

PURCHASE AND SALE AGREEMENT

This Agreement for Purchase and Sale of Property Rights ("**Agreement**") is made by and between the Spokane Public Facilities District, Washington municipal corporation ("**District**" or "**Seller**") and Convention Center Hotel, LLC, a Washington limited liability company, or assigns ("**CC Hotel**" or "**Buyer**"), jointly referred to as the "**Parties**".

RECITALS

A. Seller owns certain real property and other improvements situated in Spokane, Washington, located between Spokane Falls Boulevard to the north, Bernard Street to the east, Washington Street to the west, and Main Avenue to the South, and identified as Spokane County Tax Parcel Nos. 35184.2106, .2105, .2104, .2103, .2102, .2101, .0701, .0702, .0703, .2107, .2108, .2109, .2110, .2111, and .2112 (hereinafter the "**Property**"). The Property is legally described in **Exhibit A** and depicted in **Exhibit B**, both of which are attached hereto.

B. The Property is presently improved with a surface parking lot consisting of 300 parking stalls owned by the District and 19 occupied through a License Agreement as set forth on **Exhibit C** hereto. The surface parking lot, along with landscaping, lighting, stormwater drainage and other improvements provide public parking contiguous to the INB Performing Arts Center, Convention Center and related improvements ("**District Facilities**").

C. The District has determined that a portion of the Property is not needed for District purposes, and has declared the same to be surplus.

D. Through a separate Joint Development Agreement, Buyer, after the Closing Date (as defined herein) will develop a high-rise hotel consisting of at least 700 rooms and 900 parking stalls in a multi-story parking garage, of which 300 parking stalls would be under the ownership of the District through a condominium interest (collectively the "**Improvements**").

E. To develop the Improvements, this Agreement provides for a conveyance, in fee simple, of the Property from Seller to Buyer.

F. Words and terms not defined in this Agreement shall have the meaning set forth in the Joint Development Agreement.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

In consideration of the following terms, conditions and covenants, it is agreed as follows.

1. Offer and Acceptance. Buyer, by affixing its signature to this Agreement, having it notarized, and returning it to the District at the address hereinafter set forth on or before August 14, 2013, offers to purchase the Property upon the terms, conditions and covenants set forth herein.

After receipt of this signed Agreement and Joint Development Agreement from Buyer, the District's Board of Directors shall place this Agreement on the Board agenda for action at the next regular meeting of the Board. Following acceptance of this Agreement by the Board, this Agreement shall be signed by the Board and notarized (the "**Effective Date**"). Thereafter, the Parties shall perform pursuant to the terms of this Agreement.

2. Sale of Property. Seller shall sell, convey and transfer fee simple interest to the Property to Buyer upon the terms and conditions herein set forth herein to include without limitation all of Seller's right, title and interest in the Property, subject to the requirements of this Agreement and the Joint Development Agreement executed by the Parties and dated _____.

The Property shall be conveyed with a restrictive covenant, which limits the use of the Property to a hotel, parking garage and other ancillary and related uses as generally described in the Joint Development Agreement. This covenant shall be executed by the Parties at Closing and recorded against the Property.

3. Consideration. The consideration for the Property is set forth in the Joint Development Agreement.

3.1 Earnest Money Deposit. Within five (5) business days following the Effective Date, Buyer shall deposit with the Escrow Holder a signed original of this Agreement and the amount of Five Thousand and 00/100 Dollars (\$5,000.00) (the "**Earnest Money Deposit**"). Interest on the Earnest Money Deposit shall be for the benefit of whichever party is entitled to the Earnest Money Deposit at Closing or termination.

4. Escrow and Title Insurance.

4.1 Escrow. The purchase and sale and transfer of title of the Property shall be accomplished through an escrow (the "**Escrow**") established at First American Title Company in Spokane Washington ((509) 456-0550), or other entity jointly selected by the Parties (the "**Escrow Holder**"). Upon the request of the Escrow Holder, the Parties shall execute any supplemental escrow instructions required by Escrow Holder for the purpose of implementing and carrying out the terms of this Agreement.

4.2 Deposit of Funds. The Earnest Money shall be retained by the Escrow Holder and disbursed as hereinafter provided.

4.3 Close of Escrow. The escrow instructions shall provide for Escrow to close (the "**Closing** ") as soon as practicable after satisfaction of the "**Conditions to Transfer Property** " set forth in section 4 of the Joint Development Agreement ("**Closing Date**"). The Closing Date may be extended upon agreement of the Parties if Buyer reasonably requires additional time, not to exceed sixty (60) days to review or complete matters contained in this Agreement.

4.4 Title Insurance. Buyer shall, at its expense, within twenty (20) days of the Effective Date, obtain a preliminary commitment for title insurance ("**Title Report**") from First American Title Company (the "**Title Company**"), which shall also provide a copy thereof to Seller. Buyer shall identify in writing provided to Seller within fifteen (15) days of its receipt of the Title Report, those liens, encumbrances or other matters which are deemed objectionable in its reasonable discretion ("**Buyer's Title Notice**"). If objections to title are made, Seller shall either cure or obtain title insurance coverage for said objections prior to Closing, and provide notice thereof in writing within ten (10) days of its receipt of Buyer's Notice. If Seller is unable, unwilling to cure or insure any such objections, Buyer shall, thereafter, have five (5) business days to notify Seller of its election to either terminate this Agreement by written notice whereupon all obligations of the Parties shall cease and the Earnest Money shall be refunded to Buyer, or waive its objections to title and proceed to close the transaction. Seller's failure to respond to Buyer's Title Notice shall be deemed a statement that Seller is unwilling to cure Buyer's objections. If Buyer fails to object in writing within fifteen (15) days of receipt of the Title Report, then any objections will be deemed waived and the Title Report will be deemed approved.

At the Closing, Buyer, at its expense, shall also be able to obtain an extended form ALTA Owner's Title Insurance Policy (the "**Extended Policy**") issued by the Title Company, insuring title to Buyer in the full amount of the Purchase Price and containing no exceptions or conditions other than the Permitted Exceptions.

