 59.18.360 and RCW 59.18.415.

The signatories to this Lease acknowledge they are authorized to execute associated documents, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Lease.

The Parties now enter into this Lease to memorialize the terms and conditions under which Lessor will lease the residential dwelling to Lessees.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Leased Property. Lessor agrees to lease to Lessees the single-family residential dwelling commonly located at 3323 Yelm Hwy SE, Olympia, Washington 98501, in Thurston County, Washington, including the immediately adjacent garage, and shop, located as shown on Exhibit "A" (general vicinity sketch) attached hereto and by this reference incorporated herein. Lessor further agrees that Lessees are granted access to and from the Leased Property upon a private road commonly referred to as "Hampton Street," as to that portion lying upon Lessor's real property, and as it appears on Exhibit "A." The Leased Property described in this Paragraph 1 is collectively referred to in this Lease as the "Property."

2. Use and Occupancy. The Parties agree that Lessees shall use the Property herein as a single-family residence and for no other purpose or use.

3. Term. The term of this Lease shall be for the lifetime of James L. Zahn and Sandra L. Zahn, husband and wife, and shall continue for the lifetime of the survivor, subject to the terms herein. In the event Lessees, or any Lessee individually, cease to reside upon the Property for a period of more than six (6) months, the tenancy shall automatically terminate without further notice and the Lessees or individual Lessee, as the case may be, shall be required to vacate the property.

4. Acceptance of Property As Is. Lessees accept and acknowledge use and occupancy of the Property in its "as is" condition. This includes the existence, if any, of mold or lead based paint. The Parties agree Lessor will make no repairs or renovations to the Property at any time during Lessees' tenancy.

5. Maintenance and Repairs. Lessees shall be responsible for any and all repairs to the Property, including but not limited to appliances, water heater, laundry washer-dryer, furnace, air conditioning, electrical, plumbing, septic tank and septic field, roof, carpet, sinks, tubs, showers, kitchen appliances and fixtures, interior and exterior paint, flooring or walls, doors or windows, screens, or window coverings, landscaping or rodents or pest control.

6. Utilities. Lessees shall pay and be financially responsible for any and all utility services to the Property, including but not limited to electricity, natural gas, heating oil, telephone, water, sewer, storm water, garbage and recycling, cable television, wi-fi, or internet.

7. Insurance and Hold Harmless Agreement. Lessees shall defend, indemnify and hold Lessor, its agents, officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of Lessees under this Lease, except for injuries and damages caused by the sole negligence of Lessor.

7.1 Concurrent negligence. Should a court of competent jurisdiction determine that this Lease is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Lessees and the Lessor, its officers, officials, agents, employees, and volunteers, the Lessees' liability, including the duty and cost to defend, hereunder shall be only

to the extent of Lessees' negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes Lessees' waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the Parties. The provisions of this section shall survive the expiration or termination of this Lease.

7.2 Insurance. Lessees shall procure and maintain for the duration of the Lease, insurance against claims for injuries to persons or damage or loss to property, which may arise from or in connection with this Lease, or acts of Lessees or their agents, representatives, or employees.

8. Acknowledgment and Acceptance. Lessees hereby acknowledge that Lessor purchased Lessees' property for use as a public park for recreational uses. Lessees also acknowledge that their lifetime Lease upon the dwelling commonly located at 3323 Yelm Hwy SE, Olympia, Washington, knowing that Lessor intends to install athletic fields and lights for athletic events and other related recreational facilities, and that such facilities will draw members of the public to areas adjacent to the Leased Property, and impacts to the Leased Property will include traffic, noise, and lighting, among others.

8.1 Rent. As a result of negotiations and mutual benefits and consideration exchanged between the Parties, it is agreed that the Lease to Lessees for their lifetime is without rental charge during Lessees' lifetimes as described herein, except as provided in Paragraph 8.2.

8.2 Taxes and assessments. In the event a leasehold tax is imposed upon Lessees' tenancy by the State of Washington during the term of this Lease, Lessees agree to pay said leasehold tax amount to the City of Olympia for payment to the state. Failure to pay any such leasehold tax when due shall be grounds for termination of Lessees' lifetime lease.

8.3 Mechanics' liens. In the event Lessees cause any labor, material or services to be furnished in, on or about the Leased Property, or any part thereof, Lessees hereby agree to pay, resolve, settle or compromise such liens or claims and to fully satisfy same so as to prevent or remove any liens against Lessor's Property. Lessees will not allow any lien to attach to the Leased Property. Lessees further agree to fully indemnify and hold harmless the Lessor from any and all claims of liens against the Leased Property incurred by Lessees, including any attorney's fees, costs or other litigation expenses incurred by Lessor in connection with such claims of lien.

