

PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is dated effective April ____, 2013, by and between **Capital Shores Investments, LLC**, a Washington limited liability company (“Seller”), and the **City of Olympia**, a municipal corporation organized under the laws of the State of Washington (“Buyer”), with reference to the following facts:

RECITALS

WHEREAS, Seller is the owner of two adjacent parcels of real property commonly known as **505 and 529 4th Avenue W., Olympia, Thurston County, Washington**, consisting of approximately 2.34 acres and more particularly described on **Exhibit A** attached hereto and by this reference incorporated herein; and

WHEREAS, Seller is debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code captioned *In re Capital Shores Investments, LLC*, case number 11-42091 (the “Bankruptcy Case”) and pending in the United States Bankruptcy Court for the Western District of Washington (the “Bankruptcy Court”).

AGREEMENT

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 is hereby acknowledged, Seller and Buyer agree as follows:

1. Property. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

1.1 Land. That certain real property located in Olympia, Thurston County, Washington, comprised of tax parcel numbers 9100-65-00000 and 9100-68-00000 and more particularly described on Exhibit A, including all surveys, site plans, plans and specifications related to the real property (the “Land”);

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land, including without limitation all minerals, oil, gas and other hydrocarbon substances on and under the Land, all development rights, air rights, water, water rights and water stock relating to the Land, and any and all easements, rights-of-way and other appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the “Appurtenances”); and

1.3 Improvements. All improvements and fixtures located on the Land, including, without limitation, any and all buildings and structures located on or under the Land (all of which are hereinafter collectively referred to as the “Improvements”).

All of the items described in Paragraphs 1.1, 1.2 and 1.3 above are herein collectively referred to as the “Property.”

2. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is Three Million One Hundred Thousand Dollars and No Cents (\$3,100,000.00). In addition, pursuant to Paragraph 9.5 below, Buyer shall pay the amount required to pay all current and past due real property taxes for Tax Account Nos. 9100-65-00000 and 9100-68-00000, including penalties and interest, due and owing as of Closing (the "Real Property Taxes").

3. Payment of Purchase Price. On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price less any amounts to be credited against the Purchase Price pursuant to this Agreement. Within five (5) days following the execution and delivery of this Agreement, Buyer shall open escrow with Thurston County Title Insurance Company (the "Escrow Agent"), by depositing with Escrow Agent a copy of this Agreement.

4. Closing Date. Unless otherwise agreed by the parties in writings, the closing (the "Closing") shall be held at the offices of the Escrow Agent, on or before the later of the following two events (the "Closing Events"): a) thirty (30) days after Buyer receives notice that its pending request for grant funding from the Washington State Legislature as part of the 2013 Budget Cycle will be granted, and b) the fifteenth (15th) day after entry of an order by the Bankruptcy Court described in Section 6.3 below. Buyer may, at its sole discretion, waive the occurrence of one or both Closing Events, which waiver must be in writing. If all conditions described in this Agreement have not been satisfied or waived by June 15, 2013, or if both Closing Events have not occurred by June 15, 2013, and Buyer has not waived the occurrence of both Closing Events, then this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement. Closing shall occur when the Deed (as hereinafter defined) to Buyer is recorded and the Purchase Price is delivered to the Escrow Agent for delivery to Seller.

5. Title and Survey Matters.

5.1 Title Binder. Buyer has ordered a preliminary commitment for an ALTA owner's standard coverage title insurance policy issued 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, if necessary, 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." Seller will cooperate with Buyer obtaining the Title Binder at Buyer's expense. Seller shall execute such assurances and indemnities as are reasonably required by the Title Company.

5.2 Title Review. Within ten (10) business days of mutual execution hereof, Buyer shall review the Title Binder and any surveys of the Property and shall notify Seller what exceptions to title, if any, will be accepted by Buyer. Only those exceptions approved by Buyer in writing shall constitute "Permitted Exceptions." Seller shall remove all exceptions that are not

Permitted Exceptions prior to the Closing Date. If Seller shall fail or be unable 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 terminate this Agreement. In the event Buyer elects to proceed to close the additional exceptions Seller fails or is unable to remove shall be considered as Permitted Exceptions.

5.3 Title Policy. At Closing, Seller and Buyer shall cause Title Company to issue a 2006 standard ALTA owner's policy with the Deletion of Creditor's Rights Endorsement ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be satisfactory to Buyer in its sole and absolute discretion, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer, subject only to the Permitted Exceptions. The Title Policy shall contain endorsements as Buyer may require. 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 5.