4.5 Permitted Exceptions. Permitted Exceptions mean the following (the "**Permitted Exceptions**"):

4.5.1 As set forth in Paragraph 4.4, any exception to title set forth in the Title Report (i) to which Buyer does not object in Buyer's Title Notice, (ii) to which Buyer objected, but Seller has agreed to cure at or prior to the Closing, or (iii) to which Buyer later waives its objection after receiving Seller's response letter.

4.5.2. The standard printed general and special exceptions and exclusions contained in the title policy form.

4.6 Actions of Escrow Holder. On the Closing Date, Escrow Holder shall perform the following:

4.6.1 Recordation. Cause the Deed (as defined in Paragraph 4.7.1) with accompanying excise tax affidavit, and any other applicable documents, to be recorded in the Official Records of the County where the Property is located, and obtain conformed copies thereof for distribution to Buyer and Seller.

4.6.2 Disbursement of Funds. Disburse all funds deposited with Escrow Holder as follows (and in the following order):

(1) Pay all closing costs to be paid through Escrow (including, without limitation, recording fees, property and excise taxes, if any, premiums for the Title Policies, and escrow fees).

(2) Pay, or cause to be removed from title, all mortgages, deeds of trust and other monetary liens (except liens created or incurred by Buyer) for the account of Buyer.

(3) Disburse any remaining funds to Buyer in accordance with payment instructions to be delivered to Escrow Holder by the Parties.

4.6.3 Delivery of Documents. Escrow Holder shall:

(1) Direct the Title Company to issue the Title Policy to Buyer in accordance with this Agreement.

(2) Deliver to Buyer: (i) conformed copies of the Deed and other recorded documents; (ii) originals of the other Closing Documents; and (iii) Buyer's closing statement.

(3) Deliver to Seller: (i) conformed copies of the Deed and other recorded documents; (ii) copies of the other Closing Documents; and (iii) Seller's closing statement.

4.7 Documents at Closing - Seller. Seller shall execute and deliver to Escrow Holder the following documents, before the Closing Date and, except as otherwise provided below, Escrow Holder shall deliver to Buyer immediately following the Closing Date, the following documents (the "**Closing Documents**"), all in form and substance reasonably acceptable to Buyer:

4.7.1 A properly executed Bargain and Sale Deed, subject only to the Permitted Exceptions, conveying fee simple title to the Property to Buyer ("**Deed**"), which shall be recorded at the time of the Closing Date.

4.7.2 A properly executed termination of all existing lease and other agreements for the Property if required pursuant to any Title exception.

4.7.3 No-foreign person affidavits (the "**IRC Affidavits**") stating that Seller is not a foreign person as defined in Section 1445(b)(2) of the Internal Revenue Code.

4.7.4 Real Estate Excise Tax Affidavit.

4.7.5 All other documents reasonably necessary to effectuate the transactions contemplated by this Agreement.

4.8 Documents at Closing - Buyer. Buyer shall execute and deliver to Escrow Holder the following documents, before the Closing Date and, except as otherwise provided below, Escrow Holder shall deliver to Seller immediately following the Closing Date, the following documents all in form and substance reasonably acceptable to Seller:

4.8.1 The Bargain and Sale Deed identified in Section 4.7.1 above to acknowledge its form and content.

4.8.2 No-foreign person affidavits (the "IRC Affidavits") stating that Seller is not a foreign person as defined in Section 1445(b)(2) of the Internal Revenue Code.

4.8.3 Real Estate Excise Tax Affidavit.

4.8.4 All other documents reasonably necessary to effectuate the transactions contemplated by this Agreement.

5. Closing Costs.

5.1 On the Closing Date, Buyer shall pay the following costs and expenses in connection with this transaction:

- (A) One-half of the escrow fees;
- (B) All Title insurance fees and premiums for Extended Policy coverage;
- (C) Prorated future real property taxes, if any;
- (D) All of Buyer's real estate commissions, if any, earned for this transaction;
- (E) Recording fees; and
- (F) Buyer's attorneys' fees.

5.2 On the Closing Date, Seller shall pay (or cause to be removed from title to the Property) the following:

- (A) Monetary liens, encumbrances and similar matters due and payable prior to the Closing Date;
- (B) One-half of the escrow fees;
- (C) Real property and personal property taxes through the Closing Date;
- (D) Real estate excise and sales taxes to the extent due under WAC 458-61A-205;

- (E) Title insurance fees and premium for standard coverage policy;
- (F) All of Seller's real estate commissions, if any, earned for this transaction;
- (G) The costs of the boundary line adjustment or any other type of land division set forth herein that may be required to effectuate the intent of this Agreement; and
- (H) Seller's attorneys' fees.

6. Right of Entry. Following acceptance of this Agreement by the Parties, and subject to the confidentiality provisions of this Agreement, Buyer, its agents, employees or contractors may, for a period of fourteen (14) days immediately following the Effective Date of this Agreement, enter upon the Property Parcel at times reasonably acceptable to Seller for the purpose of investigating, inspecting, surveying, testing the soil or improvements (including buildings, structures, etc.). Buyer shall upon request by Seller, provide Seller with copies of all studies, tests or surveys.

Buyer agrees to indemnify and hold Seller and current lessee harmless for: (a) any loss, cost or expense resulting from damage to the Property or injury to persons resulting from the work conducted pursuant to this paragraph, except to the extent such damage is caused by the negligence or intentional acts of the Seller or its agents, and (b) all liens, encumbrances, demands, charges or fees incurred by or resulting from Buyer, its agents, employees and contractors' activity on the Property.

Buyer shall provide Seller and Seller's with notice of its intent to enter the Property describing the date of entry, the purpose and activities to be conducted on Property. Buyer's activity or work on the Property shall be performed with minimum disturbance to the Property and the business being conducted by Seller's thereon. Seller and Buyer agree to cooperate with each other in good faith to maintain the confidential nature of the transactions subject of this Agreement. Upon completion of the work or activity, the Property shall be restored to the condition in which it was found.

