

PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is dated effective _____, 2014, by and between **Clair R. Stratton and Gertrude A. Stratton, Trustees of the Stratton Family Trust**, ("Seller") and the **City of Olympia**, a municipal corporation organized under the laws of the State of Washington ("Buyer"), with reference to the following facts:

Seller is the owner of certain real property located North and East of US Highway 101, West of Del Phi RD NW, and South of Allison Springs Lane SW in **Thurston County, Washington**, consisting of approximately 1.44 acres and more particularly described on **Exhibit A** attached hereto and by this reference incorporated herein.

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

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

1.1 Land. That certain real property located in Thurston County, Washington, comprising tax parcel number 128-18-310701 and more particularly described on Exhibit A attached hereto (the "Land");

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

1.3 Improvements. All improvements and fixtures located on the Land, including, without limitation, any and all buildings and structures located on or under the Land, all apparatus, equipment and appliances used in connection with the ownership, use and operation of the Land (all of which are hereinafter collectively referred to as the "Improvements").

1.4 Personal Property. NONE.

1.5 Excluded Property. Buyer and Seller acknowledge that certain personal property is expressly excluded from the transaction contemplated by this Agreement (the "Excluded Property"). As of the date hereof, the Excluded Property includes, but is not limited to, N/A.

1.6 Abandoned Property. Any of Seller's personal property left on the Property, including but not limited to any furniture and fixtures owned by Seller shall be considered abandoned property, and at Closing title to such abandoned property shall pass to Buyer as if it had been conveyed by a bill of sale.

All of the items described in **Paragraphs 1.1, 1.2, 1.3 and 1.4** above are herein collectively referred to as the "Property."

2. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **Seventy eight thousand, five hundred fifty and 00/100 Dollars (\$78,550.00)**.

3. Payment of Purchase Price. On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price less any amounts to be credited against the Purchase Price

pursuant to this Agreement. Within five (5) days following the execution and delivery of this Agreement, Buyer shall open escrow with Thurston County Title Company (the "Escrow Agent"), by depositing with Escrow Agent a copy of this Agreement.

4. Closing Date. The closing (the "Closing") shall be held at the offices of the Escrow Agent, on or before September 1, 2014, unless otherwise agreed by the parties. Closing shall occur when the Deed (as hereinafter defined) to Buyer is recorded and the Purchase Price is delivered to the Escrow Agent for delivery to Seller.

5. Title and Survey Matters.

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

5.2 Title Review. Within ten (10) business days of mutual execution hereof, Buyer shall review the Title Binder and any surveys of the Property, and, shall notify Seller what exceptions to title, if any, will be accepted by Buyer. Only those exceptions approved by Buyer in writing shall constitute "Permitted Exceptions." Seller shall remove all exceptions that are not Permitted Exceptions prior to the Closing Date. If Seller shall fail 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, Seller shall be in default hereunder and, without limiting Buyer's rights and remedies against Seller, Buyer may elect to terminate this Agreement, and Seller shall be liable for all of Buyer's damages, including Buyer's costs and expenses incurred hereunder, including title and escrow costs and attorneys' fees.

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

6. Conditions to Buyer's Obligations.

6.1 Documents and Reports. Within ten (10) 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, 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 by any actions taken by Buyer in connection with the Property. To the extent necessary, 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.



Seller's Initials indicating permission

6.3 Appraisal of the Property. Buyer shall have an appraisal performed on the property. If the appraisal of value is less than the Purchase Price, Buyer may give notice of Buyer's election to terminate this Agreement unless Seller, within 10 days after receipt of such notice, delivers to Buyer written consent to reduce the Purchase Price to an amount not more than the amount specified in the appraisal.

6.4 Approval of the Property. 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 all of the information delivered by Seller pursuant to **Paragraph 6.1** above or otherwise obtained by Buyer regarding the Property.

6.5 Contingency Period Defined. As used herein, the term "Contingency Period" means the period ending at 5:00 p.m. on August 31, 2014.

