

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 ("Seller"), and Big Rock Capital Partners, LLC (BRCP), a Washington limited liability company ("Buyer"), jointly referred to as "the Parties."

Recitals

Seller is the owner of certain real property located at **308 – 310 4th Avenue E, Olympia, Thurston County, Washington**, consisting of approximately 7,200 square feet, more or less, and more particularly described on **Exhibit A** (legal description) and **Exhibit B** (sketch) attached hereto and by this reference incorporated herein.

Seller's real property referenced in **Paragraph 1** below, and as legally described in **Exhibit A** and shown in **Exhibit B** attached hereto, is located within an area designated as a Community Renewal Area (CRA) pursuant to RCW Chapter 35.81 and Resolution No. M-1814 of the Olympia City Council adopted on February 3, 2015. In Resolution No. M-1814, the Olympia City Council declared Seller's real property to be located in a blighted area as defined in RCW 35.81.010(2), constituting a menace to public health, safety, welfare, or morals and in need of rehabilitation, redevelopment or combination thereof, in the interest of the residents of the City of Olympia.

The Seller is interested in having new affordable residential housing on 4th Avenue in the City of Olympia, together with market rate housing, and co-working and retail space. It is Seller's hope that new residential development at that location will help spur additional new downtown area development. The Washington State Constitution allows municipal funds to be spent in support of the infirm and the poor. Buyer agrees to develop and build affordable residential housing units made available to low-and moderate-income households upon the real property legally described in **Exhibit A**, and as shown on **Exhibit B**, attached hereto.

The signatories to this Agreement 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.

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. Property. The real property ("Property") that is the subject of this Agreement is located at 308-310 4th Avenue E., Olympia, WA 98501. The Property is legally described in **Exhibit A**. Buyer agrees that the use of the Land will include, at a minimum, fifty-one percent (51%) of the total residential units constructed to be used as affordable housing made available to low- and moderate-income households for a period of twenty (20) years from issuance of a certificate of occupancy following all required building and structural inspections for Buyer's residential development and mixed use project. The Parties agree that "low- and moderate-income households" means renters with income less than eighty percent (80%) of the adjusted median income (AMI) in Thurston County, Washington.

1.2. If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid, but the legal description shall be completed or corrected to meet the requirements of the Title Company.

1.3. The Property includes, at no additional cost to Buyer:

1.3.1 The permanent improvements, common walls, structural bracing, exterior walls and doors, and any other structures or improvements thereon (collectively the "**Improvements**");

1.3.2 All of Seller's interest in any personal property presently located in or on the Property or used exclusively in connection with the Property (collectively the "**Personal Property**");

1.3.3 Seller's right, title and interest in and under any covenants, easements, common walls, licenses, leases, rights-of-way and appurtenances pertaining to any portion of the Property (collectively the "**Appurtenances**");

1.3.4 All surveys, architectural and engineering studies, reports, designs and plats or plat applications related to the Property.

2. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **One Hundred Ninety-five Thousand Dollars and 00/100 Cents (\$195,000.00)** U.S.

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, Seller shall open escrow with Thurston County Title Insurance Company (the "Escrow Agent"), by depositing with Escrow Agent a copy of this executed Agreement.

4. Closing Date. The Closing (the "Closing") shall be held at the offices of the Escrow Agent, and shall occur on the later of (i) one-hundred eighty (180) days after Buyer's waiver of its feasibility contingency; (ii) thirty (30) days after issuance of a full building permit and all appeal periods have expired; or, (iii) thirty (30) days after provision of closing documents from HUD for Buyer's Section 108 loan financing. 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 shall order 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."

5.2 Title Review. Within thirty (30) 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, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property. If Seller 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 Seller 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.

5.3 Title Policy. At Closing, Seller and Buyer shall cause Title Company to issue a standard ALTA owner's policy ("Title Policy") to Buyer, at Buyer's 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. 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/Contingencies to Buyer's Obligations.

