

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 Urban Olympia 12 LLC, a Washington limited liability company ("Buyer"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 18.16 below).

RECITALS

Seller is the owner of certain real property located in the **City of Olympia, Thurston County, Washington**, located at 308 – 310 4th Avenue E, Olympia, Thurston County, Washington ("Property"), and more particularly described on **Exhibit "A"** (legal description) and location shown on **Exhibit "B"** (sketch), both exhibits attached hereto and by this reference incorporated herein.

Pursuant to the Washington State Constitution, Article VIII, § 7, Seller is permitted to make provision for the necessary support of the poor and infirm. The Seller intends, and the Parties agree, that the sale of the real property contemplated within this Agreement shall be used in part, to construct and provide affordable low income housing serving persons with adjusted median income (AMI) in Thurston County, Washington of eighty percent (80%) AMI or less, as reported by the United States Department of Housing and Urban Development (HUD), for the period of time provided herein. Affordable low income housing, as that term is used herein, shall be defined as set forth in Olympia Municipal Code (OMC) Section 5.86.010.H as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent (30%) of the person's or household's monthly income.

The Parties agree that sixty percent (60%) of the housing units to be constructed by Buyer upon the Property, which is the subject of this Agreement, shall be affordable low income housing units serving persons with adjusted median income (AMI) in Thurston County, Washington, of eighty percent (80%) AMI or less, as reported by the United States Department of Housing and Urban Development (HUD), for a period of twelve (12) years following the City's issuance of a final Certificate of Occupancy. The Parties further agree the remaining forty percent (40%) of housing units constructed upon the Property may be leased or rented by Buyer at market rate.

After twelve (12) years have elapsed from the date of initial issuance of a final Certificate of Occupancy, the Parties agree that the low income affordable housing units may be reduced by fifty percent (50%) for the next three years of the twenty (20)-year restrictive covenant, so that thirty percent (30%) of the total housing units upon the Property will serve low income persons with incomes of eighty percent (80%) AMI or less in Thurston County, Washington, as reported by the United States Department of Housing and Urban Development (HUD). The Parties further agree the remaining seventy percent (70%) of housing units constructed upon the Property may be leased or rented by Buyer at market rate.

Commencing sixteen (16) years from the date of initial issuance of a final Certificate of Occupancy, the Parties agree that the low income affordable housing units upon the Property may be reduced for the final five (5) years of the restrictive covenant, so that twenty percent (20%) of the total housing units upon the Property will serve low income persons with incomes of eighty percent (80%) AMI or less in Thurston County, Washington, as reported by the United States Department of Housing and Urban Development (HUD). The Parties further agree the remaining eighty percent (80%) of housing units constructed upon the Property may be leased or rented by Buyer at market rate.

A restrictive covenant providing for affordable low income housing units shall be executed by the Parties and shall be recorded in the chain of title of the Property upon Closing, either as part of the deed or in a separate document.

The Parties also agree that Buyer shall apply to Seller for an affordable housing multi-family tax exemption (MFTE) for the Property, pursuant to OMC Section 5.86.010.A.2.b. Seller agrees to timely process said application and submit same for consideration and approval by the Olympia City Council.

Buyer has determined that the Property is suitable for providing affordable housing for the residents of the City of Olympia. Seller and Buyer also agree the Property is appropriate and suitable for redevelopment to provide new construction of affordable housing.

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

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

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

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

1.1 **Land.** The real property and structures thereon, constituting the Property legally described on **Exhibit "A"** to this Agreement and generally shown on a sketch attached as **Exhibit "B"** to this Agreement.

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

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

2. Escrow. Within thirty (30) business days after the Effective Date of this Agreement as defined in Paragraph 18.16, the Parties shall confirm that an escrow account is opened for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, "Escrow Company"). Darla Wilkins or another designee of Escrow Company will serve as escrow agent for Closing of this Agreement ("Escrow Agent"). The Parties shall deliver a fully executed copy of this Agreement to Escrow Agent.

3. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **Fifty Thousand Dollars and NO/100 Cents** (\$50,000.00) U.S.

4. 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.

