

**PURCHASE AND SALE AGREEMENT BETWEEN
THE CITY OF TACOMA AND
ELI MORENO**

This AGREEMENT REGARDING THE PURCHASE AND SALE OF REAL PROPERTY (this "Agreement") is entered into as of Dec. 5th, 2017 between the CITY OF TACOMA, a first class municipal corporation ("Seller") and Eli Moreno ("Buyer").

RECITALS

1. Seller is the owner of certain real property more particularly described in Section 1, below that Seller desires to sell into private ownership.
2. Buyer desires to purchase the property from Seller.

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

AGREEMENT

1. Real Property. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement, the real property located in the City of Tacoma, County of Pierce and State of Washington, legally described in Exhibit A and depicted on Exhibit B, as both attached hereto and incorporated herein by this reference, together with all of Seller's right, title and interest in and to any rights licenses, privileges, reversions and easements pertinent to the real property (collectively, the "Property").
2. Deposit. Upon execution of the Agreement by both Seller and Buyer, Buyer shall deliver to Fidelity National Title in Seattle, Washington (the "Title Company"), Megan Packwood, LPO, VP Fidelity National Title as escrow agent for the closing of this transaction, an earnest money deposit in the amount of Ten Thousand U.S. Dollars (\$10,000), which shall be non-refundable (the "Deposit"). The Deposit will be held by the Title Company for the benefit of the parties pursuant to the terms of this Agreement. Any interest that accrues on the Deposit will be for the benefit of Buyer; provided, however, that if Buyer forfeits the Deposit to Seller pursuant to the terms of this Agreement, then all interest accrued on the Deposit will be paid to Seller.
3. Purchase Price. The total purchase price for the Property (the "Purchase Price") will be Eight Hundred Fifty Thousand U.S. Dollars (\$850,000), to which the Deposit shall be a fully applicable part. The Purchase Price will be paid to Seller as follows:
 - 3A. Cash Due At Closing. Buyer shall remit to Seller One Hundred Seventy Thousand Dollars (\$170,000) at closing.
 - 3C. Promissory Note. Buyer shall, at closing, execute a Promissory Note in favor of Seller, including the following terms:
 - 3C.1 Interest Rate. The Promissory Note shall bear interest at the rate of 3.5% per annum.
 - 3C.2 Monthly Payments. Payments shall be as follows:

Year One: Monthly Installments of Two Thousand Dollars (\$2000)

Year Two: Monthly Installments of Two Thousand Five Hundred Dollars (\$2500)
Year Three: Monthly Installments of Three Thousand Dollars (\$3000)
Year Four: Monthly Installments of Three Thousand Five Hundred Dollars (\$3500)
Year Five: Monthly Installments of Three Thousand Five Hundred Dollars (\$3500)

3C.3 Balloon Payment. At the expiration of the sixtieth (60th) month, the balance of the Promissory Note shall be remitted to the Seller in full.

4. Title to Property.

4.1 Conveyance. At closing Seller shall convey the Property to Buyer by duly executed and acknowledged quit claim deed (the "Deed"), subject only to those encumbrances that Buyer approves pursuant to Section 4.3 below (the "Permitted Encumbrances").

4.2 Commitment. Upon execution of this Agreement, Seller authorizes Buyer to order a commitment for an owner's standard coverage policy of title insurance (or, at Buyer's election, an owner's extended coverage policy of title insurance) in the amount of the Purchase Price to be issued by the Title Company and accompanied by copies of all documents referred to in the commitment (the "Commitment").