6.1 Documents and Reports. Within thirty (30) calendar days after the execution and delivery of this Agreement (the "Document Delivery Date"), Seller shall deliver to Buyer copies of the documents and reports listed on attached **Exhibit C** to this Agreement and in Seller's possession. Seller shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on **Exhibit C** not in Seller's possession. All existing leases or occupancy agreements for the Property shall be referred to herein as the "Leases." All existing service contracts for the Property shall be referred to herein as the "Contracts." Buyer shall inform Seller, prior to the expiration of the Contingency Period (defined in **Paragraph 6.5**), which Contracts, if any, Buyer desires to assume at Closing (the "Assumed Contracts").

6.2 Inspection of the Property. Buyer and its employees, representatives, consultants and agents shall have the right and permission from the date Seller signs 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 Seller from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Seller as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Seller 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 Seller with a copy of all soil or environmental test results for the property. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

6.3 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.

6.4 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, Buyer's financing, and all of the information delivered by Seller pursuant to **Paragraph 6.1** above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be sixty (60) days from the last date this Agreement was executed by a Party to sign same. Buyer shall have the right to waive HUD Section 108 financing in Buyer's sole discretion, and Buyer is under no obligation to originate, finalize, or close a HUD Section 108 loan for purchase of the Property.

6.5 Contingency/Feasibility Period. As used herein, the term "Contingency or Feasibility Period" shall be sixty (60) days from the last date this Agreement was executed by a Party to sign same.

6.6 Buyer's Right to Terminate. If Buyer's conditions set forth in **Paragraph 6.4** 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 Seller 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 Seller, this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement.

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

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

(iii) 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);

(iv) 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

(v) 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, to the best of Seller's knowledge, 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, except for reservations of record. At Closing, Seller shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed, free and clear of unapproved encumbrances of record.

7.2 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.

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

7.4 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.

7.5 Foreign Person. Seller is not a foreign person and is 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.

7.6 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.

7.7 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 in compliance with applicable law. If there had been an underground storage tank on the site, to the best of Seller's knowledge, the tank was decommissioned in compliance with applicable law.

7.8 Leases and Other Agreements. Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those of record.

7.9 Assumption of Liabilities. Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing date.

7.10 Defaults. Seller is 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.

7.11 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. 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.

7.12 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 Property.

7.13 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.

7.14 Due Authority. Seller 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 Seller and Buyer and constitute their legal, valid and binding obligation enforceable against Seller and Buyer in accordance with its terms.

7.15 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.

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

8.1 Perform Obligations. From the date of this Agreement to the Closing date, Seller will perform any monetary and non-monetary obligations it has regarding the Property.

8.2 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.

8.3 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.

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 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, 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 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) **Assignment.** Seller and Buyer agree any assignment of Buyer's rights under this Agreement shall be subject to Seller 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 and as provided in **Paragraph 9.2(vi)** below.

(vi) **Restrictive Covenant.** A restrictive covenant or other mutually agreeable document that (a) limits the use of fifty-one percent (51%) of the total residential units constructed upon the land to affordable housing made available to low- and moderate-income households for a period of twenty (20) years as specified in **Paragraph 1.1** above, and (b) releases certain environmental claims against Seller by Buyer and Buyer's successors in title, as specified in **Paragraph 10.4(a)** below. The restrictive covenant may be part of the Deed or be a separate document.

9.3 Payment of Costs. At Closing, Buyer shall pay all charges for title insurance, one-half of the escrow fee, the recording fee, and the technology fee.

9.4 Taxes. Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205.

9.5 Monetary Liens. Seller 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 Seller is exempt by statute or administrative rule or regulation.

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.