5. Closing Date. The Closing (the "Closing") of the purchase and sale of the Property under this Agreement shall be held at the offices of the Escrow Company, and shall occur twenty (20) days following completion of demolition upon the Property by Seller and written removal of the feasibility/contingency by Buyer, or the end of the feasibility/contingency period set forth in Paragraphs 7.4 and 7.5 of this Agreement, unless otherwise mutually agreed in writing by the Parties. Closing shall occur when the Deed to Buyer and the Restrictive Covenant (as hereinafter defined) is executed and recorded, and the Purchase Price is delivered to the Escrow Company for delivery to Seller.

6. Title and Survey Matters.

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

6.2 Title Review. Within fifteen (15) business days after Buyer's receipt of the updated Title Binder, Buyer shall review the Title Binder and any surveys of the Property, and shall notify 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 (the "Title Review Period"). If no title matters appear in the updated Title Binder since the initial preliminary commitments, then the Parties shall proceed to Closing as set forth in this Agreement. If any title matters appear and Buyer objects to any of the same during the Title Review Period, then Seller shall have fifteen (15) business days after receiving Buyer's objections to notify Buyer if Seller will remove any of the

exceptions objected to prior to the Closing Date or if Seller elects not to remove such objected to exceptions. 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.

6.3 **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 6.

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

7.1 **Documents and Reports.** Within fifteen (15) business days after the execution and delivery of this Agreement (the "Document Delivery Date"), 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.

7.2 **Inspection of the Property.** Buyer 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 upon Seller's request. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by 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.

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

7.4 **Approval of Property/Feasibility Contingency.** Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property and documents delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be for the period set forth in Paragraph 7.5. Upon waiver by Buyer or expiration of the feasibility contingency, the Parties shall move on to Closing.

7.5 **Feasibility Contingency Period.** As used herein, the term "Contingency or Feasibility Period" shall mean the period from the Effective Date of this Agreement as defined in Paragraph 18.16 until the period ending one hundred and twenty (120) days thereafter.

7.6 **Buyer's Right to Terminate.** If in Buyer's sole and absolute discretion, Buyer is not satisfied with the condition of the Property, Buyer may 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.

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

(i) Prior to Closing, all Contracts or Leases (whether written or oral) with respect to the Property, if any, shall be terminated in writing by Seller. Seller shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts or Leases, that are not assumed by 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 6 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

If the conditions set forth in this Paragraph 7 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.

8. 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:

8.1 **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 to Buyer with a restrictive covenant limiting use of a portion of the Property to affordable housing as provided in the Recitals hereto, free and clear of unapproved encumbrances of record.

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

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

8.4 **Taxes and Assessments.** Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.

8.5 **Foreign Person.** 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.

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

8.7 **Underground Storage Tanks.** 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.

8.8 **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 or disclosed pursuant to Paragraph 7.1.

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

8.10 **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.

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

8.12 **Public Improvements.** 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.

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

8.14 **Due Authority.** 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.

8.15 **No Omissions.** The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

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

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

9.2 **No Liens.** From the date of this Agreement to the Closing Date, 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.

9.3 **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.

9.4 **Demolition Costs.** Seller covenants and agrees it will pay for demolition of the existing remnants of the structure upon the Property to prepare the Property for Buyer's redevelopment.

9.5 **Priority Review.** Seller agrees to give Buyer priority expedited review of Buyer's project application for the Property, including but not limited to building permits, and other land use approvals.

10. Covenants of Buyer. Buyer covenants and agrees as follows:

10.1 **Perform Obligations.** Buyer shall perform all obligations from the date of this Agreement, including all provisions herein that shall survive the Closing, including those relating to its obligations to provide affordable low income housing units upon the Property.

