

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made by and between the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Sellers"), and Casa Mia Real Estate, LLC, and together with Seller, known as the "Parties". This Agreement shall not be effective until the Effective Date (as defined in Section 17.14 below).

RECITALS

A. Seller is the owner of that certain real property located in the City of Olympia, Thurston County, Washington, which contains approximately 0.17 acres, more or less, and is legally described and generally shown on a sketch on Exhibit A attached to this Agreement (the "Property").

B. Seller has determined that the property is surplus to the needs of the City of Olympia and the Buyer has expressed interest in acquiring the property.

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

AGREEMENT

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

1.1 Land. The approximately 0.17 acres, more or less, constituting the Property legally described and generally shown on a sketch on Exhibit A to this Agreement.

1.2 Appurtenances. All rights, privileges, and easements appurtenant to the Property owned by Seller, including without limitation any and all easements, and other appurtenances used in connection with the beneficial use and enjoyment of the Property, including the existing curb cut which abuts the Property, and vehicular access across a curb cut from Seventh Avenue to the Property (the "Appurtenances"). Seller shall remove Seller's parking meters on the sidewalk along Seventh Avenue in front of the Property. The existing public rights-of-way for vehicular traffic along Seventh Avenue and the public sidewalk are not included as part of this sale and shall not be deemed to be "Appurtenances") as defined herein.

The Property and Appurtenances described in Section 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 open an escrow account for the transaction contemplated by this Agreement with Stewart Title Company at 300 Deschutes Way SW, Tumwater, Washington 98501 (in such capacity, "Escrow Company"). Kelly Weaver 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 Seller for the Property (the "Purchase Price") is ONE HUNDRED FIFTY THOUSAND DOLLARS and NO CENTS (\$150,000).

4. **Payment of Purchase Price.** On the Closing Date, Buyer shall deposit with Escrow Company the sum of ONE HUNDRED FIFTY THOUSAND TWO HUNDRED FIFTY DOLLARS and NO CENTS (\$150,000).

5. **Closing Date.** The closing of the purchase and sale of the Property under this Agreement (the "Closing") shall be held at or through the offices of the Escrow Company on a date that is mutually acceptable to the Parties no later than thirty (30) days after the Effective Date (the "Closing Date") of this Agreement. Closing shall occur when the Deed (as hereinafter defined) to Buyer is recorded, and the portion of the Purchase Price set forth in Section 4 has been delivered to the Escrow Company for delivery to Seller.

6. **Title and Survey Matters.** Section 6 is intentionally deleted in its entirety.

7. **Conditions to Buyer's Obligations.**

7.1 Confirmation of Property Condition. Buyer and its employees, representatives, consultants and agents shall have the right and permission 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, toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, that Buyer shall schedule all access to the Property in advance with Seller and shall be required to obtain Seller's written consent prior to conducting any invasive testing. Buyer shall further indemnify, defend and hold harmless Seller from and against any mechanic's or other liens or claims, causes of action, costs, expenses, or liabilities that may be filed or asserted against the Property or Seller arising out of or relating to any actions taken by Buyer or its employees, agents, consultants or representatives in connection with the Property. To the extent necessary, Buyer shall reasonably restore the Property at its sole cost and expense to its condition immediately prior to any access or testing by Buyer or its employees, agents, consultants and representatives.

7.2 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) All representations and warranties of Seller contained in this Agreement shall be true, accurate and complete as of the Effective Date and the Closing Date;

(ii) Seller shall have performed all obligations to be performed by her under this Agreement on or before the Closing Date (or, if earlier, on or before any other date set forth in this Agreement for such performance);

(iii) At Closing, title to the Property shall be in the condition required by Section 6 of this Agreement;

(iv) At Closing, the physical condition and forest cover of the Property shall be substantially the same as on the date of Buyer's signature on this Agreement.

If the conditions set forth in this Section 7.2 are not satisfied as of the Closing Date and Buyer does not waive the same, Buyer or Seller may terminate this Agreement by written notice given to the other Party, and thereafter neither Buyer nor Seller shall have any further liability one to the other under this Agreement.

8. Representations.

8.1 By Seller. Seller represents and warrants the following to Buyer: (a) Seller is the record title owner of the Property; and (b) Seller has all necessary power and authority to enter into this Agreement; and (c) prior to executing this Agreement, this Agreement was approved by all necessary action of the City of Olympia's City Council and all other actions have been taken as may be required under any laws applicable to the City's power and authority to carry out its obligations under this Agreement.

8.2 By Buyer. Buyer represents and warrants the following to Seller: (a) the person executing this Agreement below has the necessary power and authority to enter into this Agreement and to bind Buyer; and (b) this Agreement constitutes the legal, valid, binding and enforceable obligation of Buyer. If any of Buyer's representations or warranties are not true and complete as of the Effective Date and again at Closing, Seller shall have the right to terminate this Agreement.