9.7 Proration. 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. Environmental Compliance. Seller and Buyer covenant and agree:

10.1 Seller's Reimbursement of Remediation Costs. After Closing, Seller shall reimburse Buyer for costs and expenses of remediating any Hazardous Substances, as defined herein, that have come to be located on or under the Property, up to a total sum of **One Hundred Fifty Thousand Dollars and No/100 Cents** (\$150,000.00). Buyer has sole responsibility to submit to Seller invoices for such remediation costs or expenses, which may include but not be limited to the following: additional soils testing, investigation, engineering, and monitoring; vapor barrier (probing/installation/maintenance/depressurization/venting/other mechanical systems); excavation, hauling, and disposal of contaminated and unsuitable soils; pumping, transport, treatment, and disposal of contaminated groundwater; and archeological monitoring. The remediation work undertaken for reimbursement shall include and but not be limited to remediation for petroleum hydrocarbons and volatile organic compounds, and will be generally consistent with the recommendations for redevelopment of the Property described in the Limited Subsurface Investigation (Phase II) for the Property dated May 24, 2016 (Robinson Noble). Upon verification of submitted invoices for environmental remediation, Seller shall reimburse Buyer for said costs and expenses, subject to the monetary limitation set forth above, within forty-five (45) days of invoice submittal to Seller. Buyer shall submit any invoices for environmental remediation within twelve (12) months after the date of Closing.

10.2 Notwithstanding anything to the contrary in this Agreement or otherwise, the Parties agree that Seller shall have no obligation to 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 (a) out of the release or threatened release of Hazardous Substances on, under, above, or about the Property after Closing, or (b) out of 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, tenant, or contractor of Buyer. The Parties agree that the Property's reduced purchase price and Seller's agreement to indemnify Buyer for its costs of environmental remediation up to **One Hundred Fifty Thousand Dollars and No/Cents** (\$150,000.00) shall be the limit of Seller's responsibility for environmental contamination and that Buyer assumes any further costs of remediation related to the Property.

10.3 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.

10.4 Buyer's Release and Indemnity. As of Closing, and except as provided in **Paragraph 10.1**, Buyer (a) releases, acquits, and forever discharges Seller and its officials, managers, employees, agents, successors, and assigns from any and all Losses of any kind or nature (including those that may arise in the future) that arise out of, or are in any way resulting from, pertaining to, relating to, or in any way connected with, either directly or indirectly, the discovery, presence or suspected presence, or remediation of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or have migrated to or from the Property; and (b) shall indemnify, defend, and hold Seller harmless with respect to any claim or demand asserted by any third-party (including but not limited to the Department of Ecology) and any damages, settlements, judgments, and attorneys' fees, costs, and expenses associated with such third-party claim or demand, arising out of the release or threatened release of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property.

11. 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; provided, however, that nothing in this **Paragraph 11** applies to Losses arising out of the presence of Hazardous Substance on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property except as specifically provided in **Paragraph 10** above.

12. 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.

13. 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.

14. 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:	Ryan Clintworth Big Rock Capital Partners, LLC 2915 29 th Ave SW #A Tumwater, WA 98512 Email: ryan@bigrockcp.com
With a copy to:	Heather Burgess Phillips Burgess PLLC 724 Columbia St. NW Ste. 320 Olympia WA 98501 Email: hburgess@phillipsburgesslaw.com

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

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

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.

15. 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.

16. Miscellaneous.

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

16.2 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.

16.3 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.

16.4 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, including Buyer's covenant to use the Property for low income housing as specified in **Paragraphs 1.1 and 9.2(vi)** above.

Buyer may assign its rights and obligations under this Agreement to a limited partnership, limited liability company or limited liability limited partnership of which Buyer or an affiliate of Buyer is the general partner or manager without approval of the Seller. Any other assignment shall be subject to Seller approval, which shall not be unreasonably withheld, conditioned or denied. Buyer must notify and, if required, request approval by Seller of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement.

16.5 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.

16.6 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.

16.7 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.

16.8 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.

16.9 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.

16.10 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.

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

16.12 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.

16.13 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).

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

17. Expiration. This offer will expire if not executed by Seller and Buyer on or before 5:00 p.m. on October 18, 2017.

[Signatures appear on the following page]

SELLER:

City of Olympia, a Washington municipal corporation

By: _____

Name: Steven R. Hall

Its: City Manager

Date: _____

Approved as to form:

Mark Barber, City Attorney

BUYER:

Big Rock Capital Partners, LLC

By:  _____

Name: Ryan Clintworth,

Its: Managing Member

Date: 10.11.2017

EXHIBIT A

Legal Description

Parcel A, Boundary Line Adjustment No. SS-5502, according to the short plat recorded under Recording Number 8711240029, records of Thurston County, State of Washington;

Situate in the County of Thurston, State of Washington.