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 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) Prior to Closing, Seller shall have timely delivered to all tenants a tenant notice in the form set forth on Exhibit D, and provide Buyer with proof of such delivery;

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

(iv) 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);

(v) 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

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

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

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

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

7.2 Compliance with Law; Compliance with Property Restrictions. The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property (including those related to zoning, building, subdivision, and engineering), including all conditions contained in any certificate of occupancy covering any of the Property. Seller has obtained all required permits or authorizations for such occupancy. Seller has no knowledge of any facts that might give rise to any violation of the foregoing matters. The Property and the current use, occupation and condition thereof do not violate any applicable deed restrictions or other covenants, restrictions or agreements (including, without limitation, any of the Permitted Exceptions), site plan approvals, zoning or urban redevelopment plans applicable to the Land, Property, Building or any other structures on the Property.

7.3 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 by the Seller in compliance with applicable law.

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

Section 6.7(i) with respect to any and all Contracts prior to Closing. Seller shall comply with the requirements of Section 6.7(ii) with respect to any and all Leases prior to Closing.

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. Other than such obligations so expressly assumed by Buyer or any liens or other obligations with respect to the Property that result from any action or activities by or on behalf of Buyer after the Closing Date, Seller, after the date of Closing, will pay and discharge any and all liabilities of each and every kind arising out of or by virtue of the possession, ownership or use of the Property prior to the Closing Date, and shall indemnify, defend and hold Buyer harmless therefrom.

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

7.12 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.

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

7.14 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.

7.15 Due Authority. Seller has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and constitute the Seller's legal, valid and binding obligation enforceable against Seller in accordance with its terms. The consummation by Seller of the sale of the Property is not in violation of or in conflict with nor does it constitute a default under any of the terms of any agreement or instrument to which Seller is or may be bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.

7.16 No Omissions. All representations and warranties made by Seller in this Agreement, and all information contained in any certificate furnished by Seller to Purchaser in connection with this transaction, are free from any untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained herein or therein not misleading. The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

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 all of its monetary and non-monetary obligations under all indebtedness (whether for

borrowed money or otherwise) and the liens securing same pertaining to the Property or any portion thereof, if any.

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 any of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Bill of Sale.** A Bill of Sale in the form attached as Exhibit F, for all of Seller's personal property, if any.

(ii) **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 free of any exceptions, other than the Permitted Exceptions.

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

(iv) **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.

(v) **General Assignment.** A general instrument of transfer in the form set forth on attached Exhibit G, pursuant to which Seller shall convey and assign to Buyer all of Seller's right, title and interest in and to (a) all Leases, (b) the Assumed Contracts, if any, and (c) all other rights of Seller relating to the Property (the "General Assignment"), to the extent such items exist.

(vi) **Original Documents.** Originals of all documents, if not already delivered, or copies if the originals are not available, including but not limited to all documents and materials assigned pursuant to the General Instrument of Transfer and the original leases fully executed with the landlord's and tenant's signatures acknowledged.

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

(viii) **Security Deposits; Rent Roll.** A rent roll certifying the name of each tenant on the Property as of Closing, rent paid by each tenant under its lease, the amount of security deposit held by Seller for the account of each such tenant, together with all funds representing the security deposits held by Seller. If Seller does not deposit all such security deposits held by Seller in

connection with the tenants of the Property, then Buyer shall cause the Escrow Agent to deduct such sums from the proceeds of this transaction due to Seller and disburse such sums to the applicable tenant.

9.3 Delivery by Buyer. Buyer shall deliver the Purchase Price (after credit for any applicable amounts pursuant to this Agreement) and shall prepare the following documents and deliver to the Title Company at or before Closing.

(i) **Warranty Deed.** A statutory warranty deed ("Deed") in substantially the same form attached as Exhibit E conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property, free and clear of all liens, encumbrances, conditions, easements, assignments, and restrictions, except for the Permitted Exceptions.

9.4 Payment of Costs. At Closing, Seller and Buyer shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property including, without limitation, attorneys' fees. Notwithstanding the foregoing, Buyer shall pay the premium for the Owner's Title Policy to be issued by Title Company to Buyer, the fee to record the Deed, and one-half (1/2) of the escrow fee. Seller shall pay one-half (1/2) of the Escrow fee. **Seller agrees to pay the real estate excise tax.**

9.5 Property Taxes. Seller shall pay at or prior to Closing all real property taxes and personal property taxes due or to become due with respect to the Property for the period up to the Closing Date. Seller shall pay in full any assessments due or to become due with respect to the Property.