10.2 **Application for Multi-Family Tax Exemption.** Buyer shall file an application with Seller for a multi-family tax exemption pursuant to OMC Chapter 5.86, specifically for a twelve (12) year tax exemption under OMC Section 5.86.040.A.2.b., to provide affordable low income housing serving persons with adjusted median income (AMI) in Thurston County, Washington, of eighty percent (80%) AMI or less, as reported by the United States Department of Housing and Urban Development (HUD), in sixty percent (60%) of the housing units constructed on the Property for a period of twelve (12) years from issuance of a final Certificate of Occupancy. Following the twelve (12) year tax exemption under OMC Section 5.86.040.A.2.b, the number of housing units for affordable low income housing for persons with adjusted median income (AMI) in Thurston County, Washington, of eighty percent (80%) AMI or less, as reported by the United States Department of Housing and Urban Development (HUD) shall be reduced to thirty percent (30%) of the housing units on the Property for three years. For the final five (5) years of the restrictive covenant to be recorded upon the title of the Property, the number of housing units for affordable low income housing for persons with adjusted median income (AMI) in Thurston County, Washington, of eighty percent (80%) or less, as reported by the United States Department of Housing and Urban Development (HUD) shall be reduced to twenty percent (20%) of the housing units on the Property..

10.3 **Submittal for Design Review.** Buyer covenants and agrees it shall submit its Property project to Seller for design review within One Hundred and Twenty (120) days from written removal of the contingency/feasibility period set forth in Paragraphs 7.4 and 7.5 herein.

10.4 **Application for Building Permit.** Upon approval of design review, Buyer covenants and agrees it shall apply for a building permit for the Property within One Hundred Twenty (120) days of said design approval. Buyer further covenants and agrees it shall commence construction upon the Property within ten (10) months of the Closing date.

10.5 **Minimize Adjacent Business Disruption.** Buyer covenants and agrees to make all reasonable efforts to minimize business disruption to adjacent property owners and businesses during redevelopment of the Property.

10.6 **Seller's Option to Repurchase.** Buyer agrees that Seller shall have an option to repurchase the Property at the same price as the Property is sold to Buyer in this Agreement in the event Buyer fails to commence construction of the housing units contemplated in this Agreement within ten (10) months of the Closing date. Seller agrees that Buyer will have

an option to extend its period of construction for two additional years based upon an economic or financial circumstance beyond Buyer's control upon a showing of its best efforts to move forward with the construction of affordable low income housing units contemplated in this Agreement.

11. Closing.

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

11.2 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's approval, which shall not be unreasonably withheld, conditioned or denied except as provided in this Agreement.

(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, with a covenant restricting use of the property for the specific purpose of providing low income affordable housing as provided in this Agreement, which may be part of the Deed or be in a separate document.

11.3 Payment of Costs. At Closing, Buyer shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, the escrow fee, the recording fee, the technology fee, and real property excise taxes, if any, and any other costs of Closing.

11.4 Taxes. Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(2).

11.5 **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.

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

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

12. Environmental.

12.1 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.

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

13. **Indemnification.** Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer and their successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of 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, contractors or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 13 applies to Losses arising out of the presence of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property except as specifically provided in Paragraph 12 above.

14. Condemnation. In the event of any proceedings, to be commenced or consummated 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, Seller’s 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.

15. 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 has 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 not 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.

16. 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 Seller: Steven J. Burney, City Manager
City of Olympia
601 4th Ave E
Olympia, WA 98501
Email: jburney@ci.olympia.wa.us

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

To Buyer: Urban Management Company LLC
Attn: Walker John, Managing Member
206 State Ave NW
Olympia, WA 98501
Email: walker@urbanolympia.com

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

17. 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.

18. Miscellaneous.

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

18.2 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.

18.3 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.

18.4 Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. Any assignment shall be subject to Seller's

approval, which shall not be unreasonably withheld, conditioned or denied except by the terms of this Agreement. 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.

18.5 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.

18.6 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.

18.7 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 are required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

18.8 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.

18.9 Survival. The recitals, 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, and are fully enforceable by either Party.

18.10 Finders' or Brokers' Fees. Seller represents and warrants that it has not engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement. 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.

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

18.12 Risk of Loss. All of Seller's personal property, of any kind or description whatsoever that is on the Property after Closing, shall be at Seller's sole risk of loss.

18.13 **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).

18.14 **Recitals.** The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof, and shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof, and are fully enforceable by either Party.