6. Conditions to Buyer's Obligations.

The obligation of the Buyer to close the purchase is contingent on the following, unless waived by Buyer:

6.1 Buyer obtaining notice it will receive funds from the Washington State Legislature in its 2013 budget cycle. Buyer must waive this contingency on or before May 30, 2013, or Seller may terminate this Agreement and have no further liability thereunder;

6.2 Completion by Buyer of a Phase II environmental review of the Property which confirms to Buyer's satisfaction that there are no significant environmental issues at or associated with the Property, but this contingency shall be deemed waived unless Buyer informs Seller in writing that Buyer is not satisfied with the review by April 30, 2013;

6.3 Seller obtaining an order from the Bankruptcy Court approving the sale of the Property to Buyer, which order must be satisfactory to the Buyer and must provide, among other things, (a) the sale of the Property to Buyer shall be free and clear of all liens and interests in the Property other than the Permitted Exceptions, (b) approves the form and manner of notice of the sale of the Property to Buyer, (c) finds the consideration to be paid by Buyer for the Property is fair, reasonable and adequate, (d) approves in all respects the sale of the Property by Seller to Buyer on the terms specified in this Agreement, and (e) Buyer is purchasing the Property in good faith and is therefore entitled to the protections of 11 U.S.C. § 363(m);

6.4 Buyer's approval, in its sole and absolute discretion, prior to the Closing Date of all aspects of the Property, including, without limitation, the physical condition of the Property.

6.5 All representations and warranties of Seller contained herein shall be true, accurate and complete at the time of the Closing as if made again at such time;

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

6.7 At Closing, title to the Property shall be in the condition required by Paragraph 5 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

6.8 At Closing, the physical condition of the Property shall be substantially the same as on the date hereof, ordinary wear and tear excepted.

If the conditions set forth in this Paragraph 6 are not satisfied as of Closing and Buyer does not waive the same, Buyer may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability to the other under this Agreement.

7. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties, which representations and warranties shall be deemed made by Seller to Buyer also as of the Closing Date:

7.1 Title. Seller is the sole owner of the Property. At Closing, Buyer will acquire the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed, free and clear of all recorded or unrecorded liens, encumbrances, covenants, restrictions, reservations, easements, options, tenancies, leases, encroachments, claims or other matters affecting title or possession of the Property, subject only to the Permitted Exceptions.

7.2 Compliance with Law; Compliance with Property Restrictions. Except as expressly stated on Exhibit B, to the best of Seller's knowledge 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 (including those related to zoning, building, subdivision, and engineering), including all conditions contained in any certificate of occupancy covering any of the Property. Seller has obtained all required permits or authorizations for such occupancy. Seller has no knowledge of any facts that might give rise to any violation of the foregoing matters. 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 Land, Property, Building or any other structures on the Property.

7.3 Taxes and Assessments. To the best of Seller's knowledge, 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.

7.4 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.

7.5 Underground Storage Tanks. Seller has no knowledge of (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled by the Seller in compliance with applicable law.

7.6 Leases and Other Agreements. Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, option agreements or other contracts (whether oral or writing) in effect with respect to the Property. Seller further represents that there are no disputes or claims, or any set of facts known to Seller that could lead to a dispute or a claim, under any contracts.

7.7 Litigation. To the best of Seller's knowledge, there is no litigation or threatened litigation which could now or in the future in any way constitute a lien, claim, or obligation of any kind on the Property, affect the use, ownership or operation of the Property or otherwise adversely affect the Property. For purposes of this provision, litigation includes lawsuits, actions, administrative proceedings, governmental investigations and all other proceedings before any tribunal having jurisdiction over the Property.

7.8 Utilities. The Property is served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. To the best of Seller's knowledge, 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.

7.9 Public Improvements. Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Building or to restrict or change access from any such road to the Property.

7.10 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.

7.11 Due Authority. Subject to the approval of the Bankruptcy Court, 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.

7.12 No Omissions. All representations and warranties made by Seller in this Agreement, and all information contained in any certificate furnished by Seller to Purchaser 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 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.

7.13 Environmental, Health, and Safety Matters.

7.13.1 Seller has complied and is in compliance with all Environmental, Health, and Safety Requirements (defined below).

7.13.2 Without limiting the generality of the foregoing, Seller has to the best of Seller's knowledge obtained and complied with, and is in compliance with, all permits, licenses and other authorizations that are required pursuant to Environmental, Health, and Safety Requirements for the occupation of its facilities and the operation of its business.

7.13.3 Seller has not received any written or oral notice, report or other information regarding any actual or alleged violation of Environmental, Health, and Safety Requirements, or any liabilities or potential liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, relating to any of them or its facilities arising under Environmental, Health, and Safety Requirements.

