

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 ("Buyer"), and Minh Do Thi Smith, as her separate estate ("Seller"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 15.16 below).

RECITALS

Seller is the owner of two parcels of real property located at 112 4th Avenue West ("Parcel A"), and 116 4th Avenue West ("Parcel B"), Olympia, in **Thurston County, Washington**, jointly consisting of approximately 0.16 acres, more or less, and more particularly described on **Exhibit "A"** (legal description) and shown on **Exhibit "B"** (sketch) attached hereto and by this reference incorporated herein.

Buyer has determined that the Property is suitable for a mixed use development, including a parking garage, for the citizens and residents of the City of Olympia.

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

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

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 approximately 0.16 acres, more or less, 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 month to month rental agreements, 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"), excluding Seller owned personal property or fixtures, which Seller has permission to remove from the portion of the Property not occupied by a tenant within thirty (30) days of Closing. With respect to the side of the building currently occupied by Great India Cuisine, Inc., Seller has thirty (30) days from termination of such tenancy to remove any

personal property or fixtures not owned or leased by Great India, with prior notice to Buyer. This provision shall survive Closing.

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

2. Escrow. Within three (3) business days of the Effective Date of this Agreement, Buyer shall open an escrow account for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, "Escrow Company"). Escrow Company will serve as escrow agent for Closing of this Agreement ("Escrow Agent"). Buyer 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 NINE HUNDRED FIFTY THOUSAND DOLLARS AND 00/100 CENTS (\$950,000.00) U.S.

4. Payment of Purchase Price. On or before the Closing Date, Buyer shall deposit with Escrow Company the sum of TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 CENTS (\$250,000.00), which sum shall be paid to Seller at the time of Closing by wire transfer, or by certified, cashier's, treasurer's or bank check(s) based on Seller's instruction to the Escrow Agent, which sum shall be credited against the Purchase Price pursuant to this Agreement.

4.1 Buyer shall pay Seller the sum of THREE HUNDRED THOUSAND DOLLARS and 00/100 CENTS (\$300,000.00) on or before January 31, 2019, but not before January 5, 2019, (the "First Installment"); and

4.2 Buyer shall pay Seller the sum of ONE HUNDRED FIFTY THOUSAND DOLLARS and 00/100 CENTS (\$150,000.00) on or before January 31, 2020, but not before January 5, 2020, (the "Second Installment"); and

4.3 Buyer shall pay Seller the sum of TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 CENTS (\$250,000.00) on or before January 31, 2021, but not before January 5, 2021, (the "Third Installment"), for this transaction since the initial deposit on or before the Closing Date.

On the Closing Date, Buyer shall deliver to Sellers a promissory note (the "Note") in the amount of SEVEN HUNDRED THOUSAND DOLLARS and 00/100 CENTS (\$700,000.00), representing Buyer's obligation to pay the First, Second, and Third Installment payments referenced in Subparagraphs 4.1, 4.2, and 4.3 above, together with a deed of trust on the Property to secure payment of the Note (the "Deed of Trust"). The Note shall be on the form attached as **Exhibit "F"**, completed in accordance with and consistent with the terms set forth in this Agreement and shall provide interest on the amount of the Note with interest on the declining principal balance at a rate of 3.375%. The Deed of Trust shall be on the form attached as **Exhibit "E"**, completed in accordance and consistent with the terms set forth in 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. Closing shall occur when the Deed (as hereinafter defined) to Buyer is executed and recorded, and the amount of the Purchase Price set forth in Paragraph 4 and the duly executed Note have been delivered to the Escrow Company for delivery to Seller and the Deed of Trust has been recorded. The Closing must occur on or before December 31, 2018.

6. Title and Survey Matters.

6.1 Title Binder. Buyer shall order a preliminary commitment for an ALTA owner's standard 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 property 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 ten (10) 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 Seller'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, at Buyer's expense. 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. This indemnification shall survive Closing. Buyer shall provide Seller with 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 as is necessary to appraise the Property.

7.4 **Approval of 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 Feasibility Period, of all aspects of the Property, including, without limitation, the physical condition of the Property, the documents and reports delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Should Buyer decide to Terminate during the Feasibility Period, Buyer shall be responsible for 100% of the escrow costs that may have been incurred.

7.5 **Feasibility Period.** As used herein, the terms "Contingency" or "Feasibility Period" shall be sixty (60) business days from the Effective Date.

7.6 **Buyer's Right to Terminate.** If Buyer's approval of all aspects of the Property as set forth in Paragraph 7.4 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 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, except as otherwise provided in Paragraph 7.2 and 7.4

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 (whether written or oral), with respect to the Property shall be terminated in writing, except for Contracts expressly assumed by Buyer in writing. Seller shall provide Buyer, prior to Closing, with written termination agreements or court orders with respect to all Contracts;

(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

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

If the conditions set forth in this Subparagraph 7.7 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, free and clear of unapproved encumbrances of record.

8.2 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.

8.3 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.

8.4 **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.

8.5 **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.

8.6 **Underground Storage Tanks.** Seller has no knowledge (a) of subterranean storage or underground storage tanks that exist on the Property, or (b) that any underground storage tanks have been removed or filled during Seller’s ownership of the Property. 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.

8.7 **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.

8.8 **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.

8.9 **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.

8.10 **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.

8.11 **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.

8.12 **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.

8.13 **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 it has regarding the Property.

9.2 **No Liens.** From the Effective 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.

10. Closing.

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

10.2 **Documents to be Delivered by Seller.** For and in consideration of, and as a condition precedent to the payment to Seller of the 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, 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.

(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.

10.3 **Payment of Costs.** At Closing, Seller shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, one-half of the escrow fee, the recording fee, the technology fee, and real property excise taxes. Buyer shall pay one-half of the escrow fee.

10.4 **Taxes.** Buyer is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(3).

10.5 **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.

10.6 **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.

10.7 **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.

11. Hazardous Substances. Buyer acknowledges that there is asbestos in the building. Buyer also acknowledges the possibility of hazardous substances on, under and about the Property. If Buyer purchases the property under this Agreement, Buyer assumes all risks and costs associated with hazardous substances on, under or about the Property.

If Buyer elects to purchase the Property under this Agreement. Buyer shall hold harmless and indemnify Seller, and Seller's heirs, successors and assigns from any claims, including expenses of litigation, resulting from or associated in any way with hazardous substances on, under or about the Property. The obligations of Buyer under this section shall survive Closing.

12. Casualty. If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement neither Buyer nor Seller, 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 be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Seller may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.

13. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "Notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by Federal Express, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by Federal Express or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given forty-eight (48) hours after the deposit thereof in the United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Buyer: Steven R. Hall, City Manager
City of Olympia
601 4th Ave E
Olympia, WA 98501
Email: shall@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 Seller: Minh Do Thi Smith
1306 Canning Court SW
Olympia WA 98512-9458

With a copy to: Michael Gusa
Gusa Law Office
2018 Caton Way SW
Olympia WA 98502
Email: michael@gusalawoffice.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.

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

15. Miscellaneous.

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

15.2 **Further Assurances.** Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder, to carry out the intent of the Parties hereto.

15.3 **Modification or Amendment, Waivers.** No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

15.4 **Successors and Assigns.** All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns.

15.5 **Entire Agreement and No Third Party Beneficiaries.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter. There are no prior agreements, understandings or representations with respect to its subject matter. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

15.6 **Attorneys' Fees.** Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

15.7 **Construction.** Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

15.8 **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

15.9 **Survival.** The covenants, agreements, 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.

15.10 **Finders' or Brokers' Fees.** Seller represents and warrants that she 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.

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

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

15.13 **Force Majeure.** Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

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

15.15 **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 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.

15.16 **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.

15.17 **Demolition of Buildings and Structures.** Seller shall permit Buyer to demolish any buildings or structures on the Property after Closing without regard to any provision to the contrary in the Deed of Trust. This provision shall survive Closing.

16. Expiration. This offer will expire if not executed by Seller and Buyer on or before 5:00 p.m. on September 30, 2018.

SELLER:

Minh Do Thi Smith, as her separate estate

Minh Do Thi Smith

Date: 9-12-2018

BUYER:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven R. Hall, City Manager

Date: _____

APPROVED AS TO FORM:

Annaliese Harksen
Annaliese Harksen, Deputy City Attorney

Date: 9-17-2018

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL A:

THE WESTERLY 23 FEET OF THE EAST HALF OF LOTS 5 AND 8 IN BLOCK 4 OF SYLVESTER'S PLAT OF OLYMPIA, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 14,

TOGETHER WITH

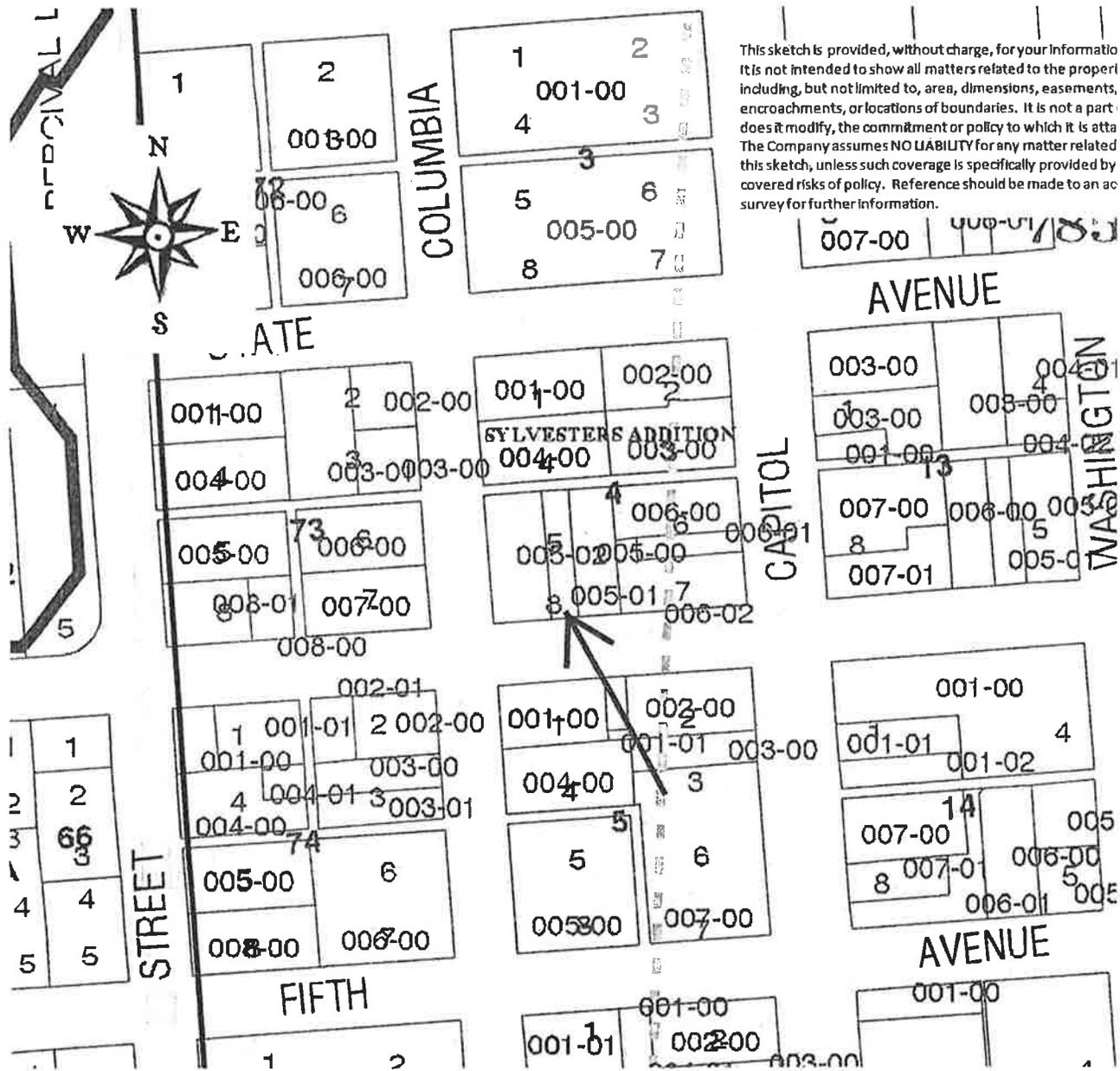
PARCEL B:

THE EASTERLY 37 FEET OF LOTS 5 AND 8 IN BLOCK 4 OF SYLVESTER'S PLAT OF OLYMPIA, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 14.

SITUATED IN THURSTON COUNTY, WASHINGTON.

EXHIBIT "B"

GENERAL VICINITY SKETCH



This sketch is provided, without charge, for your information. It is not intended to show all matters related to the property including, but not limited to, area, dimensions, easements, encroachments, or locations of boundaries. It is not a part of the deed. It does not modify the commitment or policy to which it is attached. The Company assumes NO LIABILITY for any matter related to this sketch, unless such coverage is specifically provided by the policy. Reference should be made to an actual survey for further information.