If Buyer shall fail for any reason to exercise its right enter upon the Property to conduct the tests, inspections, etc. subject of this Paragraph 6 within the time period provided above, unless such time frames have been extended by mutual written agreement of the parties then, in such event, Buyer shall be deemed to have waived its right to enter upon the Property.

7. Conditions Precedent to Closing. Closing of this Agreement is subject to the satisfaction or waiver by the Parties of the following conditions. If the following conditions are not satisfied prior to Closing, either party reserves the right to terminate this Agreement by delivering written notice of termination to the other and the Escrow Holder, whereupon the Earnest Money, with interest, shall be returned to Buyer. If notice is not delivered prior to Closing, this Agreement shall remain in full force and effect.

The Parties agree to exercise good faith and best efforts to complete and satisfy the following conditions of closing.

7.1 Joint Development Agreement. The Parties shall have negotiated and executed a mutually acceptable Joint Development Agreement with the conditions and obligations of Section 4 therein having been completed together with any related or ancillary documents required thereunder.

7.2 Title Policies. The Title Company shall have issued, or irrevocably and unconditionally committed to issue, the Title Policy subject only to the Permitted Exceptions.

7.3 Condition of Property. There shall have been no material adverse change to the Property to date of Closing.

7.4 The Parking Parcel. Seller, as set forth in the Joint Development Agreement shall obtain from the City of Spokane ("City") a boundary line adjustment or other land division acceptable to the Parties to create a separate lot for the Parking Garage, with in which Seller's parking condominium will be located. The form and content of the land division application, together with all the conditions of approval from the City, shall be acceptable to both the Buyer and the Seller. Should any of the conditions of approval not be reasonably acceptable to either Party, then that Party may, upon reasonable prior notice, terminate this Agreement.

7.5 No Litigation. No lawsuit, arbitration or other action, proceeding or claim shall be pending which: (i) seeks to restrain or prevent the sale of the Property to Buyer; or (2) the outcome of which would have an adverse effect on Buyer's ownership of the Property.

7.6 Zoning of Property. The Property shall be zoned or otherwise reasonably conditioned to permit Buyer's and Seller's intended use, which is generally described in this Agreement.

7.7 Condition of Title. Seller shall not have permitted or consented to any lien, encumbrance or any matter to cause the condition of title to be changed from that set forth in the Title Report, nor shall Seller have entered into any licenses, agreements, leases or covenants that authorize any right of possession or use to all or any portion of the Property, which would remain in effect after Closing, if any, have either been terminated or assigned to Buyer, as Buyer may elect.

7.8 Representation. The representations and warranties in paragraph 9 are true and correct on the Closing Date.

8. Representations and Warranties of Seller. In addition to the representations and warranties contained in other paragraphs of this Agreement, Seller hereby makes the representations and warranties herein set forth. Each representation and warranty: (i) is material

and relied upon by Buyer; (ii) is true in all respects as of the date of this Agreement and shall be true in all respects on the Closing Date; and (iii) shall continue in full force and effect regardless of what investigations Buyer shall have made with respect to the subject matter thereof.

8.1 Seller Sole Owner. Seller is the sole owner of the entire right, title and interest in the Property, all improvements thereon, subject only to those matters set forth in the Title Report.

8.2 Consent. Seller has obtained or will obtain before the closing date, all required consents, releases and permissions, necessary in Title Company's opinion to convey the Property to Buyer.

8.3 Encumbrances and Encroachments. The Property is, and as of the closing date, will be free and clear of all liens, encumbrances, claims, rights, demands, easements, leases, and agreements of any kind or character (including, but without limitation, liens or claims for taxes, mortgages, or other title-retention agreements, deeds of trust, security agreement and pledges) except for Permitted Exceptions and those title matters to which Buyer objected and to which Seller has agreed to cure prior to at the Closing.

8.4 Zoning. To Seller's knowledge without investigation, the Property is, or will be before the closing date, zoned or permitted for Buyer's intended use mixed use development primarily within the hospitality business.

8.5 Contemplated Use. To the best of Seller's knowledge, without investigation, none of the easements, interests, or agreements to which the Property is or may be subject has interfered with, or may interfere with, the Buyer's proposed use of the Property. Notwithstanding the forgoing, Seller specifically advises Buyer that a portion of the parking spaces developed on the south end of the property are located within City of Spokane right-of-way pursuant to a License Agreement, a copy of which has been provided by Seller to Buyer. The parties anticipate that the area occupied by the District pursuant to the aforementioned license will be returned to the City and the License Agreement canceled upon Closing of the Property.

8.6 Condemnation. To Seller's knowledge without investigation, there is no pending condemnation or similar proceeding affecting the Property or any portion thereof, and Seller has not received any written notice and has no knowledge that any such proceeding is contemplated.

8.7 Environmental Condition. Buyer specifically acknowledges that Seller has disclosed the presence of hazardous or toxic or similarly described substances (as defined under federal, state or local law, regulation, ordinance, resolution, or court or administrative decision or opinion) ("**hazardous substances**") on, over, or under the Property or adjacent thereto. In this regard, Seller has made available reports for Buyer's review (the "**Environmental Reports**") as set forth on Exhibit D:

8.8 Leases, etc. Except as disclosed by Seller and the Title Company to include any existing agreements between Seller and Buyer, there are, to the best of Seller's knowledge, no leases, subleases, licenses, concessions, outstanding options or rights of first refusal to purchase the Property, any adjacent or any portion thereof or interest therein, or other agreements, written or oral, granting to any person the right of ingress, egress, use or occupancy of, on, under, above or across any portion of the Property.