7.13.4 Excepted as expressly noted on Exhibit C, none of the following exists at any property or facility owned or operated by the Seller to the best of Seller's knowledge: (1) underground storage tanks, (2) asbestos-containing material in any form or condition, (3) materials or equipment containing polychlorinated biphenyls, or (4) landfills, surface impoundments, or disposal areas.

7.13.5 To the best of Seller's knowledge, Seller has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including without limitation any hazardous substance, or owned or operated any property or facility (and no such property or facility is contaminated by any such substance) in a manner that has given or would give rise to liabilities, including any liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), the Solid Waste Disposal Act, as amended ("SWDA") or any other Environmental, Health, and Safety Requirements.

7.13.6 To the best of Seller's knowledge, neither this Agreement nor the consummation of the transaction that is the subject of this Agreement will result in any obligations for site investigation or cleanup, or notification to or consent of government agencies or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental, Health, and Safety Requirements.

7.13.7 To the best of Seller's knowledge, the Seller has not either expressly or by operation of law, assumed or undertaken any liability, including without

limitation any obligation for corrective or remedial action, of any other Person relating to Environmental, Health, and Safety Requirements.

7.13.8 To the best of Seller's knowledge, no facts, events or conditions relating to the past or present facilities, properties or operations of Seller will prevent, hinder or limit continued compliance with Environmental, Health, and Safety Requirements, give rise to any investigatory, remedial or corrective obligations pursuant to Environmental, Health, and Safety Requirements, or give rise to any other liabilities (whether accrued, absolute, contingent, unliquidated or otherwise) pursuant to Environmental, Health, and Safety Requirements, including without limitation any relating to onsite or offsite releases or threatened releases of hazardous materials, substances or wastes, personal injury, property damage or natural resources damage.

7.13.9 "Environmental, Health, and Safety Requirements" means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect.

8. Covenants of Seller. Seller covenants and agrees as follows:

8.1 No Liens. From the date of this Agreement to the Closing Date, Seller will not allow any lien to attach to the Property, nor will Seller 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.

8.2 Provide Further Information. From the date of this Agreement to the Closing Date, Seller will 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.

8.3 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.

9. Closing.

9.1 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 4 of this Agreement.

9.2 Documents to be Delivered by Seller. For and in consideration of, and as a condition precedent to, the payment to Seller of any of the 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) **Title Documents.** Such other documents, including, without limitation, the deed, excise tax affidavit, 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 free of any exceptions, other than the Permitted Exceptions.

(ii) **Authority.** Such evidence as the Title Company shall require as to authority of Seller 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 Seller, if any.

(iv) **Keys and Operating Manuals.** If applicable, keys to all doors in the Improvements, reasonably identified, and all operating manuals relating to operation of the equipment and systems which are part of the Property.

9.3 Delivery by Buyer. Buyer shall deliver the Purchase Price (after credit for any applicable amounts pursuant to this Agreement) and shall prepare a special warranty deed ("Deed") in substantially the same form attached as Exhibit D conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property, free and clear of all liens, encumbrances, conditions, easements, assignments, and restrictions, except for the Permitted Exceptions, and deliver the Deed to the Title Company at or before Closing.

9.4 Payment of Costs. At Closing, Buyer will pay all customary closing costs, EXCEPT Seller shall be solely responsible for payment of all real estate excise taxes and any other taxes, assessments or charges against the Property that are not included in the Real Property Taxes defined in Paragraph 4 above. Each party shall pay its own legal fees and commissions due any agent hired by the party.

9.5 Property Taxes. The Purchase Price paid to Seller shall be used to pay at Closing all Real Property Taxes defined in Paragraph 4 above and personal property taxes due or to become due with respect to the Property for the period up to the Closing Date.

9.6 Possession. Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the Improvements, shall be delivered to Buyer in good order, with all of Seller's personal property removed. If any personal property of

Seller, not transferred to Buyer under this agreement, remains on the Property at Closing, then Buyer may remove all such personal property and charge Seller for the cost of such removal.

9.7 Prorations. All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer was in possession of the Property as of the date of Closing.

10. Indemnification. Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer 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 Seller set forth in this Agreement, (b) the failure of Seller to perform any obligation required by this Agreement to be performed by Seller, (c) the ownership, maintenance, and/or operation of the Property by Seller 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 Seller, its representatives, employees, contractor or suppliers that occurred before Closing.

11. 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 Seller, 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 Seller 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 Seller 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 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. Seller shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.