9.6 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.

9.7 Possession. Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the Improvements, shall be delivered to Buyer in good order, with all of Seller's personal property removed. If any personal property of Seller, not transferred to Buyer under this agreement, remains on the Property at Closing, then Buyer may remove all such personal property and charge Seller for the cost of such removal.

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

10. Environmental Compliance. In addition to and without limiting Sections 6, 7 and 8, Seller warrants, represents, covenants and agrees:

10.1 Hazardous Substances. Seller has not used, generated, manufactured, produced, stored, released, discharged or disposed of on, under, above or about the Property (or off-site of the Property that might affect the Property) or transported to or from the Property, any Hazardous Substance or allowed any other person or entity to do so. Seller has no knowledge nor has Seller observed any questionable practice or conduct indicating that any Hazardous Substance has been used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or above Property (or off-site of the Property that might affect the Property) or transported to or from the Property by any entity, firm or person, or from any source whatsoever.

10.2 Pre-closing Covenant. Seller will not use, generate, manufacture, produce, store, release, discharge or dispose of on, under, above or about the Property (or off-site of the Property that might affect the Property), or transport to or from the Property, any Hazardous Substance or authorize any other person or entity to do so, prior to the closing.

10.3 Environmental Indemnity. Seller shall protect, indemnify, hold harmless and defend Buyer and its directors, officers, contractors, employees, agents, parents, subsidiaries, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to a breach of any representation, warranty, covenant or agreement contained in this Section 10 including, without limitation, (a) all consequential damages, and (b) the costs of any required or necessary repairs, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity does not apply to actions of Buyer, its agents or independent contractors.

10.4 Definitions. The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes" or "solid waste" 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.

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.

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 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:

Gary R. Stratton
16196 Ballantree Lane
Shore Valley, CA 95949

To Buyer:

City of Olympia

601 4th Ave E
Olympia, WA 98501
Attn: Ladd F. Cluff

With a copy to:

City of Olympia
601 4th Ave E
Olympia, WA 98501
Attn: City Attorney

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.

16.5 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter and any and all prior agreements,

understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the parties.

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, 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. Buyer shall not be liable for any damage done to or loss of such personal property, injury to person or damage or loss suffered by the business or occupation of Seller caused in any manner whatsoever, unless and to the extent the damage is caused by the gross negligence or willful misconduct of Buyer.

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).

This offer will expire if not executed by Seller and received by Buyer on or before 5:00 p.m. on August 31, 2014.

[Signatures appear on the following page]

DATED as of the date first set forth above.

SELLER:

By: Gary R. Stratton Trustee
Trustee, Stratton Family Trust

By: _____
Trustee, Stratton Family Trust

BUYER:

City of Olympia, a Washington municipal
corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

[Signature]
ASSISTANT CITY ATTORNEY

EXHIBIT A

Legal Description

The South 147.5 feet of the West 180 feet of the East 480 feet of the Northeast quarter of the Southwest quarter and the North 200 feet of the West 180 feet of the East 480 feet of the Southeast quarter of the Southwest quarter of Section 18, Township 18 North, Range 2 West, W.M.

EXHIBIT B

Personal Property

NONE

EXHIBIT C

Documents and Reports

1. All surveys, topographical and plat maps.
2. Copies of all of leases or other occupancy agreements relating to the Property, with originals to be delivered at Closing.
3. A detailed inventory of all personal property of Seller located on our used in connection with the Property.
4. Copies of all licenses, permits and approvals issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
5. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
6. Any service contracts or other similar agreements related to the Property.

Via Certified Mail or Hand Delivery

Insert Date

Insert Name of Tenant

Insert Address of Tenant

Olympia, Washington _____

RE: Sale of Burien Gardens Mobile Home Park

Dear Tenant:

This letter shall serve as notice that the rental property at _____, Olympia, Washington (the "Rental Property") will be acquired by the City of Olympia (the "City") as of _____, 2014 (the "Closing Date"). Your security deposit in the amount of \$_____, held by _____ shall also be transferred to the City at that time.