8.9 Persons in Possession. There are no persons (other than Seller and Seller's Lessee) in possession of the Property.

8.10 Hazardous Substances. Except as disclosed in the Environmental Reports, to the best of Seller's knowledge, without further inquiry or investigation, the Property is not in violation of any Environmental Laws (as defined below). As set forth in the Environmental Reports, *there are* Hazardous Substances (as defined below) on, under or about the Property, which to the best of Seller's knowledge have been contained or otherwise identified on the Property. To the best of Seller's knowledge, without investigation, no underground storage tanks have been removed from the Property, and no underground storage tanks are located on the Property. To the best of Seller's knowledge, there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of any Environmental Law at the Property. The term "Hazardous Substance" means any hazardous or toxic substance, material or waste, pollutants or contaminants, as defined, listed or regulated now or in the future by any federal, state or local law, ordinance, code, regulation, rule, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any environmental conditions, health or industrial hygiene (collectively, "**Environmental Laws**"), including without limitation, (i) chlorinated solvents, (ii) petroleum products or by-products, (iii) asbestos, (iv) polychlorinated biphenyls, and (v) anything that would be a hazardous waste, material or substance, toxic substance or pollutant, as defined under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. Seq.; Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et. Seq.; Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et. Seq., the Clean Water Act, 42 U.S.C. § 1251 et. Seq., the Washington Environmental Policy Act, RCW Ch. 43.21, the Washington Water Pollution Control Act, RCW 90.48.010 et seq., the Washington Hazardous Waste Management Act, RCW Ch. 70.105, the Washington Model Toxics Control Act, RCW Ch. 70.105D, and the regulations promulgated thereunder.

8.10 Limitation on Seller's Representations and Warranties. Except for Seller's representations and warranties expressly set forth herein, it is understood and agreed that Seller is not making and specifically disclaims any other warranties or representations of any kind, nature or character whatsoever, express or implied, with respect to the Property and the Improvements or to be located on the Property, including, without limitation, the absence of any representation or warranty related or pertaining to matters of tax

consequences, physical or environmental conditions, availability of access, ingress or egress, profitability, operating history or projections with respect to the Property, and, without limiting the generality of the forgoing, Seller gives no warranty with respect to the value, condition, profitability, suitability, habitability, or fitness for a particular use or purpose of the Property. Except for any representation and warranty of Seller expressly set forth in this Agreement, the Joint Development Agreement or the deed, Buyer acknowledges that the Property is sold and purchased in its "As-Is, Where-Is" condition, that it has not been provided with or relied upon any representation or warranty from Seller, or Seller's agents, consultants, employee's, officers, directors, or attorneys, that is not expressly set forth herein. Buyer further represents that they are is a knowledgeable buyer of real estate and that Buyer is relying on Buyer's own expertise and that of Buyer's consultants in purchasing the Property. Buyer, at their sole cost and expense, will conduct such inspections and investigations of the subject property as Buyer deems appropriate or necessary, including, but not limited to, the physical and environmental, soil, hydrologic and geologic conditions thereof and the suitability of the Property for Buyer's intended use, and shall solely rely upon same. Buyer further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the subject property by Seller, any agent of Seller or any third party. The terms and conditions of this paragraph shall expressly survive the closing and shall not merge with the provisions of any closing documents. Seller is not liable or bound in any manner by any oral or written statements, representations, or information pertaining to the Property furnished by any real estate broker, agent, consultant, officer, director, attorney, employee, servant or other person, unless the same are specifically set forth or referred to herein or acknowledged in writing by Seller. Buyer further acknowledges and agrees that the provisions of this paragraph were a material factor in the determination of the purchase price for the Property.

9. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

9.1 Binding Obligation. This Agreement constitutes a binding obligation of Buyer, duly enforceable in accordance with its terms.

9.2 No Consent Required. No consent of any other person, entity or governmental authority is required for Buyer's lawful execution, delivery and performance of this P&S Agreement.

9.3 No Violation. Buyer's execution, delivery and performance of this Agreement will not violate or constitute a default (with or without notice, time lapse or both) under any other agreement to which the Buyer is a Party or any other instrument, note, pledge, guaranty or obligation by which Buyer is bound.

9.4 Survival. The representations of Buyer in this Agreement shall survive the Closing.

10. As-Is Sale. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE PARTIES HEREBY UNCONDITIONALLY AGREE AND ACKNOWLEDGE

THAT EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND THE JOINT DEVELOPMENT AGREEMENT: (I) THE PROPERTY IS ACQUIRED "AS-IS"; (II) BUYER HAS MADE OR WILL MAKE ITS OWN INVESTIGATIONS AND INSPECTIONS OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL ASPECTS OF THE PROPERTY AND THE PROPERTY'S COMPLIANCE WITH ALL LAWS APPLICABLE TO THE PROPERTY'S CURRENT OR INTENDED USE OR DEVELOPMENT; (III) BUYER IS RELYING SOLELY ON SUCH REPORTS AND THEIR OWN INVESTIGATIONS AS TO THE PROPERTY, ITS CONDITION AND OTHER CHARACTERISTICS AND COMPLIANCE WITH LAWS; AND (IV) EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND THE JOINT DEVELOPMENT AGREEMENT, BUYER IS NOT MAKING THE PURCHASE OF THE PROPERTY IN RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS, EXPRESS OR IMPLIED, MADE BY THE SELLER, ITS AGENTS OR BROKERS, AS TO THE CONDITION OF OR CHARACTERISTICS OF THE PROPERTY, ITS FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, THE PROPERTY'S COMPLIANCE WITH ANY ZONING OR OTHER RULES, REGULATIONS, LAWS OR STATUTES APPLICABLE TO THE PROPERTY, OR THE USES PERMITTED ON, OR THE DEVELOPMENT REQUIREMENTS FOR, OR ANY OTHER MATTERS RELATING TO THE PROPERTY.

11. Cooperation. Buyer and Seller agree to cooperate with each other in good faith in the execution of all documents, land use applications and all other matters as is required by either party to perform the obligations of the Parties hereunder.

12. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed delivered when received by the Seller at the address set forth below.

If to Buyer: Walt & Karen Worthy
 Davenport Hotel & Tower
 10 S Post Street
 Spokane, WA 99201

If to Seller: Kevin Twohig, Chief Executive Officer
 Spokane Public Facilities District
 720 West Mallon Avenue
 Spokane WA 99201

13. Possession. Buyer shall be entitled to possession on Closing.

14. Time. Time is of the essence of this agreement. If the date for any performance under this Agreement falls on a weekend or a holiday, the time for such performance shall extend to the next business day.