EXHIBIT "C"
DOCUMENTS AND REPORTS

1. Copies of all of leases or other occupancy agreements relating to the Property, if any, with originals to be delivered at Closing. Seller has a continuing obligation to provide updates to Buyer if any terms of leases or occupancy agreements change or if such agreements are terminated between the initial delivery of the documents to Buyer and Closing.
2. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
3. Any service contracts or other similar agreements related to the Property.
4. Reports of environmental conditions related to the Property, if any.
5. Surveys, if any.
6. Soils reports, if any.

EXHIBIT "D"
FORM OF STATUTORY WARRANTY DEED

AFTER RECORDING MAIL TO:

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

| | |
|---------------------------------------|--|
| Document Title: | Statutory Warranty Deed |
| Grantor: | Minh Do Thi Smith, as her separate estate |
| Grantee: | City of Olympia, a Washington municipal corporation |
| Abbreviated Legal Description: | PTN Lots 5 & 8 Blk 4 Sylvester's |
| Assessor's Tax Parcel Numbers: | 78500400500, 78500400501 |

The Grantor, **MINH DO THI SMITH**, as her separate estate, 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 Grantee, **CITY OF OLYMPIA**, a Washington 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, including all after acquired title:

PARCEL A:

THE WESTERLY 23 FEET OF THE EAST HALF OF LOTS 5 AND 8 IN BLOCK 4 OF SYLVESTER'S PLAT OF OLYMPIA, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 14.

TOGETHER WITH,

PARCEL B:

THE EASTERLY 37 FEET OF LOTS 5 AND 8 IN BLOCK 4 OF SYLVESTER'S PLAT OF OLYMPIA, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 14.

SITUATED IN THURSTON COUNTY, WASHINGTON.

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

DATED this ____ day of _____, 2018.

EXHIBIT "E"
FORM OF DEED OF TRUST

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

Short Form
DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2018, between,

CITY OF OLYMPIA, as GRANTOR,
whose address is: 601 4th Avenue E, Olympia, WA 98501, P.O. Box 1967, Olympia, WA 98507; and

THURSTON COUNTY TITLE COMPANY as TRUSTEE,
whose address is: 105 8th Avenue SE, Olympia, WA 98501; and

MINH DO THI SMITH as BENEFICIARY,
whose address is: 1306 Canning Court SW, Olympia, WA 98512

Grantor(s) hereby irrevocably grants, bargains, sells, and conveys to Trustee in trust, with power of sale, the following described property in Thurston County, Washington:

PARCEL A:

THE WESTERLY 23 FEET OF THE EAST HALF OF LOTS 5 AND 8 IN BLOCK 4
OF SYLVESTER'S PLAT OF OLYMPIA, AS RECORDED IN VOLUME 1 OF
PLATS, PAGE 14.

TOGETHER WITH,

PARCEL B:

THE EASTERLY 37 FEET OF LOTS 5 AND 8 IN BLOCK 4 OF SYLVESTER'S
PLAT OF OLYMPIA, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 14.

SITUATED IN THURSTON COUNTY, WASHINGTON.

Tax Parcel Number(s): **78500400500, 78500400501**

TOGETHER WITH all the tenements hereditaments and appurtenances, now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues, and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

THIS DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor(s) incorporated by reference or contained herein and payment of the sum of SEVEN HUNDRED THOUSAND DOLLARS AND 00/100 (\$700,000.00) with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantor(s); all renewals, modifications or extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 35 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantor(s) hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the twenty-fifth (25th) day of July, 1968, in the Official Records of the offices of the County Auditors of the following counties in Washington in the book, and at the page designated after the name of each county, to-wit:

| COUNTY | BOOK OR VOL. | PAGE NO. | AUDITOR'S | COUNTY | BOOK OR VOL. | PAGE NO. | AUDITOR'S |
|--------------|---------------------------------|---------------|-----------|--------------|----------------------|---------------|-----------|
| Adams | 2 of Record. Instr. | 513-16 | 122987 | Lewis | 7 of Official Rec. | 839-842 | 725562 |
| Asotin | Microfilmed under Auditor's No. | | 101896 | Lincoln | 107 of Mortgages | 776-779 | 316596 |
| Benton | 241 of Official Rec. | 695A-C | 592931 | Mason | Reel 48 | Frame 835-838 | 236038 |
| Chelan | 688 of Official Rec. | 1682-1685 | 681844 | Okanogan | 121 of Mortgages | 517-519A | 560658 |
| Clallam | 315 of Official Rec. | 195-198 | 383176 | Pacific | 213 of Official Rec. | 649-652 | 55707 |
| Clark | Aud. Microfilm No. | 702859-702862 | G-519253 | Pend Oreille | 27 of Mtgs. | 8-11 | 126854 |
| Columbia | 49 of Deeds | 198-201 | F 3115 | Pierce | 1254 of Mtgs. | 707-710 | 2250799 |
| Cowlitz | 747 of Official Rec. | 234-237 | 675475 | San Juan | 28 of Mtgs. | 459-462 | 69282 |
| Douglas | 125 of Mortgages | 120-123 | 151893 | Skagit | 19 of Official Rec. | 80-83 | 716277 |
| Ferry | 28 of Deeds | 413-416 | 153150 | Skamania | 47 of Mtgs. | 41-44 | 70197 |
| Franklin | 11 of Official Rec. | 138-141 | 309636 | Snohomish | 233 of Official Rec. | 540-543 | 2043549 |
| Garfield | Microfilmed under Auditor's No. | | 13044 | Spokane | 14 of Official Rec. | 1048-1051 | 376267C |
| Grant | 44 of Rec. Doc. | 373-376 | 538241 | Stevens | 109 of Mtgs. | 394-397 | 390635 |
| Grays Harbor | 21 of General | 31-34 | 207544 | Thurston | 454 of Official Rec. | 731-734 | 785350 |

| COUNTY | BOOK OR VOL. | PAGE NO. | AUDITOR'S | COUNTY | BOOK OR VOL. | PAGE NO. | AUDITOR'S |
|-----------|----------------------|----------|-----------|-------------|----------------------|----------|-----------|
| Island | 181 of Official Rec. | 710-713 | 211628 | Waukiakum | 17 of Mortgages | 89-92 | 24732 |
| Jefferson | 4 of Official Rec. | 316-319 | 196853 | Walla Walla | 308 of Mtgs. | 711-714 | 495721 |
| King | 5690 of Mtgs. | 436-439 | 6382309 | Whatcom | 82 of Official Rec. | 855-858 | 1047522 |
| Kitsap | 929 of Official Rec. | 480-483 | 934770 | Whitman | 1 of Misc. | 291-294 | 382282 |
| Kittitas | 111 of Mortgages | 361-364 | 348693 | Yakima | 712 of Official Rec. | 147-150 | 2170555 |
| Klickitat | 101 of Mortgages | 107-110 | 131095 | | | | |

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and by executing this Deed of Trust the Grantor(s) acknowledges receipt of such Master Form Deed of Trust.