8.4 Subleases and other agreements. Lessees shall not enter into any leases, subleases, licenses, easements, occupancy agreements, bed and breakfast, or short term stay arrangements with any person(s) or entities for profit or other charge or consideration upon the Leased Property. Lessees agree that the Leased Property shall be solely used as a single-family residence for Lessees during the term of this Lease.

8.5 Motor vehicle parking. Lessees covenant and agree that any motorized vehicle of any kind or nature, whether owned or operated by Lessees or their guests, shall be parked or stored upon the Leased Property.

8.6 Storage of personal property. Any personal property of Lessees shall be stored upon the Leased Property. Lessees shall not store Lessees' personal property upon any adjacent property owned by Lessor.

8.7 Due authority. Lessees and Lessor have all requisite power and authority to execute and deliver this Lease and to carry out its obligations hereunder and the transactions contemplated hereby. This Lease has been, and the documents contemplated hereby will be, duly executed and delivered by Lessor and Lessees and constitute their legal, valid and binding obligation enforceable against Lessor and Lessees in accordance with its terms.

9. Covenants of Lessees. Lessees covenant and agree as follows:

9.1 Perform obligations. From the effective date of this Lease, Lessees will perform any monetary and non-monetary obligations they have regarding the Leased Property.

9.2 No encumbrances. From the date of this Lease, Lessees will not grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Leased Property or any part thereof.

9.3 Environmental. Lessees shall defend, indemnify, and hold Lessor harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising out of the release or threatened release of Hazardous Substances on, under, above, or about the Leased Property by Lessees, except for any release or threatened release of any Hazardous Substance on, under, above, or about the Leased Property caused or contributed by Lessor, or any employee, agent, or contractor of Lessor.

9.4 Definitions. The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.

9.5 Compliance with laws. Lessees covenant and agree to comply with any and all statutes, codes, regulations, covenants or laws that may affect the use and occupancy of the Leased Property. Violation of this covenant by Lessees shall be grounds for termination of this lifetime Lease.

9.6 Nuisance or waste. Lessees shall not permit any nuisance upon the Leased Property or permit any waste or destruction of the property.

9.7 Indemnification. Lessees shall pay, protect, pay the defense costs of, indemnify and hold Lessor and its successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Lessees set forth in this Lease, (b) the failure of Lessees to perform any obligation required by this Lease to be performed by Lessees, (c) the maintenance, and/or operation of the Leased Property by Lessees not in conformance with this Lease, or (d) any injuries to persons or property from any cause occasioned in whole or in part by any acts or omissions of the Lessees, their representatives, agents, employees, contractors or suppliers.

9.8 Access to leased property. Lessees shall permit Lessor or its agents, employees, officials, officers or contractors to access the Property for the purpose of any environmental studies including, but not limited to Mazama pocket gophers, stream buffers, oak trees or other environmental studies or work for restoration purposes that is required by permitting agencies.

10. Casualty. If any fire, windstorm, earthquake, volcanic eruption or casualty occurs and materially affects all or any portion of the Leased Property on or after the date of this Lease, Lessor is under no duty or obligation to repair, replace or rebuild any structure, dwelling or outbuilding located upon the Leased Property.

11. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "Notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by Federal Express, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by Federal Express or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given forty-eight (48) hours after the deposit thereof in the United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Lessor: Steven R. Hall, City Manager
City of Olympia
601 4th Ave E
Olympia, WA 98501
Email: shall@ci.olympia.wa.us

With a copy to: Mark Barber, City Attorney
City of Olympia
601 4th Ave E
Olympia, WA 98501
Email: mbarber@ci.olympia.wa.us

To Lessees: James L. Zahn and Sandra L. Zahn
3323 Yelm Highway SE
Olympia, WA 98501
Email: jlzahn@comcast.net

With a copy to: Brent F. Dille
Dille Law, PLLC
2010 Caton Way SW, Ste 101
Olympia, WA 98502
Telephone: (360) 350-0270
Email: brent@dillelaw.com

Any party hereto may change its address for receiving notices as herein provided by a written notice given in the manner aforesaid to the other party hereto.

12. Event of Default. In the event of a default under this Lease by Lessees (including a breach of any representation, warranty or covenant set forth herein), Lessor shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Lessees' obligations hereunder or termination of this Lease.

13. Miscellaneous.

13.1 Applicable law. This Lease shall in all respects, shall be governed by the laws of the State of Washington.

13.2 Further assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder, to carry out the intent of the Parties hereto.

13.3 Modification or amendment, waivers. No amendment, change or modification of this Lease shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Lease shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this Lease. 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.

13.4 Successors and assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns, if applicable. No assignment shall be permitted by Lessees of this Lease.

13.5 Entire agreement and no third party beneficiaries. This Lease constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are

hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Lease to any person, firm or corporation other than the immediate Parties.

