

PURCHASE AND SALE AGREEMENT

BETWEEN: West Evergreen, LLC, a Washington limited liability company
915 W 11th Street
Vancouver, WA 98660

("BUYER")

AND: City of Vancouver, a municipal corporation
415 W 6th Street
Vancouver, WA 98668

("SELLER")

RECITALS:

Seller desires to sell to Buyer and Buyer desires to purchase from Seller the land and improvements located at 900 W. Evergreen Blvd., Vancouver, Washington, further described as Clark County Assessor parcel 50440-000, consisting of approximately 0.88 acres and approximately 14,500 square feet of gross building area, being the property formerly known as Fire Station #1.

All of said property is located in Vancouver, Clark County, Washington, and is more particularly described in Exhibit "A," attached hereto and incorporated herein by reference (the "Property"), the purchase of which is subject to the terms and conditions contained herein.

AGREEMENT:

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Sale and Purchase. Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer for the sum of ONE MILLION, THREE HUNDRED TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$1,325,000.00) ("Purchase Price").
2. Earnest Money; Payment of Purchase Price. Upon execution of this Agreement by both parties, Buyer agrees to deposit with Clark County Title Company, Jacque Bauman, 1400 Washington St., Suite 100, Vancouver, WA 98660 ("Escrow Agent"), earnest money in the amount of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) in the form of cash or promissory note ("Earnest Money"). The Earnest Money will be deposited in an interest-bearing account that provides no penalties for early or immediate withdrawal. The interest accruing on the Earnest Money shall be credited to the Purchase Price at Closing (defined in Closing and Closing Date section). In the event Closing does not occur, the Earnest Money and all of the accumulated interest shall be disbursed in accordance with the provisions of Section 16. At Closing, Buyer shall pay, by immediately available funds, the

remaining Purchase Price due after credit for Earnest Money and interest thereon is given.

3. Conditions.

a) Closing of the sale of the Property is expressly conditioned upon approval by the Vancouver City Council following a public hearing.

b) Buyer shall have 15 days from the effective date of this Agreement to conduct due diligence investigations and analysis of the Property and all information pertaining to the Property ("Due Diligence Period"). If Buyer determines, for any reason, that Buyer does not wish to acquire the Property and notifies Seller by 5:00 p.m. (PST/PDT) on the last day of the Due Diligence Period of its election to terminate this Agreement, the Earnest Money deposit shall be returned to Buyer, this Agreement shall become void, and there shall be no further obligation or liability on either of the parties hereto, except as otherwise specifically provided herein. Buyer's failure to deliver notice to Seller of its election to terminate this Agreement prior to 5:00 p.m. (PST/PDT) on the last day of the Due Diligence Period shall be deemed a waiver of Buyer's right to terminate this Agreement pursuant to this Paragraph 3(b).

4. Close of Escrow. Closing shall occur no later than 10 days following satisfaction of the Conditions described in Section 3 above.

As used in this Agreement, "Close," "Closing," or "Closed," shall mean the date on which all of the necessary documents have been deposited with the Escrow Agent and the Escrow Agent has: (a) disbursed the Purchase Price to Seller; (b) recorded on behalf of Buyer the Statutory Warranty Deed ("Deed") for the Property; (c) issued or authorized the issuance of the Title Insurance Policy referred to in Section 9 of this Agreement; and (d) complied with all other escrow instructions of Buyer or Seller imposed as a condition of Closing.

5. Warranty Deed. This Agreement is for conveyance of fee title. Title shall be conveyed by Statutory Warranty Deed free of encumbrances or defects except those specifically approved by Buyer in writing.

6. Seller's Representations. Notwithstanding Section 3, Seller warrants and makes the following representations all of which shall survive closing:

(a) Seller has no actual knowledge of the release or presence of any Hazardous Material on, in, from or onto the Property, with the exception of those certain roofing materials found to contain asbestos as identified on the Bulk Sample Analysis Report prepared by Certified Environmental Consulting, LLC, dated December 23, 2020, which report has been reviewed by both Buyer and Seller;

(1) For purposes of this Agreement, the term "Hazardous Material" means any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials and wastes listed in the United

States Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. pt. 302 and amendments thereto) or in the Washington Hazardous Waste Management Act (Ch. 70.105D RCW) or the Model Toxics Control Act (Chs. 70.105D RCW, 82.21 RCW), and such other substances, materials and wastes as become regulated or subject to cleanup authority under any Environmental Laws but excluding petroleum products.

(b) Seller has not received actual notice of any liens or other legal actions to be assessed, or which anyone claims or has a right to claim, against the Property;

(c) Seller does not know of, and has not received, actual notice from any governmental agency of any violation of law relating to the Property;

(d) Seller is not a foreign person as that term is defined in IRC 1445 and, at Closing, Seller will deliver a certificate of non-foreign status in form required by IRS regulations;

7. Acceptance of Property. Subject to Buyer's inspection condition described above in Section 3, Buyer accepts the Property and improvements thereon in their present condition, "AS IS, WHERE IS," including, but not limited to, any defects, problems or conditions as presently exist, known or unknown, including latent defects.
8. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of the time of closing, will be deemed to be material and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.
9. Title Insurance. At Closing, the Escrow Agent shall issue Buyer an ALTA owner's policy of title insurance, insuring the vesting of fee title to the Property in Buyer in the amount of the Purchase Price, subject only to the Permitted Encumbrances. Seller shall pay the premium for standard title insurance coverage. Any additional premium charged for extended title insurance coverage shall be the responsibility of Buyer if it desires to obtain extended title insurance coverage.
10. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.
11. Non-merger. The terms and provisions of this Agreement, including, without limitations, all indemnification obligations, will not merge in, but will survive, the closing of the transaction contemplated under this Agreement.