4.3 Condition of Title. Buyer shall advise Seller by written notice what encumbrances to title, if any, are disapproved by Buyer ("Disapproved Encumbrances") within 10 (ten) business days of receipt of the Commitment. All monetary encumbrances other than non-delinquent ad valorem property taxes will be deemed to be disapproved. Seller will have ten (10) business days after receipt of Buyer's notice to give Buyer notice that (i) Seller will remove Disapproved Encumbrances, or (ii) Seller elects not to remove Disapproved Encumbrances. If Seller fails to give Buyer notice before the expiration of the ten (10) day period, Seller will be deemed to have elected not to remove Disapproved Encumbrances. Notwithstanding anything to the contrary in this Agreement, Seller shall remove from title on or before the Closing Date all monetary encumbrances other than those approved by Buyer. If Seller elects not to remove any Disapproved Encumbrances, Buyer will have fifteen (15) business days to notify Seller of Buyer's election either to proceed with the purchase and take the Property subject to those encumbrances, or to terminate this Agreement. If Buyer elects to terminate this Agreement pursuant to this section, the escrow will be terminated, the refundable portion of the Deposit will be returned immediately to Buyer and the non-refundable portion of the Deposit will be remitted to the Seller, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. If this Agreement is terminated through no fault of Seller, then Buyer shall pay any costs of terminating the escrow and any cancellation fee for the Commitment.

4.4 Title Policy. Seller shall cause the Title Company to issue to Buyer at closing a standard coverage owner's policy of title insurance insuring Buyer's title to the Property in the full amount of the Purchase Price subject only to the Permitted Encumbrances (the "Title Policy"). The Title Policy must be dated as of the Closing Date.

5. Buyer's Due Diligence.

5.1 Feasibility Study. Buyer will have twenty (20) days from the date of execution of this Agreement (the "Feasibility Study Period") to conduct a review of the Property and satisfy itself with respect to the condition of and other matters related to the Property and its suitability for Buyer's intended use (the "Feasibility Study"). The Feasibility Study may include all inspections and studies Buyer deems reasonably necessary or desirable. Buyer and Buyer's agents, representatives, consultants, architects and engineers will

have the right, from time to time, from and after the date of this Agreement to enter onto the Property and make borings, drive test piles and conduct any other reasonable tests and studies that may be necessary or desirable to ascertain the condition and suitability of the Property for Buyer's intended use. Such tests and inspections are to be performed in a manner not disruptive to the operation and current use of the Property. Buyer shall protect, defend and indemnify Seller from and against any construction or other liens or encumbrances arising out of or in connection with its exercise of this right of entry and shall cause any such liens or encumbrances to be promptly released.

5.2 Non-Suitability. Buyer will have the right to terminate this Agreement if, in Buyer's good faith judgment, the Property is not suitable for Buyer's intended use. Buyer's right to terminate must be exercised by delivering written notice of its election to Seller on or before the expiration of the Feasibility Study Period. In the event Buyer does not complete the purchase, Buyer shall return the Property as near as is practicable to its original condition. If Buyer terminates this Agreement pursuant to this section, the refundable portion of the Deposit, less any costs advanced or committed for Buyer, will be returned to Buyer, this Agreement will terminate, and Seller and Buyer will be released from all further obligation or liability hereunder, except as otherwise specified by this Agreement and except for Buyer's obligations to indemnify Seller under this section. Failure by Buyer to notify Seller in writing of any matters affecting the suitability of the Property, whether or not an inspection has been carried out, shall deem Buyer to have waived this contingency.

5.3 Buyer's Indemnification. Buyer agrees to assume all liability for and to defend, indemnify and save Seller harmless from all liability and expense (including reasonable costs and attorneys' fees) in connection with all claims, suits and actions of every name, kind and description brought against Seller or its agents or employees by any person or entity as a result of or on account of injuries or damages to persons, entities and/or property received or sustained, arising out of, in connection with or as a result of the acts or omissions of Buyer, or its agents or employees in exercising its rights under this Agreement and the right of entry granted in connection with its Feasibility Study, except for claims caused by Seller's sole negligence.

6. Condition of the Property.

6.1 "As Is" "Where Is". Buyer acknowledges that the Property will be purchased under this Agreement in an "as is" "where is" condition. Seller shall surrender the Property in as good condition, except for normal wear and tear, as exists on the date of this Agreement. Seller agrees that it will not damage or commit waste on the Property between the date of acceptance of this Agreement and the date of closing.