13.6 Attorneys' fees. Should either party bring suit to enforce the terms of this Lease, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

13.7 Construction. Captions are solely for the convenience of the Parties and are not a part of this Lease. This Lease shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it.

13.8 Partial Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, 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 Lease shall be valid and be enforced to the fullest extent permitted by law.

13.9 Survival. The covenants, agreements, obligations to indemnify, representations and warranties made in this Lease shall survive unimpaired. The Parties agree this Lease shall not be recorded, but a Memorandum of Lease may be recorded at the request of a party.

13.10 Time. Time is of the essence of every provision of this Lease.

13.11 Risk of loss. All of Lessees' personal property, of any kind or description whatsoever that is on the Leased Property shall be at Lessees' sole risk of loss. Lessor shall not insure Lessees' personal property of whatever kind or nature. Any such insurance must be obtained by Lessees.

13.12 Force majeure. Performance by Lessees or Lessor of their obligations under this Lease 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, riot, civil disorder, 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).

13.13 Recitals. The Recitals set forth above are incorporated by this reference into this Lease and are made a part hereof.

13.14 Counterparts. This Lease may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Lease; but in making proof of this Lease, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Lease may be combined to form multiple fully executed counterparts; and (ii) a facsimile

signature or an electronically scanned signature, where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Lease shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Lease.

13.15 Effective Date. The term “date of this Lease” or “date hereof” or “Effective Date,” as used in this Lease, shall mean the later of the following dates: (1) the date of Lessor’s signature on this Lease; or (2) the date of Lessees’ signatures on this Lease; or the date of signatures of the attorneys for the Parties to this Lease.

[Signatures appear on the following page]

LESSEES:

JAMES L. ZAHN and SANDRA L. ZAHN,
and the marital composed thereof

James L. Zahn

Date: _____

Sandra L. Zahn

Date: _____

LESSOR:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven R. Hall, City Manager

Date: _____

APPROVED AS TO FORM:

Mark Barber, City Attorney

Date: _____

CERTIFICATION OF EXEMPTION

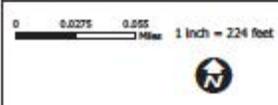
COMES NOW, BRENT F. DILLE, ATTORNEY FOR LESSEES and MARK BARBER, ATTORNEY FOR LESSOR, and hereby certify that they have reviewed the Lease above and that (1) the Lease and agreement herein does not appear in a standard form lease or rental agreement; (2) there is no substantial inequality in the bargaining position of the two parties to this Lease; (3) the exemption does not violate the public policy of this state in favor of ensuring safe, and sanitary housing; and (4) that the attorney for the Lessees, as tenants, has approved in writing the exemption as complying with subsections (1) through (3) of RCW 59.18.360 and RCW 59.18.415 and that this Lease is not subject to the Residential Landlord-Tenant Act in RCW Chapter 59.18.

Brent F. Dille, WSBA No. 25137
Attorney for Lessees, James L. Zahn and
Lessor

Mark Barber, WSBA No. 8379
City Attorney, City of Olympia,



Exhibit A: Lifetime Lease Area (Outlined in Yellow)



This map is intended for 11x17" portrait printing.

The City of Olympia is not responsible for the accuracy, completeness, suitability, or availability of this information for any particular purpose. The names, addresses, cities, and counties depicted herein are based on current information and are not guaranteed. It is recommended that recipient users verify all information prior to use. The use of this data for purposes other than those for which it was intended may result in misleading results. The recipient may not accept any responsibility for the information. The City of Olympia and its personnel neither accept nor assume liability or responsibility, or any form of liability, for any errors, omissions, or any other consequences resulting from the use of this information.

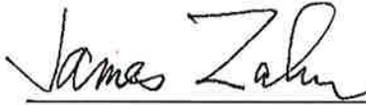
ADDENDUM TO REAL ESTATE PURCHASE AND SALE AGREEMENT

1. The Parties amend Paragraph 15 Notices, page 11 of the Agreement, to read as follows:

To Sellers: James L. Zahn and Sandra L. Zahn
3323 Yelm Highway SE
Olympia, WA 98501
Email: jlzahn@comcast.net

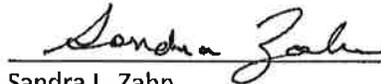
2. The Parties hereby amend Exhibit "A" Legal Description to remove reference excepting the manufactured home. The Parties also agree that the mobile (manufactured) home located upon the Sellers' real property is included in Buyer's purchase of Sellers' property. Sellers agree to provide Buyer with a Bill of Sale at time of escrow for the mobile (manufactured) home located upon the Sellers' real property.

SELLERS:



James L. Zahn

Date: Aug 10, 2018



Sandra L. Zahn

Date: August 10, 2018

BUYER:

Steven R. Hall, City Manager

Date: _____

Approved as to legal form:



Mark Barber, City Attorney

Date: 8/13/2018