The property which is the subject of this Deed of Trust is not used principally or primarily for agriculture or farming purposes.

The undersigned Grantor(s) requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

WITNESS the hand(s) and seal(s) of the Grantor(s) on the day and year first above written.

Steven R. Hall, City Manager

Date

STATE OF WASHINGTON

ss.

COUNTY OF THURSTON

I certify that I know or have satisfactory evidence that **STEVEN R. HALL** is the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument and acknowledged it to be the free and voluntary act for the uses and purposes mentioned in this instrument.

Dated:

Notary name printed or typed:
Notary Public in and for the State of
Residing at
My appointment expires:

MASTER FORM DEED OF TRUST

Recorded by Washington Mortgage Correspondence Association, a Washington corporation, pursuant to C. 148 L. 1967

The Grantor(s) covenants and agrees as follows:

1. The following described estate, property and rights of Grantor(s) are also included as a security for the performance of each covenant and agreement of Grantor(s) contained herein or in the Short Form Deed of Trust and the payment of all sums of money secured hereby:
 - (a) All the estate and rights of Grantor(s) in and to said property and in and to land lying in streets and roads adjoining said premises, and all access, rights, and easements appertaining thereto.
 - (b) All buildings, structures, improvements, fixtures, and articles of property now or hereafter attached to, or used or adapted for use in the operation of, the said premises, including but without being limited to, all heating and incinerating apparatus and equipment whatsoever, all boilers, engines, motors, dynamos, generating equipment, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen-equipment, refrigerators, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus, gas and electric fixtures, carpeting, underpadding, elevators, escalators, partitions, mantels, built-in mirrors, window shades, blinds, screens, storm sash, awnings, furnishings of public spaces, halls and lobbies, and shrubbery and plants; and including also all interest of any owner of the said premises in any of such items hereafter at any time acquired under conditional sale contract, chattel mortgage or other title retaining or security instrument, all of which property mentioned in this paragraph shall be deemed part of the realty and not severable wholly or in part without material injury to the freehold.
 - (c) All and singular the lands, tenements, privileges, water rights, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, rights, title, claim, interest and demand whatsoever of the Grantor(s), either in law or equity, of, in and to the bargained premises. TO HAVE AND TO HOLD said premises bargained and described, together with all and singular the lands, tenements, privileges, water rights, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all of the estate, right, title, claim, and demands whatsoever of the Grantor(s), either in law or in equity, of, in and to the above bargained premises, forever as security for the faithful performance of the promissory note secured hereby and as security for the faithful performance of each and all of the covenants, agreements, terms, and conditions of this Deed of Trust, SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.
 - (d) All of Grantor(s)'s rights further to encumber said property for debt except by such encumbrance which by its actual terms and specifically expressed intent shall be and at all times remain subject and subordinate to (i) any and all tenancies in existence when such encumbrance becomes effective and (ii) any tenancies thereafter created; Grantor(s) hereby (i) representing as a special inducement to Beneficiary to make this loan that as of the date hereof there are no encumbrances to secure debt junior to this Deed of Trust and (ii) covenanting that there are to be none as of the date when this Deed of Trust becomes of record, except in either case encumbrances having the prior written approval of Beneficiary, and all of Grantor(s)'s rights to enter into any lease or lease agreement which would create a tenancy that is or may become subordinate in any respect to any mortgage or deed of trust other than this Deed of Trust.
2. When and if Grantor(s) and Beneficiary shall respectively become the Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting property either referred to or described herein, or in any way connected with the use and enjoyment of these premises, this Deed of Trust shall be deemed a Security Agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms, and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to

such part of the security which is also reflected in said Financing Statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Beneficiary's sole election. Grantor(s) and Beneficiary agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and hereby stated intention of the parties hereto, that everything used in connection with the production of income from the property that is the subject of this Deed of Trust and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained in the short form Deed of Trust or in any list filed with the Beneficiary, (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time.

3. To pay all debts and monies secured hereby, when from any cause the same shall become due. To keep the property free from statutory and governmental liens of any kind. That the Grantor(s) is/are seized in fee simple of the property and owns outright every part thereof, that there are no liens or encumbrances against or upon the same and none superior to this Deed of Trust, will be created or suffered to be created by the Grantor(s) during the life of this Deed of Trust, that he has good right to make this Deed of Trust and that he will forever warrant and defend said property unto the Beneficiary, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. The Grantor(s) upon request by mail will furnish a written statement duly acknowledged of the amount due on this Deed of Trust and whether any offsets or defenses exist against the debt secured hereby.
4. To pay to Beneficiary, if Beneficiary so requires, together with and in addition to the monthly payments of principal and interest payable under the terms of the said note, on the date set forth therein for the making of monthly payments each month, until said note is fully paid, a sum, as estimated by the Beneficiary, equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on insurance policies as may be required under paragraph 10 hereof, Grantor(s) agreeing to deliver promptly to beneficiary all bills and notices thereof, less all sums already paid therefor, divided by the number of months to elapse before two months prior to the date when such ground rents, premiums, taxes, and special assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes, and special assessments. All payments mentioned in this paragraph and all payments to be made under said note shall be added together and the aggregate amount thereof shall be paid by the Grantor(s) each month in a single payment to be applied by Beneficiary to the following items in the order set forth: (1) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums; (2) interest on the note secured hereby; and, (3) amortization of the principal of said note. Any deficiency in the amount of any such aggregate monthly payment shall constitute an event of default under this Deed of Trust. The arrangement provided for in the paragraph 4 is solely for the added protection of the Beneficiary and entails no responsibility on the Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon assignment of this Deed of Trust by the Beneficiary, any funds on hand shall be turned over to the assignee and any responsibility of the assignor with respect thereto shall terminate. Each transfer of the property that is the subject of this Deed of Trust shall automatically transfer to the grantee all rights of the Grantor(s) with respect to any funds accumulated hereunder.
5. In the event that any payment or portion thereof is not paid within fifteen (15) days commencing with the date it is due, Beneficiary may collect, and the Grantor(s) agree(s) to pay with such payment, a "late charge" of two cents (\$.02) for each dollar so overdue as liquidated damages for the additional expense of handling such delinquent payments.
6. If the total of the payments (herein called reserves) made under paragraph 4 hereof relating to reserves for ground rents, taxes, special assessments, and premiums on insurance policies, shall exceed the amount of payments actually made by Beneficiary for the purposes set forth in paragraph 4, plus such amounts as have been reasonably accumulated in such reserves toward payments therefrom next to become due, such excess may, provided no default then exists under the terms of this instrument nor under the terms of the promissory note hereby secured, but not otherwise, be credited by beneficiary in payment of subsequent aggregate, but not partial, payments to be made by Grantor(s) or, at the option of the Beneficiary, refunded to the Grantor(s) or his/her/their successors in interest as