You shall continue to deliver all rents and other amounts due and owing under your lease prior to the Closing Date to _____ as usual and you shall continue to abide by the Rental Property lease agreement. Rent for the month of _____ and any and all payments due under your lease thereafter shall be payable to the City at the following address:

The City of Olympia

Olympia, Washington _____

If you have any questions, please feel free to contact the City of Olympia at [Phone Number].

Sincerely,

EXHIBIT E

Form of Deed

AFTER RECORDING MAIL TO:

STATUTORY WARRANTY DEED

The Grantor, _____, for and in consideration of the sum of TEN and NO/100---(\$10.00) Dollars, and other valuable considerations, in hand paid, hereby conveys and warrants to the **CITY OF OLYMPIA**, a municipal corporation the following described real estate and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington:

For legal description see attached Exhibit A.

Also known as (insert street address or tract/plat info.) as recorded in Auditor's File No. _____(insert AFN), Records of the Thurston County Auditor.

DATED this ____ day of _____, 2014.

By: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that _____ are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 2014.

Bill of Sale

THIS BILL OF SALE is made and given this ____ day of _____, 2014, by CLAIR R. STRATTON and GERTRUDE A. STRATTON, Trustees of the STRATTON FAMILY TRUST,(the "Seller") to THE CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Buyer").

RECITAL

Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, all of Seller's right, title and interest in the personal property (the "Personal Property") located on the real property described on attached Exhibit A. The Personal Property is described as follows: _____.

NOW, THEREFORE, for and in consideration of good and valuable consideration in hand paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged by Seller:

1. Seller hereby grants, bargains, sells, assigns, transfers, conveys and delivers unto Buyer, its successors and assigns; all of Seller's right, title and Interest in and to the Personal Property, TO HAVE AND TO HOLD such interest in the Personal Property unto Buyer, its successors and assigns forever.
2. Seller will warrant and forever defend the right and title to the items of Personal Property unto Buyer.

DATED as of the day and year first above written.

SELLER:

By: _____

By: _____

EXHIBIT G

General Assignment

ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION (the "Assignment") is made as of this ____ day of _____, 2014 (the "Transfer Date") by CLAIR R. STRATTON and GERTRUDE A. STRATTON, Trustees of the STRATTON FAMILY TRUST ("Assignor"), in favor of THE CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Assignee").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns and transfers to Assignee, as of the Transfer Date, all of the following relating to the real property legally described on attached Schedule 1 (the "Property"), to the extent assignable:

1. any and all of Assignor's right, title and interest, as lessor, in, to and under all leases, licenses and occupancy agreements together with any security deposits, affecting the Property (the "Leases");
2. any and all of Assignor's right, title and interest in, to and under the contracts and agreements relating to the leasing, operation, maintenance and repair of Property set forth on Schedule 2 (the "Contracts");
3. any and all assignable governmental licenses, permits, certificates (including certificates of completion and certificates of occupancy), authorizations and approvals held by Assignor in connection with the current occupancy, use and operation of, and construction upon, the Property (collectively, the "Permits"); and
4. any and all assignable warranties and guaranties including, without limitation, contractor's, architect's and manufacturer's warranties and guaranties held by Assignor and given by third parties with respect to the Property (collectively, the "Warranties").

Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all cost, liability, loss, damage or expense, including without limitation, reasonable attorneys' fees, originating prior to the Transfer Date and arising out of the lessor's obligations under the Leases.

Assignee accepts this Assignment and hereby assumes and agrees to perform from and after the Transfer Date all of the covenants, agreements and obligations of the lessor under the Leases, as may be amended, and all of Assignor's covenants, agreements and obligations under the Contracts, Permits, and Warranties, and agrees to indemnify Assignor against and hold Assignor harmless from any and all cost, liability, loss, damage or expense, including without limitation, reasonable attorneys' fees, originating subsequent to the Transfer Date and arising out of the lessor's obligations under the Leases.

IN WITNESS WHEREOF, this Assignment and Assumption is made as of the day and year first above written.

ASSIGNOR:

By: _____

By: _____

ASSIGNEE:

THE CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington

By: _____

Name: _____

Its: _____