6.2 Inspections. Buyer agrees that it will rely on its own inspections and evaluations of the Property, with the exception of any written documentation, including, but not limited to any disclosures required by law, provided to it by Seller, to determine the suitability of the Property for Buyer's intended use.

7. Conditions Precedent to Closing. All of the following must be achieved/completed prior to Closing on Buyer's purchase of the Property:

7.1 Seller's Conditions Precedent

City Council Approval. This Agreement, and the transaction and development contemplated hereby, must be duly approved by the Tacoma City Council prior to closing. If Tacoma City Council approval is not obtained, this Agreement will terminate, and the refundable portion of the Deposit, less any costs advanced or committed for Buyer, will be returned immediately to Buyer, all documents and other funds will be returned to the

party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. Nothing in this Paragraph 7.1 will obligate the Buyer to obtain City Council approval beyond the ordinary course of City procedure.

Delivery by Seller. Seller will deposit the following with the Closing Agent:

- (a) The Deed, duly executed and acknowledged by Seller, in recordable form, and ready for recordation at Closing together with a duly executed real estate excise tax affidavit;
- (b) Such resolutions, authorizations, certificates, or other corporate and/or partnership documents or agreements relating to Seller, as shall be reasonably required by Buyer or a title company or the Closing Agent in connection with this transaction; and
- (c) Any other documents, instruments, data, records, correspondence, or agreements called for hereunder which have not previously been delivered.

7.2 Buyer's Conditions Precedent

Feasibility. As set forth at Section 5.1 above, prior to Closing, Buyer must have concluded its Feasibility Study and satisfy itself with respect to the condition of, and other matters related to the Property and its suitability for Buyer's intended use.

Delivery by Buyer. Buyer will deposit the following with the Escrow Agent:

- (a) Buyer shall deposit with the Closing Agent the Cash Due At Closing and any Closing Costs which are the responsibility of Buyer hereunder; and
- (b) Buyer shall deposit an executed original of the Promissory Note in favor of the Seller; and
- (c) Buyer shall deposit with Closing Agent a signed copy of Seller's Disclosure, acknowledging waiver of the receipt of said disclosure as allowed by applicable law; and
- (d) Any other documents, instruments, data, records, correspondence, or agreements called for hereunder which have not previously been delivered.

8. Closing. This transaction will be closed in escrow by the Title Company acting as escrow agent ("Escrow Agent"). The closing will be held at the office of the Title Company on or before that date which is Sixty (60) days after the end of the Feasibility Study Period (the "Closing Date"). If closing does not occur on or before the Closing Date, or any later date mutually agreed to in writing by Seller and Buyer, Escrow Agent will immediately terminate the escrow, forward the parts of the Deposit to the party entitled to receive them as provided in this Agreement and return all documents to the party that deposited them. When notified by Escrow Agent, Buyer and Seller will deposit with Escrow Agent without delay all instruments and moneys required to complete the transaction in accordance with this Agreement. "Closing," for the purpose of this Agreement, is defined as the date that all documents are executed, the sale proceeds are available for disbursement to the Seller, and legal title passes to the Buyer.

9. Closing Costs and Prorations. Seller shall pay the premium for a standard coverage owner's policy of title insurance in the full amount of the Purchase Price, state of Washington real estate excise taxes applicable to the sale, and one-half of the Escrow Agent's escrow fee. Buyer

shall pay the additional premium, if any, attributable to an extended coverage owner's policy of title insurance (if elected by Buyer) and any endorsements required by Buyer, any financing costs, the cost of recording the deed and any financing documentation, and one-half of the Escrow Agent's escrow fee. Property taxes and assessments for the current year, water and other utility charges, if any, shall be prorated as of the Closing Date unless otherwise agreed. Seller is a property tax exempt organization pursuant to R.C.W. 84.36.010, and therefore property taxes will only be due from Buyer for its ownership from and after the Closing Date.