may appear upon the records of the Beneficiary. If, however, the monthly payments accumulating such reserves shall not be sufficient to pay the sums required when the same shall become due and payable, the Grantor(s) shall pay to Beneficiary any amount necessary to make up the deficiency within thirty (30) days after written notice to Grantor(s) stating the amount of the deficiency. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the property in accordance with the provisions hereof, or if the Beneficiary acquires the property otherwise after default, the Beneficiary shall apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under paragraph 4, less such sums as will become due and payable during the pendency of the proceedings, as a credit against the amounts secured hereby.

7. To maintain the buildings and other improvements on the property in a rentable and tenantable condition and state of repair, to neither commit nor suffer any waste, to promptly comply with all requirements of the federal, state, and municipal authorities and all other laws, ordinances, regulations, covenants, conditions, and restrictions respecting said property or the use thereof, and pay all fees or charges of any kind in connection therewith. The Beneficiary may recover as damages for any breach of this covenant the amount it would cost to put the property in the condition called for herein. In the event of breach of any requirement of this paragraph, the Beneficiary may, in addition to any other rights or remedies, at any time thereafter declare the whole of said principal sum immediately due and payable. Proof of impairment of security shall be unnecessary in any suit or proceeding under this paragraph. Grantor(s) shall permit Beneficiary or its agents the opportunity to inspect the property, including the interior of any structure at reasonable times and after reasonable notice.
8. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor(s) further agree(s):
 - (a) To commence construction promptly and in any event within thirty (30) days from the date of this instrument, and complete the same in accordance with any agreements relating to construction and plans and specifications satisfactory to Beneficiary within eight months of the date of this instrument.
 - (b) To allow Beneficiary to inspect said property at all times during construction.
 - (c) To replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice to Grantor(s) of such fact.
 - (d) That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) consecutive days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Grantor(s) under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

9. No building or other improvement on the property shall be structurally altered, removed, or demolished, without the Beneficiary's prior written consent, nor shall any fixture or chattel covered by this Deed of Trust and adapted to the proper use and enjoyment of the premises be removed at any time without like consent unless actually replaced by an article of equal suitability, owned by the Grantor(s), free and clear of any lien or security interest except such as may be approved in writing by the Beneficiary.
10. To provide to the Beneficiary, at least thirty (30) days prior to expiration of existing insurance, and maintain unceasingly, insurance, with premiums prepaid, on all of the property that is the subject of this Deed of Trust, or hereafter becoming part of said property, against loss by fire and other hazards, casualties, and contingencies, including war damage, as may be required from time to time by the Beneficiary in such amounts and for such period of time, with loss payable clauses (without contribution) in favor of and in form satisfactory to the Beneficiary, and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums. All insurance shall be carried in companies approved by Beneficiary. Beneficiary may at its

option require Grantor(s) to maintain said required policies in Grantor(s)'s possession in lieu of delivering said policies to Beneficiary, in which event said policies shall be kept available by Grantor(s) at all times for return to the Beneficiary or for inspection by Beneficiary, its agents or insurers, and said requirement may be withdrawn by Beneficiary at any time. In event of foreclosure of this Deed of Trust or other transfer of title to the subject property in extinguishment of some or all of the indebtedness secured hereby, all interest of the Grantor(s) in any insurance policies in force shall pass to the purchaser or Grantee to pay to Beneficiary as Beneficiary may require a reasonable fee to cover costs of substituting policies in the event the Grantor(s) replace(s) any policy prior to its expiration. Grantor(s) will reimburse Beneficiary for any premiums paid for such insurance by the Beneficiary upon the Grantor(s)'s default in so insuring the buildings or other improvements or default in assigning and delivering of such policies to the beneficiary so endorsed.

11. To appear in and defend any suit, action, or proceeding that might affect the value of this security instrument or the security itself or the rights and powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding, be made a party to such by reason of this Deed of Trust or elect to prosecute such action as appears necessary to preserve said value, the Grantor(s) will, at all times, indemnify from, and, on demand reimburse Beneficiary or Trustee for any and all loss, damage, expense, or cost, including cost of evidence of title and attorney's fees, arising out of or incurred in connection with any such suit, action, or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust with interest as provided in the note secured hereby and shall be due and payable on demand. To pay costs of suit, cost of evidence of title and a reasonable attorney's fee in any proceeding or suit brought by Beneficiary to foreclose this Deed of Trust.
12. To pay in full at least thirty (30) days before delinquent all rents, taxes, assessments, and encumbrances, charges or liens with interest, that may now or hereafter be levied, assessed, or claimed upon the property that is the subject of this Deed of Trust or any part thereof, which at any time appear to be prior or superior hereto for which provision has not been made heretofore, and upon request will exhibit to Beneficiary official receipts therefor, and to pay all taxes imposed upon, reasonable costs, fees, and expenses of this Trust. On default under this paragraph Beneficiary may, at its option, pay, or pay out of reserves accumulated under paragraph 4, any such sums, without waiver of any other right of Beneficiary by reason of such default of Grantor(s), and Beneficiary shall not be liable to Grantor(s) for a failure to exercise any such option.
13. To repay immediately on written notice to Grantor(s) all sums expended or advanced hereunder by or on behalf of Beneficiary or Trustee, with interest from the date of such advance or expenditure at the rate of ten percent (10%) per annum until paid, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within ten (10) days of the mailing of such notice will, at Beneficiary's option, constitute an event of default hereunder, or, Beneficiary may, at its option, commence an action against Grantor(s) for the recovery of such expenditure or advance and interest thereon, and in such event Grantor(s) agree(s) to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorney's fee.
14. Should Grantor(s) fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor(s) and without releasing Grantor(s) from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such power, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor including cost of evidence of title, employ counsel, and pay his/her/their reasonable fees.
15. (a) To fully comply with all of the terms, conditions, and provisions of all leases on said property so that the same shall not become in default and to do all that is needful to preserve all said leases in force.
(b) To permit no assignment of any lease, or any subletting thereunder unless the right to assign or sublet is expressly reserved by the lessee under such lease.