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

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

BUYER:

URBAN OLYMPIA 12 LLC, a Washington limited liability company

Walker John

Urban Management Company LLC,
Walker John, for Managing Member

Date: 04/20/2021

SELLER:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven J. Burney, City Manager

Date: _____

APPROVED AS TO FORM:

Mark Barber

Mark Barber, City Attorney

Date: 04/19/2021

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"
GENERAL VICINITY SKETCH



EXHIBIT “C”
DOCUMENTS AND REPORTS

1. Copies of all 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, if any, 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

Urban Olympia 12 LLC
Urban Management Company LLC
206 State Ave NW
Olympia, WA 98501

Document Title: Statutory Warranty Deed and Restrictive Covenants
Grantor: City of Olympia, a Washington municipal corporation
Grantee: Urban Olympia 12 LLC
Abbreviated Legal Description: Parcel A BLA-5502
Assessor's Tax Parcel Number: 7850-33-00700

The Grantor, **CITY OF OLYMPIA**, a Washington municipal corporation, for and in consideration of the sum of TEN and NO/100---(\$10.00) Dollars, and other good and valuable considerations, in hand paid, hereby conveys and warrants to the Grantee, **URBAN OLYMPIA 12 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, including all after acquired title:

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 EASEMENTS, RESTRICTIONS, AND RESERVATIONS OF RECORD; AND FURTHER INCLUDING AND SUBJECT TO THE FOLLOWING:

RESTRICTIVE COVENANTS

As additional consideration to Grantor for the purchase of the above-referenced real property, Grantor and Grantee agree that the real property legally described above shall be held, transferred, sold, conveyed, leased, used and occupied for a period of fifteen (15) years from the date of issuance of a final Certificate of Occupancy by the City of Olympia, subject to the following covenants and restrictions:

1. The real property conveyed by this Statutory Warranty Deed shall be used, in part, to construct affordable low income housing units as referenced in Olympia Municipal Code (OMC) Sections 5.86.010.H and J, and 5.86.040.A.2.b, upon the terms agreed between the Grantor and Grantee as set forth herein, and for no other purpose except with the Grantor's express written consent; and

2. Sixty percent (60%) of the housing units constructed on the real property shall, for a period of twelve (12) years from issuance by Grantor of a final Certificate of Occupancy, be used to provide affordable low income housing units serving persons with adjusted median income (AMI) in Thurston County, Washington of eighty percent (80%) AMI or less, as reported by the U.S. Department of Housing and Urban Development (HUD), whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent (30%) of the person's or household's monthly income; and
3. After twelve (12) years have elapsed from issuance by Grantor of a final Certificate of Occupancy, the percentage of affordable low income housing units serving persons with adjusted median income (AMI) in Thurston County, Washington of eighty percent (80%) AMI or less, as reported by the U.S. Department of Housing and Urban Development (HUD), whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent (30%) of the person's or household's monthly income, shall be reduced to thirty percent (30%) of the total housing units on the real property for a period of three (3) years; and
4. Commencing sixteen (16) years from the date of initial issuance of a final Certificate of Occupancy by Grantor, twenty percent (20%) of the total housing units on the real property will serve low income persons with incomes of eighty percent (80%) AMI or less in Thurston County, Washington, as reported by the United States Department of Housing and Urban Development (HUD), whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent (30%) of the person's or household's monthly income, for a period of five (5) years.
5. The restrictive covenants set forth herein shall terminate twenty (20) years after the date of issuance by Grantor of a final Certificate of Occupancy to Grantee for housing units constructed upon the real property, and thereafter shall have no further force or effect.

It is the express intent of the Grantor and Grantee that the provisions of the Restrictive Covenants stated herein shall run with the land, and shall pass to and be binding upon Grantee's successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real 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, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein.

It is further agreed by Grantor and Grantee, that Grantor shall have the right to enforce the aforesaid Restrictive Covenants in the Superior Court for Thurston County, State of Washington, by either a request for injunctive or equitable relief or an action at law for damages, or by both such equitable relief and monetary damages, as permitted by the laws of the State of Washington.

Exhibit A
Permitted Exceptions