10. Casualty Loss. Seller shall promptly notify Buyer of any event prior to the Closing Date which causes damage to or destruction of any portion of the Property. If Buyer and Seller cannot come to an agreement regarding any such damage to or destruction of the Property, including the settlement of any insurance claims, then Buyer and Seller will each have the right to terminate this Agreement by giving written notice of termination to the other party within twenty (20) days after receipt of actual notice of such casualty loss. Upon exercise of such termination election by either party, this Agreement will terminate, and the Deposit will be returned to Buyer.

13. Possession. Seller shall deliver possession of the Property to Buyer on the Closing Date. Seller shall remove any and all personal property from the Property on or before the Closing Date, unless specifically authorized otherwise in writing by Buyer.

14. Events of Default. In the event Buyer fails, without legal excuse to complete the purchase of the Property, Seller shall be entitled to retain the nonrefundable portion of the Deposit as its sole remedy. In the event Seller fails, without legal excuse, to complete the sale of the Property, Buyer shall be entitled to immediate return of the refundable portion of the Deposit, and may pursue any remedies available to it in law or equity, including specific performance.

15. Notices. Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, given by mail or via facsimile. E-mail transmission of notice shall not be effective. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller: City of Tacoma, Public Works Department
Real Property Services
747 Market Street, Rm. 737
Tacoma, WA 98402

With a copy to: City of Tacoma, Legal Department
747 Market Street
Tacoma, WA 98402

Buyer: Eli Moreno
5930 Sixth Avenue – Office #A-1
Tacoma, WA 98406

Any notice will be deemed to have been given, when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail.

16. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts.

17. Brokers and Finders. Each party represents and warrants to the other that, to such party's knowledge, no broker, agent or finder is involved in this transaction. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the closing of this transaction.

18. Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

19. 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 for a period of 6 (six) months whereupon they shall terminate. 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.

20. Governing Law. This Agreement will be governed and construed in accordance with the laws of the state of Washington without recourse to any principles of Conflict of Laws.

21. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy proceeding.

22. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

23. FIRPTA. The Escrow Agent is instructed to prepare a certification or equivalent that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA"), and Seller agrees to sign this certification. If Seller is a "foreign person" as the same is defined by FIRPTA, and this transaction is not otherwise exempt from FIRPTA, Escrow Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

24. 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.

25. Nonmerger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations and obligations to develop the Property that, by their terms extend beyond the Closing Date, will not merge in, but will survive, the closing of the transaction contemplated under this Agreement.

26. Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may not be unreasonably withheld or delayed. Notwithstanding this restriction, Buyer is specifically authorized to assign its rights under this Agreement to a legal entity (such as a limited liability company) formed and controlled by Buyer.

27. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of

this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.

28. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to give effect to the Agreement contemplated herein.

29. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

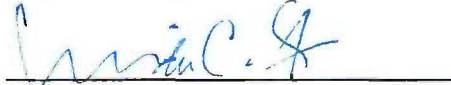
SELLER:

CITY OF TACOMA, a first class
municipal corporation



Elizabeth A. Pauli
City Manager

Department Approvals:



Linda Stewart
Director, Neighborhood and Community Services



PARSON

Andrew Cherullo
Finance Director

Approved as to form:



Office of City Attorney

BUYER:



Eli Moreno

Exhibit A
Legal Description of the Property

PARCEL A:

LOTS 1 THROUGH 4, BLOCK 1, HUNT'S PRAIRIE ADDITION TO TACOMA, W.T., ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 90, IN PIERCE COUNTY,

EXCEPT THE WEST 10 FEET THEREOF APPROPRIATED BY THE CITY OF TACOMA FOR ALLEY,

SITUATE IN THE CITY OF TACOMA, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL B:

LOTS 45 THROUGH 48, BLOCK 1, HUNT'S PRAIRIE ADDITION TO TACOMA, W.T., ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 90, IN PIERCE COUNTY, WASHINGTON,

SITUATE IN THE CITY OF TACOMA, COUNTY OF PIERCE, STATE OF WASHINGTON.

Exhibit B
Depiction of the Property