- (c) That save and except for taxes and assessments provided to be paid by Grantor(s) as specified in paragraph 12 hereof, Grantor(s) will not create or suffer or permit to be created, subsequent to the date of the execution and delivery of this Deed of Trust any lien or encumbrance which may be or become superior to any lease affecting said property.
- (d) That if any part of the automobile parking areas included within said property is taken by condemnation, or before said areas are otherwise reduced, Grantor(s) will provide parking facilities in kind, size, and location to comply with all leases, and before making any contract for such substitute parking facilities, Grantor(s) will furnish to Beneficiary satisfactory assurance of completion thereof free of liens and in conformity with all governmental zoning and regulations.
16. Should the property or any part or appurtenance thereof or right or interest therein be taken or damaged by reason of any public or private improvement, condemnation proceeding (including change of grade), fire, earthquake, or other casualty, or in any other manner, Beneficiary may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such taking or damage, and obtain all compensation, awards, or other relief therefor. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies or insurance affecting the property, are hereby assigned to beneficiary, which may, after deducting therefrom all its expenses, including attorney's fees, release any monies so received by it, or apply the same on any indebtedness secured hereby or apply the same to the repair or restoration of the property, as it may elect. Grantor(s) further assigns to Beneficiary any return premiums or other repayments upon any insurance at any time provided for the benefit of the Beneficiary, refunds or rebates made of taxes or assessments on said property, and Beneficiary may at any time collect said return premiums, repayments, refunds, rebates, etc., notwithstanding that no sum secured hereby be overdue when such right to collection be asserted. Grantor(s) also agree(s) to execute such further assignments of any such compensation, award, damages, rebates, return of premiums, repayments, rights of action, and proceeds as Beneficiary or Trustee may require.
17. Time is of the essence hereof in connection with all obligations of the Grantor(s) herein or in said note. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
18. At any time upon written request of Beneficiary, payment of its fees and presentation of this Deed and said note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The Grantee in any reconveyance may be described as the "Person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Grantor(s) agrees to pay a reasonable trustee's fee for full or partial reconveyance, together with a recording fee if Trustee, at its option, elects to record said reconveyance.
19. In case of a sale under this Deed of Trust, the said property, real, personal and mixed, may be sold in one parcel.
20. The Grantor(s) shall not, without first obtaining the Beneficiary's written consent, assign any of the rents or profits of the property or collect any rent for more than one month in advance or change the general nature of the occupancy or initiate or acquiesce in any zoning reclassification, or do or suffer any act or thing which would impair the security for said debt or the Beneficiary's lien upon said property or the rents thereof. In the event of breach of any requirement of this paragraph, the Beneficiary may, in addition to any other rights or remedies, at any time thereafter declare the whole of said principal sum immediately due and payable.
21. The holder of this Deed of Trust, in any action to foreclose it, shall be entitled (without notice and without regard to the adequacy of any security for said debt) to the appointment of a receiver of the rents and profits of the property and such receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receiver, all the rights and powers granted to the Beneficiary by the covenants contained in paragraph 23 hereof.

22. As further security for the payment of all indebtedness herein mentioned, all Grantor(s)'s rents and profits of said property and the right, title, and interest of the Grantor(s) in and under all leases now or hereafter affecting said property, are hereby assigned and transferred to the Beneficiary. So long as no default shall exist in compliance with any requirement hereof or of any further instrument at any time executed with respect to this Deed of Trust the Grantor(s) may collect assigned rents and profits as the same fall due, but upon the occurrence of any such default, or at such later time as the Beneficiary in its sole discretion may fix by written notice, all right of the Grantor(s) to collect or receive rents or profits shall wholly terminate. All rents or profits of Grantor(s) receivable from or in respect to said property which it shall be permitted to collect hereunder shall be received by it in trust to pay the usual and reasonable operating expenses of, and the taxes upon, said property and the sums owing the Beneficiary as they become due and payable as provided in this Deed of Trust or in the said note or in any modification of either. The balance of such rents and profits after payment of such operating expenses, taxes, and sums due the Beneficiary, and after the setting aside of accruals to date of such expenses, taxes, and sums, including amortization, shall be Grantor(s)'s absolute property. No lease of the whole or any part of the property involving an initial term of more than three (3) years shall be modified or terminated without the written consent of the Beneficiary, nor shall the surrender of any such lease be accepted nor any rental thereunder be collected for more than two (2) months in advance without like written consent. In the event of any default hereunder and the exercise by the Beneficiary of its rights hereby granted, Grantor(s) agree(s) that payments made by tenants or occupants to the Beneficiary shall, as to such tenants, be considered as though made to Grantor(s) and in discharge of tenants' obligations as such to Grantor(s). Nothing herein contained shall be construed as obliging the Beneficiary to perform any of Grantor(s)'s covenants under any lease or rental arrangement. Grantor(s) shall execute and deliver to the Beneficiary upon demand any further or supplemental assignments necessary to effectuate the intentions of this paragraph and upon failure of the Grantor(s) so to comply, Beneficiary may, in addition to any other right or remedy it has, declare the maturity of the indebtedness hereby secured.
23. In the event of default in compliance with any requirement of this Deed of Trust or of any further instrument at any time executed with respect to this Deed of Trust, and the continuance thereof for such period as would entitle the Beneficiary to declare said debt due and payable, or for ten (10) days if no such period be applicable, the Beneficiary may, at its option, enter upon and take possession of the said property and let the same or any part thereof, making therefor such alterations as it finds necessary, and may terminate in any lawful manner any tenancy or occupancy of said property, exercising with respect thereto any right or option available to the Grantor(s). From and after the occurrence of any such default, if any owner of said property shall occupy said property or part thereof, such owner shall pay to the Beneficiary in advance on the first day of each month a reasonable rental for the space so occupied, and upon failure so to do the Beneficiary shall be entitled to remove such owner from the property by any appropriate action or proceeding.
24. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation, or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
25. All sums secured hereby shall become immediately due and payable, at the option of the Beneficiary without demand or notice, after any of the following occur, each of which shall be an event of default: (a) default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance or observance of any agreement contained herein, or (b) any assignment made by Grantor(s) or the then owner of said property for the benefit of creditors, or (c) any transfer of title made by the Grantor(s) or the then owner of said property to a Grantee or successors in interest without the assumption of all of the terms and conditions herein contained, or (d) any of the following shall occur, with respect to the property, the Grantor(s) or the then owner of said property: (i) the appointment of a receiver, liquidator, or Trustee; (ii) the adjudication as a bankrupt or insolvent, (iii) the filing of any Petition for Bankruptcy or reorganization; (iv) the institution of any proceeding for dissolution or liquidation, (v) if Grantor(s) be unable, or admit in writing an inability to pay his/her/their debts when due; or (vi) a default in any provision of any other instrument which may be held by Beneficiary as security for said note, including the loan agreement and related documents, the terms and covenants of which are incorporated herein by reference as though fully set forth herein. No waiver by Beneficiary of any default on the part of Grantor(s) shall be construed as a waiver of any subsequent default hereunder. In event of such default and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of

Washington (RCW Chapter 61.24 as existing now, or hereafter amended) and the Uniform Commercial Code of the State of Washington where applicable, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (a) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (b) to the obligation secured by this Deed of Trust; and (c) the surplus, if any, shall be distributed in accordance with said Deed of Trust Act. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value. The Power of Sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. At any time Beneficiary may appoint in writing a successor trustee, or discharge and appoint a new Trustee in the place of any Trustee named herein, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the Original Trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party, unless such action or proceeding is brought by the Trustee.