15. Default. If Buyer shall default in the performance of any of the terms and conditions of this Agreement, or if the closing shall not occur due to Buyer's breach of any of the covenants contained herein, the Seller may, in addition to any remedy for default available under the Joint Development Agreement, retain the Earnest Money as liquidated damages, and this Agreement shall be canceled. If the Seller fails or refuses to fully comply with the terms of this

Agreement, for any cause other than Buyer's default hereunder, in addition to any remedy for default available under the Joint Development Agreement, Buyer may, at its option (a) rescind this Agreement and recover from the Seller the Earnest Money, or (b) pursue a suit for specific performance.


Seller's Initials


Buyer's Initials

16. Entire Agreement/Modification. This written Agreement together with the Development Agreement constitutes the entire and complete Agreements between the Parties hereto and supersedes any prior oral or written agreements between the Parties with respect to the Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth. No modifications of this Agreement and waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the Parties hereto.

17. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns. This Agreement shall be governed by the laws of the state of Washington.

18. Assignment. Neither party may assign this Agreement except upon mutual agreement.

19. Commission. The Parties represent and warrant that they have not obtained or contracted for the services of a real estate agent, broker or other person who would be due a fee or commission on the sale of the Property. If any real estate brokerage commission or fee is payable, the Party that incurred the obligation shall indemnify and hold harmless the other from and against any and all claims and payments for any real estate commission fees which are due and owing on the sale of the Property.

20. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original document, but all of which together will constitute one and the same instrument.

21. Survival. All provisions of this Agreement and the Joint Development Agreement which by their terms would survive the Closing shall survive and not be merged with the Deed, including, without limitation, Section 8, 24 and 25 of this Agreement.

22. Governing Law. The laws of the State of Washington shall govern the validity, enforcement and interpretation of this Agreement. Venue shall be Spokane County.

23. Risk of Loss. If, prior to Closing, any portion of the Property or any improvement on the Property are destroyed or materially damaged by fire or other casualty, Buyer may elect to terminate this Agreement and receive its Earnest Money plus interest.

24. Attorneys' Fees. If any action is brought by either party against the other party for the enforcement of this Agreement or any document or instrument delivered pursuant hereto, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action or any appeal thereof. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the Parties hereto, which may include expert witness fees, printing, duplicating and other expenses, delivery charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

25. Mediation and Remedies. If either party has a claim or dispute under this Agreement, notice of the same shall be sent to the other party. The notice shall provide a brief description of the dispute.

25.1 Mediation. If the Parties are unable to resolve the dispute within five (5) business days of the notice, the parties shall engage a mediator to assist the parties in resolving the dispute. The mediator's fees and costs shall be equally shared by the parties.

25.2 Remedies. If mediation is unsuccessful, the Parties may seek all remedies available at law or equity.

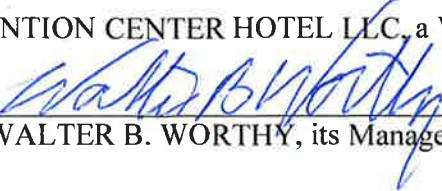
26. Disclosure Statements. Buyer, as required by state law, hereby waives receipt of the Sellers' Disclosure Statements except as to Section 6 of said Statements which are attached.

[Signatures on following page]

In witness whereof, the Parties hereto have entered into this Agreement as of this 13 day of August, 2013 ("Effective Date").

BUYER

CONVENTION CENTER HOTEL LLC, a Washington limited liability company

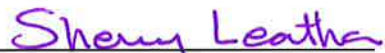
By: 
WALTER B. WORTHY, its Manager

SELLER

SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation

By: 
Kevin Twohig, CEO

Attest:

By: 
Sherry Leatha, Clerk of the Board

STATE OF WA)
:ss.
County of Spokane)

On this 13 day of August, 2013, before me personally Walter B. Worthy, to me known to be the Manager of Convention Center Hotel LLC, a Washington limited liability company, and executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument for the purposes thereof.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.



Sherry Leatha
Printed Name: Sherry Leatha
Notary Public in and for the State
of WA, residing at Spokane
My Appointment expires 11-28-13

STATE OF WASHINGTON)
:ss.
County of Spokane)

On this 13 day of August, 2013, before me personally appeared, Kevin Twohig, to me known to be the Chief Executive Officer of the Spokane Public Facilities District, a municipal corporation of the State of Washington that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.



Sherry Leatha
Printed Name: Sherry Leatha
Notary Public in and for the State
of WA, residing at Spokane
My Appointment expires 11-28-13