12. Pro Rations at Closing. Prorates for rents, current year's property taxes, water, sewer, other utility charges, and other periodic expenses attributable to the Property shall be completed as of the date of closing. Seller and Buyer shall jointly request Escrow Agent to prorate all utility charges as part of the closing, including water and sewer.
13. Closing Costs. Buyer and Seller shall equally pay all escrow and closing costs. Buyer shall be solely responsible for the costs of recording.
14. Possession. Buyer shall be entitled to possession on date of closing.
15. Successor Interests. This Agreement is binding upon and shall inure to the benefit of the parties and their respective heirs, successors, legal representatives, and assigns.
16. Remedies. If the transaction fails to close through fault of the Seller or Buyer, the aggrieved party may, at his election, seek such remedies as are available to him at law or in equity, including but not limited to, specific performance of this Agreement.
17. Prior Agreements. This Agreement is the entire, final, and complete Agreement of the parties pertaining to the sale and purchase of the Property and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the Property is concerned. This offer supersedes any and all prior offers by Buyer or Seller.
18. Headings. The paragraphs throughout this Agreement are for convenience and reference only, and words contained therein shall in no way be held to explain, modify, or aid in the construction or meaning of the provisions of this Agreement.
19. Access to the Property. Buyer shall, from and after the execution hereof by Seller, have the right to ingress and agree to go in, on, or over the Property for the purpose of making such tests and examinations as he may desire. Buyer shall repair any and all damage, if any, caused by the Buyer.
20. No Assignment. Buyer may not assign this Agreement or any of Buyer's rights hereunder without the prior approval of Seller, at the Seller's sole discretion.
21. Notices. Any notice required under this Agreement shall be deemed given when actually delivered or when deposited in the United States mail, as certified mail with postage prepaid, and addressed as set forth in this Agreement.
22. Real Estate Commission. There is no real estate commission or brokerage fee associated with this transaction.
23. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state of Washington.
24. Option to Repurchase.

(a) In the event that Buyer fails to initiate or substantially complete construction of the Physical Improvements (as defined in subsection (b) below) on or before the Construction Completion Date (a "Fundamental Breach"), then Seller may exercise its option to re-purchase the Property by delivering written notice of such intent, together with an earnest money deposit of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) to the Escrow Agent, with a copy of such notice to Buyer. If Seller exercises its repurchase rights as set forth herein, the price for such repurchase shall be ONE MILLION THREE HUNDRED TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$1,325,000.00) (the "Repurchase Price"), subject to any adjustment for Physical Improvements as described in subsection (b) below. The repurchase of the Property shall be consummated through the Escrow Agent, at a time determined by Seller no later than ninety (90) days after the delivery of the Seller's notice that it intends to exercise its repurchase rights. The Repurchase Price shall be payable in cash or other immediately available funds. Title to the Property shall be conveyed by Buyer to Seller by statutory warranty deed, subject to all real estate taxes, installments of special assessments, easements, restrictions, covenants and conditions of record, except delinquent real property taxes or installments of special assessments. Any mortgage or liens, including potential mechanics liens or other liens outstanding on the Property, shall be discharged by Buyer at the Closing hereunder. Current real property taxes and installments of special assessments shall be prorated as of the date of Closing. The costs of closing and title shall be paid by Seller.

(b) Physical Improvements. As used herein, "Physical Improvements" means and includes interior and exterior improvements to buildings, site, fixtures and attachments, as well related infrastructure improvements that directly improve the subject Property itself, the actual value of which shall be a minimum of \$300,000.00 (inclusive of Washington State Sales Tax). "Physical Improvements" does not include the cost of permitting, consulting services, drafting of plans or construction documents, or any similar type of cost that is related to improvement of the Property but does not add direct value to the Property. It is the understanding of the parties hereto that Buyer will incur such improvement-related costs, but that these shall not count towards the \$300,000.00 of actual physical improvements that must be made to the subject Property before the Construction Completion Date. In the event of a Fundamental Breach, if Seller exercises its option to re-purchase the Property, Seller shall add to the Repurchase Price the estimated value of those Physical Improvements, if any, actually constructed on the Property, as determined by a disinterested, third-party appraiser. Buyer and Seller agree that in such event, however, any increase to the Repurchase Price shall not exceed \$299,999.99.

(c) Construction Completion Date; Option Term. Buyer agrees to substantially complete construction of the Physical Improvements no later than 18 months after the date of Closing of the sale of the subject Property ("Construction Completion Date"). It is understood that while Buyer must substantially complete construction of at least \$300,000.00 worth of Physical Improvements on the Property by this date, construction of improvements in excess of \$300,000.00 can and may continue after

Address for notices:

SELLER: Linda Carlson
City of Vancouver
PO Box 1995
Vancouver, WA 98668-1995
Telephone: (360) 487-8423
FAX: (360) 487-8496

BUYER: Josh Oliva
West Evergreen, LLC
915 W 11th Street
Vancouver, WA 98660
Telephone: (360) 213-2222
E-mail: josho@hspre.com

Exhibit “A”

LEGAL DESCRIPTION

Abbreviated Legal: WHIPPLES ADDN LOTS 1,2,7 & 8 BLK P

Full Legal Description to be provided by Title Company