26. The property which is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes.
27. In the event of the passage after the date of this Deed of Trust of any federal, state, or local law, deducting from the value of real property for the purpose of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured thereby, for federal, state or local purposes, or the manner of the collection of any such taxes so as to affect the interest of Beneficiary, then and in such event, Grantor(s) shall bear and pay the full amount of such taxes, provided that if for any reason payment by Grantor(s) of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the loan or indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the note, or the within Deed of Trust or otherwise. Beneficiary may, at its option, without demand or notice, declare the whole sum secured by this Deed of Trust with interest thereon to be immediately due and payable, or Beneficiary may, at its option, pay that amount or portion of such taxes as renders the loan or indebtedness secured hereby unlawful or usurious, in which event Grantor(s) shall concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.
28. If from any circumstances whatever fulfillment of any provision of this Deed of Trust or said note at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by the usury statute or any other law, the ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Deed of Trust or under said note that is in excess of the limit of such validity; but such obligation shall be fulfilled to the limit of such validity. The provisions of this paragraph shall control every other provision of this Deed of Trust and said note.
29. In the event that this Deed of Trust is foreclosed as a mortgage and the property sold at a foreclosure sale, the purchaser may, during any redemption period allowed, make such repairs or alterations on said property as may be reasonably necessary for the proper operation, care, preservation, protection, and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditure at the highest lawful rate shall be added to and become a part of the amount required to be paid for redemption from such sale.
30. Grantor(s) shall deliver to the Beneficiary within 20 days after written demand therefor a detailed operating statement in form satisfactory to the beneficiary covering the subject property and certified as correct by the Grantor(s). Grantor(s) shall permit the Beneficiary or its representative to examine all books and records pertaining to the said property, upon prior written demand of not less than ten (10) days. In default thereof Beneficiary shall, in addition to all other remedies, have the option of maturing the indebtedness hereby secured. The Beneficiary shall demand not more than one statement in any calendar year.

31. Beneficiary shall have the right at its option to foreclose this Deed of Trust subject to the rights of any tenant or tenants of the said property and the failure to make any such tenant or tenants a party defendant to any such suit or action or to foreclose his/her/their rights will not be asserted by the Grantor(s) as a defense in any action or suit instituted to collect the indebtedness secured hereby or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the said property, any statute or rule of law at any time existing to the contrary notwithstanding.
32. Upon any default by Grantor(s) and following the acceleration of maturity as herein provided, a tender of payment of the amount necessary to satisfy the entire indebtedness secured hereby made at any time prior to foreclosure sale (including sale under power of sale) by the Grantor(s), its successors or assigns, or by anyone in behalf of the Grantor(s), its successors or assigns, shall constitute an evasion of the prepayment terms of said note and be deemed to be a voluntary prepayment thereunder and any such payment to the extent permitted by law, will, therefore, include the additional payment required under the prepayment privilege, if any, contained in said note or if at that time there be no prepayment privilege then such payment, will to the extent permitted by law include an additional payment of five percent (5%) of the then principal balance.
33. The Beneficiary shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Deed of Trust.
34. Grantor(s), from time to time, within fifteen (15) days after request by Beneficiary, shall execute, acknowledge and deliver to Beneficiary, such chattel mortgages, security agreements, or other similar security instruments, in form and substance satisfactory to Beneficiary, covering all property of any kind whatsoever owned by Grantor(s) or in which Grantor(s) has any interest which, in the sole opinion of Beneficiary, is essential to the operation of the said property covered by this Deed of Trust. Grantor(s) shall further from time to time, within fifteen (15) days after request by Beneficiary, execute, acknowledge, and deliver any financing statement, renewal, affidavit, certificate, continuation statement, or other document as Beneficiary may request in order to perfect, preserve, continue, extend or maintain the security interest under, and the priority of, this Deed of Trust and the priority of such chattel mortgage or other security instrument as a first lien. Grantor(s) further agree(s) to pay to beneficiary on demand all costs and expenses incurred by Beneficiary in connection with the preparation, execution, recording, filing, and refiling of any such instrument or document including the charges for examining title and the attorney's fee for rendering an opinion as to the priority of this Deed of Trust and of such chattel mortgage or other security instrument as a valid first and subsisting lien. However, neither a request so made by Beneficiary nor the failure of Beneficiary to make such request shall be construed as a release of such property, or any part thereof, from the conveyance of title by this Deed of Trust, it being understood and agreed that this covenant and any such chattel mortgage, security agreement, or other similar security instrument, delivered to beneficiary, are cumulative and given as additional security.
35. All Beneficiary's rights and remedies herein specified are intended to be cumulative and not in substitution for any right or remedy otherwise available and no requirement whatsoever may be waived at any time except by a writing signed by the Beneficiary, nor shall any waiver be operative upon other than a single occasion. This Deed of Trust cannot be changed or terminated orally. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, successors, and assigns. All obligations of Grantor(s) hereunder are joint and several. The term "Beneficiary" shall mean the holder and owner, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. Without affecting the liability of any other person for the payment of any obligation herein mentioned (including Grantor(s) should he convey said property) and without affecting the lien hereof upon any property not released, Beneficiary may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligation, or grant other indulgences, release, or reconvey, or cause to be released or reconveyed at any time all or part of the said property described herein, take or release any other security or make compositions or other arrangements with debtors. Beneficiary may also accept additional security, either concurrently herewith or thereafter,

and sell same or otherwise realize thereon, either before, concurrently with, or after sale hereunder. This Deed of Trust shall be so construed that wherever applicable, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number, the use of any gender shall be applicable to all genders and shall likewise be so construed as applicable to and including a corporation. The word "note" shall include all notes evidencing the indebtedness secured hereby. If any of the provisions hereof shall be determined to contravene or be invalid under the laws of the State of Washington, such contravention or invalidity shall not invalidate any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and all rights and obligations of the parties shall be construed and enforced accordingly. Any notices to be given to Grantor(s) by Beneficiary hereunder shall be sufficient if mailed postage prepaid, to the address of the Grantor(s) stated in the Short Form Deed of Trust, or to such other address as Grantor(s) has/have requested in writing to the Beneficiary, that such notices be sent. Any time period provided in the giving of any notice hereunder shall commence upon the date such notice is deposited in the mail.