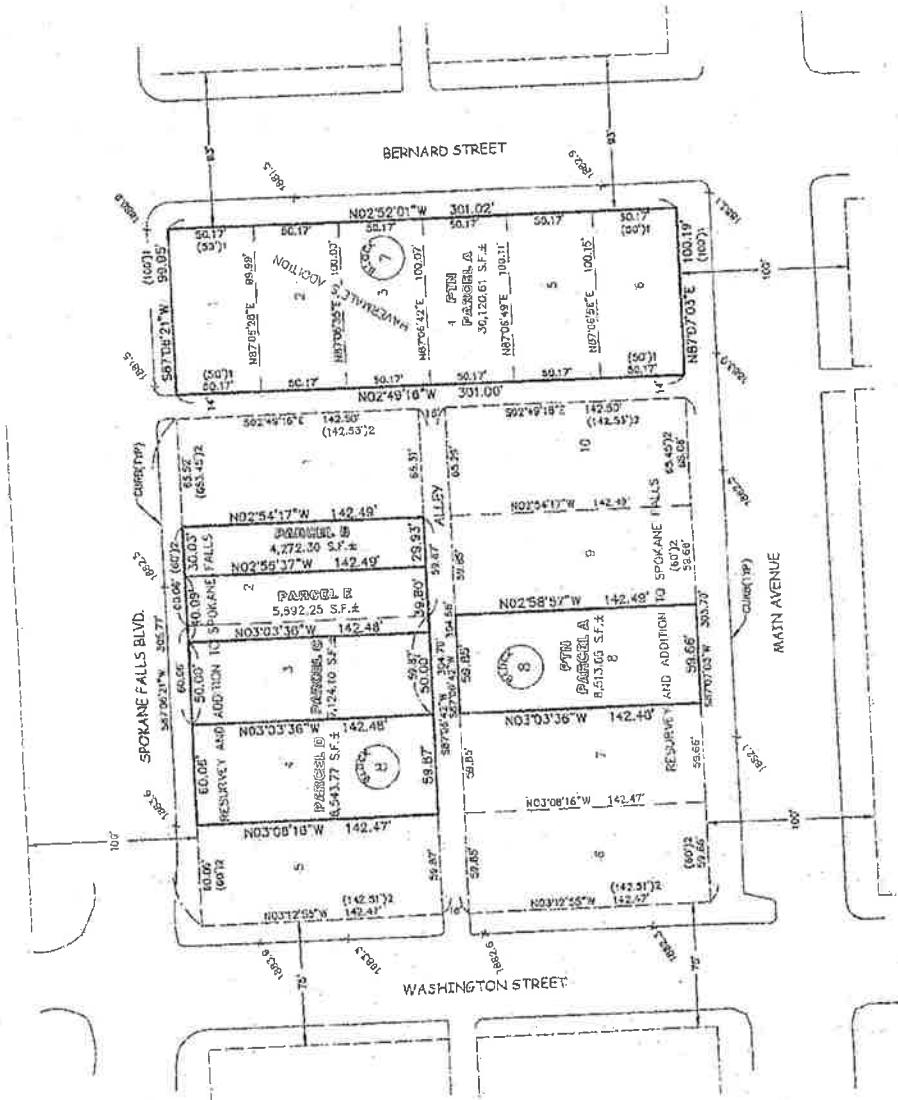
Exhibit A
Legal Description for the Property

[If a legal description is not attached, the Parties, prior to Closing, shall agree upon the legal description that is consistent with the Property identified in the Agreement.]

Exhibit B
Property Depiction

RESULTS OF SURVEY

A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON



LEGEND
X 1234.5 SPOT ELEVATION

NARRATIVE
This survey was conducted as a dependent resurvey of that property described as follows:
Parcel A:
Lots 1, 2, 3, 4, 5 and 6, Block 7, HAVERMALES ADDITION, 1880, as per Plat recorded in Volume "A" of Plats, Page 22, in the City of Spokane, Spokane County, Washington.
AND Lot 8, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, according to the Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.
Parcel B:
The East Half of Lot 2, Block 2, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.
Parcel C:
The West 50 feet of Lot 3, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "X" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.
Parcel D:
Lot 4, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.
Parcel E:
One Half interest in the following described property:
The West Half of Lot 2 and the East 10 feet of Lot 3, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "X" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

HAVERMALES ADDITION was recorded in Spokane County in 1880. The RESURVEY AND ADDITION TO SPOKANE FALLS in 1880. The RESURVEY AND ADDITION TO SPOKANE FALLS was recorded in 1981. There are several monument lines and street centerlines in the vicinity which have been relied upon over the years. Unfortunately, many reference monuments have been destroyed or are difficult to locate. The closest intersections which are still fully referenced are a minimum of 2 blocks away. Given this, it was determined that holding the back edge of these older portions of the sidewalk around the block would be the best evidence of perpetuation of original block lines. A comparison of the original plat with the current survey record. Centerline of alleyways was determined by splitting original curb on the alleyway entries.

Note that there may be other matters affecting the subject property but not shown that would be disclosed by a current title report. No monuments were set during the course of this survey.

RESULTS OF SURVEY FOR
SPOKANE PUBLIC
FACILITIES DISTRICT

DATE: 10/24/08	SCALE: 1"=40'
DRAWN BY: DWS	CHECKED BY: DWS
JOB NO. 08082	DWG. D2082 ROS
SHEET 1 OF 1	

Taylor Engineering, Inc.
Civil Design and Land Planning
106 Hudson Ave., Suite 300
Spokane, Washington, 99201
Phone: (509) 325-3471



SURVEYOR'S CERTIFICATE
This map correctly represents a survey made by me or under my direction in compliance with the Act of the Imprest of Spokane Public Facilities District in October, 2008.
David M. Senses, P.L.S. 35891

REFERENCES
(1) Plat of HAVERMALES ADDITION TO SPOKANE FALLS, Volume A, Page 22
(2) Plat of RESURVEY AND ADDITION TO SPOKANE FALLS, Volume A, Page 1

ACCURACY STATEMENT (WAC 332-130-100)
THIS SURVEY WAS PERFORMED USING A LEICA 3 SECOND TOTAL STATION AND A LEICA SYSTEM 1200 SMARTROVER FOR A COMBINATION OF FIELD TRAVERSE AND GPS SURVEY METHODS TO MEET OR EXCEED THE REQUIRED STANDARDS FOR LAND BOUNDARY SURVEYS PER WAC 332-130-090.

BASIS OF BEARING
Geodetic North

BASIS OF ELEVATION
Assumed

Exhibit C
Surface Parking and
License Agreement

City of Spokane
Department of Engineering Services
808 W. Spokane Falls Blvd.
Spokane WA 99201

REVOCABLE LICENSE AND PERMIT

This Revocable License and Permit ("Permit"), is made by and between the CITY OF SPOKANE, a municipal corporation of the State of Washington, hereinafter "City", and SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, whose address is 720 West Mallon Avenue, Spokane, Washington 99201, hereinafter referred to as "Permitee", jointly referred to as "Parties".