9. Seller Provision of Further Information. From the Effective Date to the Closing Date, Seller will notify Buyer of any event of which Seller becomes aware materially affecting the Property or any part thereof immediately upon learning of the occurrence of any such event.

10. Further Closing Procedures.

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 Section 5 of this Agreement above.

10.2 Documents to be Delivered by Seller. For and in consideration of, and as a condition precedent to the payment to Seller of the remaining Purchase Price, Seller shall obtain

and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) A statutory warranty deed ("Deed"), substantially in the form attached as Exhibit B, conveying to Buyer title to the Property, free and clear of all liens, encumbrances, conditions, easements, assignments, and restrictions, except for the Permitted Exceptions and except for a general exception for matters that an accurate survey of the Property would reveal (unless Buyer performed a survey of the Property and submits the same to Title Company, in which case such general exception shall be revised to show those matters disclosed by Buyer's survey).

(ii) Such other documents, including, without limitation, certificates of good standing, or evidence of any trusts or trustee designations, as shall be reasonably required by the Title Company or Escrow Company as a condition to its insuring Buyer's title to the Property free of any exceptions, other than the Permitted Exceptions.

(iii) Such evidence as the Title Company or Escrow Company shall require as to authority of Seller to convey the Property to Buyer.

10.3 Delivery by Buyer. Buyer shall deliver the Purchase Price to Seller at Closing.

11. Payment of Costs. Seller and Buyer shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property including, without limitation, attorneys' fees. Notwithstanding the foregoing, Buyer shall pay the fee to record the Deed, and the escrow fee. Seller shall pay any real estate excise tax due upon the sale of the Property.

12. Property Taxes. In the event Seller has prepaid any taxes on the Property as of the Closing Date, Seller shall be entitled to a pro rata refund on the amount paid pursuant to RCW 84.60.050.

13. Monetary Liens. Seller shall pay or cause to be satisfied at or prior to Closing all recorded 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, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements.

14. Possession. Possession and use of the Property shall be delivered to Buyer at Closing subject to all Permitted Exceptions.

15. As-Is Sale.

15.1 Waiver. 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.

15.2 As-Is Condition. BUYER ACKNOWLEDGES THE PROPERTY IS "AS IS WHERE IS" IN ITS PRESENT CONDITION. BUYER HAS THE OPPORTUNITY TO INSPECT THE PROPERTY AND DOCUMENTATION IN SELLER'S POSSESSION AS PROVIDED HEREIN. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO, HEREBY DISCLAIM AND SHALL HAVE NO LIABILITY FOR: (A) THE CONDITION OF THE PROPERTY OR ANY BUILDINGS, STRUCTURES OR IMPROVEMENTS THEREON OR THE ROOFS, STRUCTURAL COMPONENTS, OR HEATING, VENTILATING, AIR CONDITIONING, MECHANICAL, PLUMBING, ELECTRICAL, OR FIRE AND LIFE SAFETY SYSTEMS THEREON OR THEREIN OR THE SUITABILITY OF THE PROPERTY FOR HABITATION OR FOR BUYER'S INTENDED USE; (B) ANY APPLICABLE BUILDING, ZONING OR FIRE LAWS OR REGULATIONS OR WITH RESPECT TO COMPLIANCE THEREWITH OR WITH RESPECT TO THE EXISTENCE OF OR COMPLIANCE WITH ANY REQUIRED PERMITS, IF ANY, OF ANY GOVERNMENTAL AGENCY; (C) THE AVAILABILITY OR EXISTENCE OF ANY WATER, SEWER OR UTILITIES, ANY RIGHTS THERETO, OR ANY WATER, SEWER OR UTILITY DISTRICTS; (D) ACCESS TO ANY PUBLIC OR PRIVATE SANITARY SEWER OR DRAINAGE SYSTEM; OR (E) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES AT THE PROPERTY OR IN ANY IMPROVEMENTS ON THE PROPERTY, INCLUDING WITHOUT LIMITATION ASBESTOS OR UREA-FORMALDEHYDE, OR THE PRESENCE OF ANY ENVIRONMENTALLY HAZARDOUS WASTES OR MATERIALS ON OR UNDER THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, SELLER SHALL HAS NO LIABILITY WITH RESPECT TO THE CONDITION OF THE PROPERTY UNDER COMMON LAW, OR ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 AS AMENDED, 42 U.S.C.A. SECTIONS 9601 ET SEQ., OR APPLICABLE WASHINGTON LAW, AND BUYER HEREBY RELEASES AND WAIVES ANY AND ALL CLAIMS WHICH THE BUYER HAS OR MAY HAVE AGAINST THE SELLER WITH RESPECT TO THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PROPERTY AND BUYER ASSUMES THE RESPONSIBILITY AND RISKS OF ALL DEFECTS AND CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUCH DEFECTS AND CONDITIONS, IF ANY, THAT CANNOT BE OBSERVED BY CASUAL INSPECTION.