EXHIBIT "F"
FORM OF PROMISSORY NOTE

PROMISSORY NOTE

\$700,000.00

_____ Date

OLYMPIA, WASHINGTON

FOR VALUE RECEIVED, CITY OF OLYMPIA, hereinafter "Maker" promises to pay to MINH DO THI SMITH, hereinafter "Holder" at 1306 Canning Court SW, Olympia, WA 98512, or other such place as may be designated by the Holder from time to time, the principal sum of SEVEN HUNDRED THOUSAND DOLLARS AND NO/100 Dollars (\$700,000.00) with 3.375% interest thereon from _____ day of _____, 2018 on the declining principal balance as follows:

1. **INSTALLMENT PAYMENTS:** Maker shall pay, (check one)

a. **NO INSTALLMENTS.** No installment payments are required.

b. **PRINCIPAL and INTEREST INSTALLMENTS** on the amount of the Note with interest on the declining principal balance at a rate of 3.375% applicable to the installments as outlined below:

- Maker shall pay Holder the sum of **THREE HUNDRED THOUSAND DOLLARS and 00/100 CENTS** (\$300,000.00) on or before January 31, 2019, but not before January 5, 2019, (the "First Installment"); and
- Maker shall pay Holder the sum of **ONE HUNDRED FIFTY THOUSAND DOLLARS and 00/100 CENTS** (\$150,000.00) on or before January 31, 2020, but not before January 5, 2020, (the "Second Installment"); and
- Maker shall pay Holder the sum of **TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 CENTS** (\$250,000.00) on or before January 31, 2021, but not before January 5, 2021, (the "Third Installment"), for this transaction since the initial deposit on or before the Closing Date.

c. **INTEREST ONLY PAYMENTS** on the outstanding principal balance.

(The following must be completed if "b" or "c" is checked)

The installment payments shall begin on the 31st day of January 2019 and shall continue: (check one)

() calendar month () third calendar month () sixth calendar month () twelfth calendar month

(X) **Other:** As outlined in item (1)(b), above.

2. **DUE DATE:** The entire balance of this Note together with any and all interest accrued thereon shall be due and payable in full on or before the 31st day of January 2021.
3. **DEFAULT INTEREST:** After maturity, or failure to make any payment, any unpaid principal shall accrue interest at the rate of five percent (5%) per annum OR the maximum rate allowed by law, whichever is less, during such period of Maker's default under this Note.
4. **ALLOCATION OF PAYMENTS:** Each payment shall be credited first to any late charge due, second to interest, and the remainder to principal.
5. **PREPAYMENT:** Maker may prepay all or part of the balance owed under this Note at any time without penalty.
6. **CURRENCY:** All principal and interest payments shall be made in lawful money of the United States.
7. **LATE CHARGE:** If Holder receives any installment payment more than thirty after its due date, then a late payment charge of five percent (5%) of the installment payment shall be added to the scheduled payment.
8. **DUE ON SALE: (OPTIONAL-Not applicable unless initialed by Holder and Maker to this Note)** If this Note is secured by a Deed of Trust or any other instrument securing repayment of this Note, the property described in such security instruments may not be sold or transferred without the Holder's consent. Upon breach of this provision, Holder may declare all sums due under this Note immediately due and payable, unless prohibited by applicable law.

Maker (Initials)

Holder (Initials)

9. **ACCELERATION:** If Maker fails to make any payment owed under this Note, or if Maker defaults under any Deed of Trust or any other instruments securing repayment of this Note, and such default is not cured within thirty (30) days after written notice of such default, then Holder may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable, in addition to any other rights or remedies that Holder may have under the Deed of Trust or other instruments securing repayment of this Note.
10. **ATTORNEYS' FEES AND COSTS:** Maker shall pay all costs incurred by Holder in collecting sums due under this Note after a default, including reasonable attorneys' fees, whether or not suit is brought. If Maker or Holder sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
11. **WAIVER OF PRESENTMENTS:** Maker waives presentment for payment, notice of dishonor, protest and notice of protest.

12. **NON-WAIVER:** No failure or delay by Holder in exercising Holder's rights under this Note shall be a waiver of such rights.
13. **SEVERABILITY:** If any clause or any other portion of this Note shall be determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other clause or portion of this Note, all of which shall remain in full force and effect.
14. **INTEGRATION:** There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by written agreement signed by Maker and Holder.
15. **CONFLICTING TERMS:** In the event of any conflict between the terms of this Note and the terms of any Deed of Trust or other instruments securing payment of this Note, the terms of this Note shall prevail.
16. **EXECUTION:** Each Maker executes this Note as a principal and not as a surety. If there is more than one Maker, each such Maker shall be jointly and severally liable under this Note.
17. **COMMERCIAL PROPERTY:** (*OPTIONAL-Not applicable unless initialed by Holder and Maker to this Note*) Maker represents and warrants to Holder that the sums represented by this Note are being used for business, investment or commercial purposes, and not for personal, family or household purposes.

 Maker (Initials)

 Holder (Initials)

ORAL AGREEMENTS: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

18. **DEFINITIONS:** The word Maker shall be construed interchangeably with the words Borrower or Payer and the word Holder shall be construed interchangeably with the words Lender or Payee. In this Note, singular and plural words shall be construed interchangeably as may be appropriate in the context and circumstances to which such words apply.

19. **ADDITIONAL TERMS AND CONDITIONS:** (check one)

a. NONE

OR

b. As set forth on the attached "Exhibit A" which is incorporated by this reference.

(Note: If neither a or b is checked, then option "a" applies)

20. **THIS NOTE IS SECURED BY** **DEED OF TRUST,** **MORTGAGE,** **OF EVEN DATE.**

Maker (signatures)

Maker's address for all notices given by Holder under this Note:

**CITY OF OLYMPIA
ATTN: City Manager
601 4th Avenue E
Olympia, WA 98501**

With a copy to:

**CITY OF OLYMPIA
ATTN: City Attorney
601 4th Avenue E
Olympia, WA 98501**

DO NOT DESTROY THIS NOTE

WHEN PAID this original Note together with the Deed of Trust securing the same, must be surrendered to the Trustee for cancellation and retention before any reconveyance can be processed.