WHEREAS, the City, as a municipal corporation of the first class, is authorized to regulate and control the use of streets and highways within the corporate limits of the City; and

WHEREAS, the Permitee has requested a revocable license and permit from the City, for the purpose of allowing an improvement to encroach within the public right-of-way controlled by the City; and

WHEREAS, the City, through this Revocable License and Permit permits the use of public property in accordance with the terms set forth herein below; and

WHEREAS, the City and Permitee previously entered into certain agreements relative to Permitee's plans to improve and expand the Spokane Convention Center and related facilities, as follows: Interlocal Cooperation Agreement, having an effective date of August 20, 2003; Lease, having an effective date of August 29, 2003; and a Property Transfer Agreement, having an effective date of August 29, 2003. The foregoing agreements are collectively referred to as the "CCX Project Agreements"; and

WHEREAS, the Parties recently entered into a Third Amendment to Interlocal Cooperation Agreement and First Amendment to Lease Agreement wherein, for good and valuable consideration, the City agreed to entertain Permitee's request to vacate, close, or otherwise allow the District to use the north lane of Main avenue between Washington and Bernard Streets, which are presently being used for on-street parking, to accommodate Permitee's plans to construct off-street public parking space and facilities for the primary purpose of providing parking for people using the Spokane Convention Center and related facilities and, if approved, to not require Permitee to pay any fee associated with said vacation, closure, or use -- Now, Therefore

In consideration of the recitals set forth above, and the terms, conditions, and covenants hereafter the Parties agree as follows:

1. **REVOCABLE PERMIT.** The City hereby grants to Permittee a Revocable License and Permit to use, occupy, and encroach upon the public right-of-way described as: the North 20 feet of Main Avenue Right-of-Way from Washington Street to Bernard Street (the "Permit Area"). This Revocable License and Permit is granted in order to accommodate the Permittee in the development of a surface parking lot on Permittee's property appurtenant to said permitted area described as follows: Lots 4 through 6, Block 7, Havermale Addition and Lots 6 through 12, Block 8, Resurvey and Addition to Spokane Falls, Parcel Numbers 35184.0703, 35184.2107, 35184.2108, 35184.2109, 35184.2110, 35184.2111 and 35184.2112 (hereinafter the "Permittee's Adjacent Property").

2. **PURPOSE.** The purpose for Permittee's encroachment upon the public right-of-way is to allow Permittee to construct and maintain certain public off-street parking space and facilities that encroach upon the Permit Area as described in Exhibit "A" attached hereto (the "Permitted Improvements"), and for no other purpose. Except as specifically set forth herein, the City makes no representation that the Permit Area may be used for Permittee's intended purposes. Permittee has determined to its satisfaction that this Permit provides Permittee with adequate right to use the Permit Area for such purposes and is not relying on any representations by the City in this regard. This Permit does not relieve Permittee from its obligation to secure additional permits and bonds as required by the City prior to any work being performed in the public right-of-way or Permittee's adjacent property. Nor shall this Permit be construed in any manner whatsoever as a waiver of any conditions and/or fees associated with development approval, the Spokane Municipal Code, or other codes, statutes, or regulations applicable to development of the Property. Such provisions shall apply with full force and effect, in addition to the terms of this Permit.

3. COVENANTS BY PERMITEE.

(a) **Construction/Maintenance.** Permittee shall, at no cost or expense to the City, construct and maintain the Permitted Improvements in accordance with the attached Exhibit "A". The Permitted Improvements shall be: (1) subject to approval by the City Building Official and City Director of Engineering Services ("Director"); (2) designed, built, and maintained so as to not create a hazard to persons or property or violate any City Ordinance or State law; and (3) designed and built so that the improvements located in Permittee's Adjacent Property shall not be rendered nonconforming by the revocation or termination of this Permit – i.e., required elements, such as drainage swales, shall be located on Permittee's Adjacent Property. In no case shall buildings, foundations, or supporting structures be placed in the Permit Area. In the event Permittee fails to repair or maintain the Permitted Improvements to the satisfaction of the Director, the City at its sole option and discretion, may perform maintenance and repair with Permittee liable to the City for the cost of such maintenance or repair. Aside from the Permitted Improvements, Permittee shall not make any other improvements or alterations to the Permit Area without the City's prior written approval, which the City may withhold for any reason. Permittee shall be responsible for all elements of the design of all Permitted Improvements (including, without limitation, compliance with law, functionality of design, and the structural integrity of the Permitted Improvements), and the City's approval of Permittee's plans shall in no event relieve Permittee of the responsibility for such design. Permittee shall make all such Permitted Improvements in accordance with all laws, rules, regulations, ordinances and requirements of governmental agencies, offices, and boards having jurisdiction. Permittee shall bear the cost of relocating traffic signals, traffic lights, public utilities and other municipal operations or functions necessitated by construction of the Permitted Improvements, if any. All work performed and all Permitted Improvements must be done and

completed in a workmanlike manner. Permittee expressly acknowledges and agrees that the City's rights under this Permit to approve the Permitted Improvements (i) do not create or impose upon the City any standard or duty of care toward Permittee, all of which are hereby disclaimed, (ii) may not be relied upon by Permittee in determining whether Permittee has satisfied any and all applicable laws, regulations, and codes with respect to the construction of the Permitted Improvements, and (iii) may not be asserted, nor may the City's exercise or failure to exercise any such rights be asserted, against the City by Permittee as a defense, legal or equitable, to Permittee's obligation to fulfill such standards and requirements regardless of any acceptance of work by the City.

(b) Signage. The Permitted Improvements shall not have on its exterior any commercial advertising, reader boards or other signs without the prior written approval of the Director and the Director of the City's Street Department ("Street Director"). The City shall have the right, without compensatory payment, to attach to the Permitted Improvements, any signage that is deemed necessary by the Street Director for the safe and expeditious flow of vehicle or pedestrian traffic along the right-of-way.

(c) Removal. If Permittee does not construct the Permitted Improvements in accordance with this Permit, this Permit may be revoked unilaterally by the Director. Permittee shall have the right at any time to remove the Permitted Improvements from the City right-of-way/Permit Area at its own expense. If this Permit is so revoked, and/or if Permittee abandons the Permit Area or otherwise elects to remove the Permitted Improvements from the City right-of-way/Permit Area, Permittee shall leave the right-of-way free and clear of encroachments and/or improvements of any kind and shall improve the License Area for use as public right-of-way consistent with the City's standards and to the City's satisfaction.