EXHIBIT B

Sketch



EXHIBIT C

Documents and Reports

1. Copies of all of leases or other occupancy agreements relating to the Property, if any, with originals to be delivered at Closing.
2. Copies of all licenses, permits and approvals issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
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 with Restrictive Covenant

AFTER RECORDING MAIL TO:

Ryan Clintworth, Managing Member
Big Rock Capital Partners, LLC
2915 29th Ave SW #A
Tumwater, WA 98512

Document Title:	Statutory Warranty Deed
Grantor:	City of Olympia
Grantee:	Big Rock Capital Partners, LLC
Legal Description:	Parcel A, BLA No. SS-5502, recorded under Recording No. 8711240029
Assessor's Tax Parcel Number:	78503300700

The Grantor, **CITY OF OLYMPIA**, a Washington municipal corporation, for and in consideration of the sum of TEN and NO/100 Dollars (\$10.00), in hand paid, and other good and valuable considerations as set forth herein, conveys and warrants to **BIG ROCK CAPITAL PARTNERS, LLC**, a Washington limited liability company, the following described real estate and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington (the "Property"):

Parcel A, Boundary Line Adjustment No. SS-5502, according to the short plat recorded under Recording Number 8711240029, records of Thurston County, State of Washington;

Situate in the County of Thurston, State of Washington.

Subject to reservations and restrictions of record, including but not limited to the following:

RESTRICTIVE COVENANTS

The Grantor and Grantee mutually agree that the real estate conveyed in this Deed is subject to the following Restrictive Covenants:

In partial consideration for the real estate described above (the "Property"), Grantee has agreed to develop the Property to provide affordable housing made available to low- and moderate-income households, and has agreed to place certain restrictions on the Property to ensure the Property is used for such purposes for the term of this Deed and Restrictive Covenants. Grantee has further agreed to release certain claims against the Grantor.

Grantee acknowledges that the Grantor would not sell the Property to Grantee as contemplated in the Purchase and Sale Agreement between the Parties without these Restrictive Covenants, and further acknowledges that these Restrictive Covenants are a material part of the consideration received by the Grantor in connection with sale of the Property. These Restrictive Covenants set forth the terms and conditions upon which the use of the Property will be restricted for the stated term.

Grantor declares and Grantee agrees that the Property legally described above shall be held, transferred, sold, conveyed, leased, used and occupied subject to the following restrictions:

1. Use of fifty-one (51%) percent of the total number of residential units constructed upon the Property will be restricted to affordable housing made available to low- and moderate-income households whose income is at the time of initial occupancy at eighty percent (80%) or less of the area median income (AMI) for Thurston County, Washington, for a period of twenty (20) years from issuance of a certificate of occupancy following all required building and structural inspections for Buyer's residential development and mixed use project, this restriction terminating on December 31, 2039.
2. Except as provided in **Paragraph 10.1** of that certain Real Estate Purchase and Sale Agreement between Grantor and Grantee dated [INSERT DATE], Grantee releases, acquits, and forever discharges Grantor and its officials, managers, employees, agents, successors, and assigns from any and all losses, liabilities, claims, demands, and damages, including attorney fees, costs, and expenses, of any kind or nature (including those that may arise in the future) that arise out of, or are in any way resulting from, pertaining to, relating to, or in any way connected with, either directly or indirectly, the discovery, presence or suspected presence, or remediation of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or have migrated to or from the Property. 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; and (d) chlorinated solvents. 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.

The covenants and restrictions set forth herein shall be deemed to run with the land and shall pass to and be binding upon Grantee's successors in title including any subsequent purchaser, grantee, owner, assignee or lessee of any portion of the Property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner, assignee or lessee of any portion of the Property and any other person or entity having any right, title or interest therein.