12. 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 Seller, 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 Seller 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 Seller 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 Seller 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. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.

13. 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:	Capital Shores Investments, LLC c/o Kevin Bay Ryan, Swanson & Cleveland 1201 Third Ave., Ste. 3400 Seattle, WA 98101
To Buyer:	City of Olympia P.O. Box 1967 Olympia, WA 98507 Attn: City Manager for the City of Olympia
With a copy to:	City of Olympia P.O. Box 1967 Olympia, WA 98507 Attn: City Attorney for the City of Olympia

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.

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

15. Miscellaneous.

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

15.2 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.

15.3 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.

15.4 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.

15.5 Entire Agreement. 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.

15.6 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.

15.7 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 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.

15.8 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.

15.9 Survival. 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.

15.10 Finders' or Brokers' Fees. Seller represents and warrants that it has not dealt with any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement and insofar as it knows, no broker or other person is entitled to any commission, charge or finder's fee in connection with the transactions contemplated by this Agreement. Seller agrees 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 by reason of a breach by Seller of the representation and warranty set forth above.

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

15.12 Risk of Loss. All of Seller's personal property of any kind or description whatsoever on the Property shall be at Seller's sole risk. Buyer shall not be liable for any damage done to or loss of such personal property, injury to person or damage or loss suffered by the business or occupation of Seller caused in any manner whatsoever, unless and to the extent the damage is caused by the gross negligence or willful misconduct of Buyer.

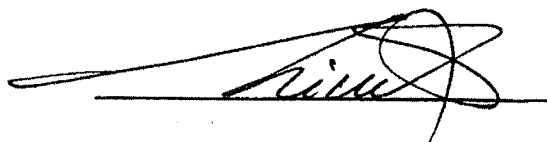
15.13 Force Majeure. Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, 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).

This offer will expire if not executed by Seller and received by Buyer on or before 5:00 p.m. on May 2, 2013.

DATED as of the date first set forth above.

SELLER: CAPITAL SHORES INVESTMENTS, LLC,
a Washington limited liability company

By:



Name: Tri M. Vo
Its: Managing Member

BUYER: CITY OF OLYMPIA, a Washington
municipal corporation

By: _____

Name: _____

Its: _____

EXHIBIT A**Legal Description**

LOTS 4, 5, 6, 7, 8 AND 9 IN BLOCK 83 AND LOTS 1, 2 AND 7 IN BLOCK 98 OF OLYMPIA TIDELANDS, AS RECORDED IN VOLUME 9 OF PLATS, PAGE 1; TOGETHER WITH THE VACATED WESTERLY 30 FEET OF BRENNER STREET (SOMETIMES KNOWN AS SYLVESTER STREET) ADJACENT TO SAID LOTS 1 AND 7 ON THE EAST; TOGETHER WITH THE VACATED EASTERLY 30 FEET OF BRENNER STREET ADJACENT TO LOTS 6 AND 7, BLOCK 83 ON THE WEST AS VACATED BY ORDINANCE NO. 6135 AND AS RECORDED NOVEMBER 16, 2001 UNDER AUDITOR'S FILE NO. 3392715.

IN THURSTON COUNTY, WASHINGTON.

EXHIBIT B

Known Non-Compliance with Law and Property Restrictions

Building on 529 4th Avenue East is unfit for human occupancy in violation Section of OMC Section 16.06.108.1.1 and OMC Section 16.06.010 Section 108.1.3.

EXHIBIT C
Known Environmental, Health and Safety Matters

Asbestos is in buildings on the Property

EXHIBIT D
Form of Deed

AFTER RECORDING MAIL TO:

SPECIAL WARRANTY DEED

The Grantor, CAPITAL SHORES INVESTMENTS, LLC, a Washington limited liability company, located at 1411 State Ave. NE, #100, Olympia, WA 98506, for and in good consideration and pursuant to an order of the Bankruptcy Court of the United States District Court, W.D. Washington, bargains, sells and conveys to the **CITY OF OLYMPIA**, a 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:

For legal description see attached Exhibit A.

Also known as 505 and 529 4th Avenue W., Olympia, WA.

DATED this ____ day of _____, 2013.

CAPITAL SHORES INVESTMENTS, LLC

By: _____

Tri M. Vo

Its Managing Member

STATE OF WASHINGTON)

) ss.

COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that Tri M. Vo is the person who appeared before me, and said person acknowledged that he signed this instrument as Managing Member of CAPITAL SHORES INVESTMENTS, LLC, on oath stated that he was authorized to execute the instrument and acknowledged it as such party's free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 2013.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of _____,

residing at _____

My appointment expires _____