15.3 Release. Buyer agrees that, as of the Closing Date, Buyer shall be deemed to have waived and released Seller from any and all claims, suits, demands, liabilities, damages and other obligations arising in connection with or related to the Property, other than those arising as a result of any intentional wrongful act of Seller.

16. Default.

16.1 By Buyer. If Buyer defaults under any material provision of this Agreement and does not cure such material default after a ten (10) day notice and opportunity to cure is given by Seller, Seller may terminate this Agreement by notice given to Buyer.

16.2 By Sellers. If Seller defaults under any material provision of this Agreement and does not cure such material default after a ten (10) day notice and opportunity to cure is given by Buyer, then Buyer may terminate this Agreement by notice given to Seller as

Buyer's sole and exclusive remedy, except for the provisions for attorney's fees set forth in Section 17.6 below.

17. Miscellaneous.

17.1 Applicable Law. The Agreement shall in all respects, be governed by the laws of the State of Washington. Venue for any lawsuits concerning this Agreement shall be in Thurston County Superior Court.

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 mutual 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 both of the Parties. Except as otherwise expressly set forth in this Section, this Agreement may only be amended, modified, or changed by a traditional written document properly executed by Seller and Buyer. Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Agreement. 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 in this Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective heirs, legal representatives, successors and permitted assigns. Buyer shall not be permitted to assign this Agreement, or any part hereof, to any other party.

17.5 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matters of this Agreement and any and all other prior agreements, understandings or representations with respect to the subject matters of this Agreement are hereby canceled in their entirety and are of no further force or effect. To the extent of any direct conflict between this Agreement and any other documents, the terms of this Agreement shall and are intended to prevail. 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 or interpret 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.

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 shall not be affected thereby; and each such remainder 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, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed or the recordation of the Deed.

17.10 Finders' or Brokers' Fees. Seller and Buyer each hereby represent and warrant to the other that no broker, agent or finders' fees or commissions, or other similar fees, are due or arising in connection with any of the transactions contemplated by this Agreement. Seller and Buyer each hereby agree to indemnify, defend and hold the other harmless from and against any loss, liability, damage, cost, damage, claim or expense, including interest, penalties and reasonable attorneys' fees, the other Party shall incur or suffer because of any claim by a broker, agent, or finder claiming by, through, or under such indemnifying Party, whether or not such claim is meritorious, for any compensation with respect to the entering into of this Agreement, the sale and purchase of the Property, or the consummation of the transactions contemplated herein.

17.11 Time. Time is of the essence of every provision of this Agreement. If the date on which Buyer or Seller is 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.

17.12 Force Majeure. Performance by either Party 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 obligated to perform (but excluding financial inability to perform, however caused).

17.13 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, 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.

17.14 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 Seller's signatures on this Agreement.

17.15 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 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 Seller: Steven R. Hall, City Manager
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967
Email: shall@ci.olympia.wa.us
Phone: (360) 753-8447

With copies to: Mark Barber, City Attorney
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: mbarber@ci.olympia.wa.us
Phone: (360) 753-8338

To Buyer: Robert Knudson
716 Plum St.
Olympia, WA 98501
Email: rknudson@casamiarestaurants.com
Phone: (360) 352-0440

With copies to: Richard G. Phillips, Jr.
Phillips Burgess PLLC
724 Columbia Street NW, Suite 320
Olympia WA 98501
Email: rph8illips@phillipsburgesslaw.com
Phone: (360) 742-3400

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

17.15 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 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 Seller: Steven R. Hall, City Manager
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967
Email: shall@ci.olympia.wa.us
Phone: (360) 753-8447

With copies to: Mark Barber, City Attorney
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: mbarber@ci.olympia.wa.us
Phone: (360) 753-8338

To Buyer: Robert Knudson
716 Plum St.
Olympia, WA 98501
Email: rknudson@casamiarestaurants.com
Phone: (360) 352-0440

With copies to: Richard G. Phillips, Jr.
Phillips Burgess PLLC
724 Columbia Street NW, Suite 320
Olympia WA 98501
Email: rphillips@phillipsburgesslaw.com
Phone: (360) 742-3500

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

SELLER:

THE CITY OF OLYMPIA, a Washington
municipal corporation

By _____

Its: _____

Date: _____

APPROVED AS TO FORM:

Darren Nienaber

Deputy City Attorney

Date: _____

BUYER:

CASA MIA REAL ESTATE, LLC

By _____

Its: _____

Date: _____

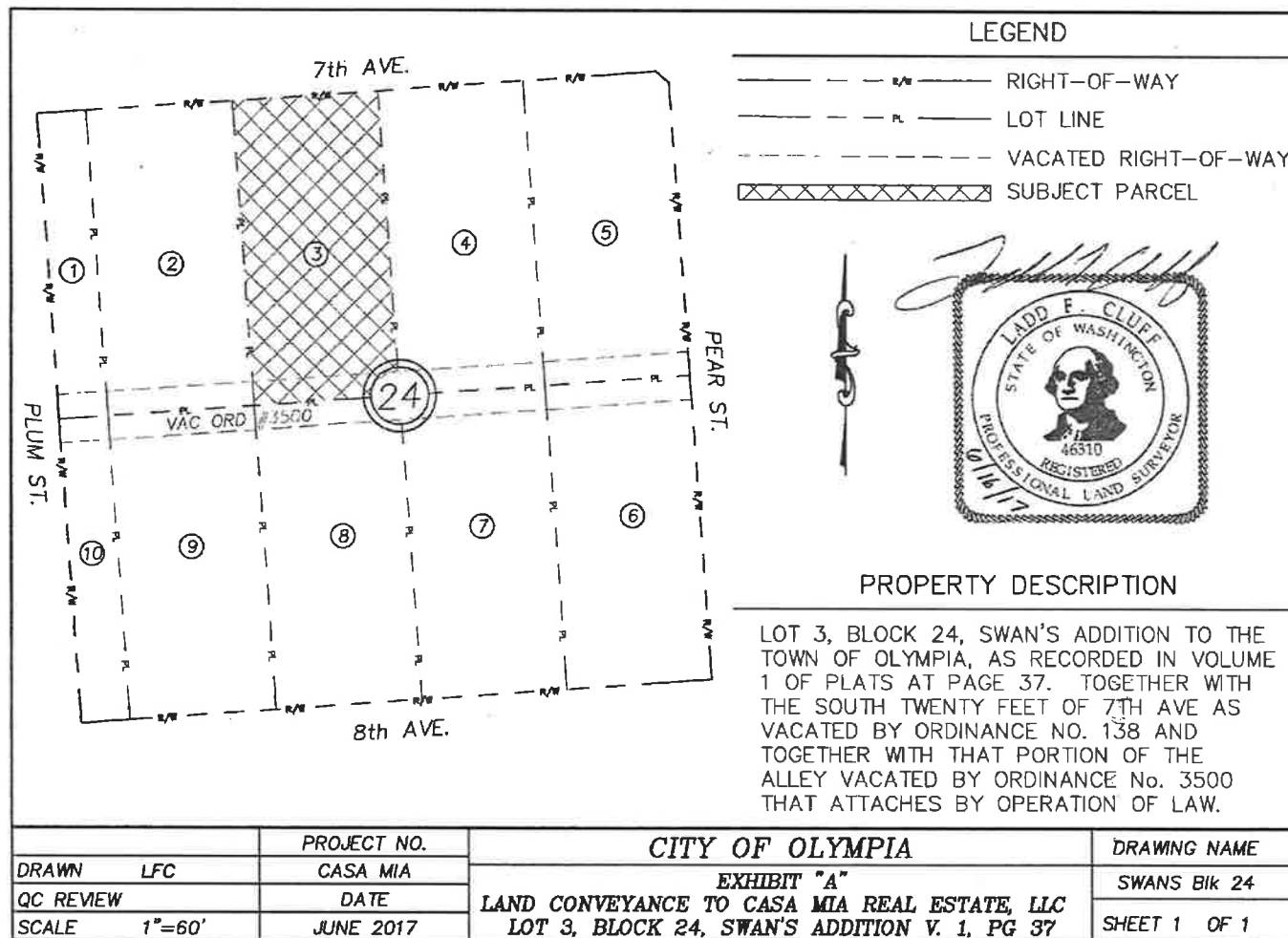


EXHIBIT B
Form of Deed

AFTER RECORDING MAIL TO:

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

STATUTORY WARRANTY DEED

The Grantor, **CITY OF OLYMPIA, a municipal corporation**, 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 _____, as his/her separate estate, 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:

See legal description attached as Exhibit A.

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

DATED this ____ day of _____, 2017.

STATE OF WASHINGTON)	CITY OF OLYMPIA
) ss.	
County of Thurston)	

On this _____ day of _____, 2017, before me personally appeared _____, and acknowledged that she signed said instrument as her free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute said instrument

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Print Name: _____
NOTARY PUBLIC in and for the State of _____,
residing at _____
Commission expires: _____