(d) Hazardous Materials. Permittee, its successors and assigns, will not discharge, disperse, release, store, treat, generate, dispose of any pollutant or other toxic or hazardous substance, including any solid, liquid, gas, or thermal irritant or contaminant, acid, chemicals, or wastes onto the property described or the public right-of-way appurtenant to said property. For the purposes of this paragraph, hazardous substances shall include, but are not limited to, substance defined as "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and RCW Title 70 and the regulations promulgated pursuant to the above cited laws.

4. INDEMNIFICATION AND INSURANCE.

(a) Permittee, its successors or assigns, will protect, defend, save, indemnify and hold harmless City, its agents and employees from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of Permittee, its agents, contractors, licensees, invitees, or employees arising out of or in connection with any acts or activities related to this Permit. Permittee further agrees to defend City and its agents or employees in any litigation, including payment of any costs or attorney's fees, for any claims or action commenced arising out of or in connection with acts or activities related to this Permit. This obligation shall not include such claims, cost, damages, or expenses which may be caused by the negligence of either the City or its agents or employees; provided that if the claims or damages are caused by or result from the concurrent negligence of (a) the City, its agents or employees and (b) Permittee, its agents, employees, contractors, licensees or invitees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and

enforceable only to the extent of the negligence of the Permittee or Permittee's agents, employees, contractors, licensees or invitees.

Permittee's obligation to indemnify the City under this section includes an obligation to indemnify for losses resulting from death or injury to Permittee's employees, and Permittee accordingly hereby waives any and all immunities it now has or hereafter may have under any Industrial Insurance Act, or other worker's compensation, disability benefit or other similar act which would otherwise be applicable in the case of such a claim. This provision has been specifically negotiated.

HED/400

City's Initials



Permittee's Initials

(b) During the term of this Permit, Permittee shall maintain the insurance policies described in the CCX Project Agreements, and particularly in Attachment 8 of the Interlocal Cooperation Agreement, dated August 20, 2003, by and between Permittee and the City, and shall name the City as an additional insured on such policies with respect to the rights and privileges granted to Permittee under this Permit. The City shall receive a copy or satisfactory evidence that said policies have been purchased and are in full force. Notice of cancellation shall be sent to the City thirty days prior to any insurance cancellation. The City reserves the right to unilaterally modify this insurance requirement as market and legal conditions reflect, and Permittee shall comply with such modifications. If Permittee fails to perform any of its obligations under this Section 4(b), then the City may perform the same and the cost thereof shall be payable by Permittee upon the demand of the City.

(c) Permittee waives all rights of recovery against the City, its subtenants, agents, officers, employees, and contractors, for loss or damage to the Permitted Improvements, or for loss or damage to Permittee's adjacent property, resulting from fire or other causes which are normally covered by fire and extended coverage insurance, regardless of whether the loss or damage is due to negligence or otherwise, to the extent insurance proceeds are actually obtained from third party insurance companies. Permittee shall cause its insurance carriers to consent to such waiver and to waive all rights of subrogation against the City.

5. **TERM.** Unless or until the City revokes this permit as provided herein, permittee may use the Permit Area to construct, maintain, and repair the Permitted Improvements for so long as Permittee engages in the activity or occupies the property adjacent to the Permit Area in accordance with present and then-existing City land use (zoning) requirements and complies with this Permit.

6. **REVOCATION.** If Permittee fails to fulfill any of its obligations under this Permit, or pursuant to City ordinance or State law, the City may require Permittee to remove the Permitted Improvements at Permittee's expense. The procedure for revocation of this Permit, to the extent applicable, is set forth in the Spokane Municipal Code 4.04.080 through 4.04.100, as amended. The permit officer is the Director or his designee. Further, the City reserves all rights and remedies which are available at law or in equity. If this Permit is revoked, as provided herein, or through City ordinance, the cost of removal of the Permitted Improvements shall comprise a lien against Permittee's property for all costs of removal, including reasonable attorney fees.

7. **PUBLIC PURPOSE.** In the event the City Council finds, after a public hearing on the matter, that the Permit Area or any part thereof, is needed for use as public right-of-way, this Permit may be terminated by the City. Prior to the City Council public hearing, the City shall: (a) prepare a report from a licensed civil engineer that concludes, based upon reasonable engineering judgment, that the Permit Area is necessary for public street purposes, with no reasonable alternative ("Engineering Report"); (b) consider in good faith information presented by Permittee in response to the Engineering Report; and (c) provide the Engineering Report, at least, 90 days before the City Council hearing. If the City Council finds the Permit Area is necessary for public right-of-way, Permittee shall following notice from the Director, commence to remove therefrom, within 180 days of the notice, the Permitted Improvements or any part thereof, and to restore the Permit Area for use as public right-of-way consistent with the City's then current street standards and to the City's satisfaction, all without cost or expense to the City. The City shall be allowed to reoccupy the Permit Area without the payment of damages or expenses of any kind to the Permittee, its successors or assigns. The City Council's decision that the Permit Area is needed for public right-of-way purposes pursuant to this Section 7 shall be binding and Permittee waives any and all appeal rights or claims relative to the City Council's decision. The termination process provided for in this Section 7 is in addition to and independent of the revocation process authorized pursuant to Section 6 above.

8. **SEVERANCE.** If any portion or provision of this Permit is held invalid by a court, the validity and enforceability of the remainder of this Permit shall not be affected thereby and Permittee shall have no claim for damages or otherwise against the City by reason of such invalidity.

9. **NOTICES.** All notices to the City shall be made to:

CITY OF SPOKANE
808 W. Spokane Falls Blvd.
Spokane, WA 99201

and copies to:

Engineering Services
Attn: Director
City of Spokane
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Notices directed to Permittee shall be made to:

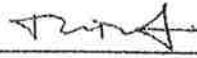
Spokane Public Facilities District
Kevin Twohig, Executive Director
721 West Mallon Avenue
Spokane, WA 99201

10. **TAXES.** Permittee is responsible for and shall pay all real and personal taxes which may be assessed as a result of the rights and privileges granted under this Permit including the Leasehold Excise Tax.

11. **RECORDING.** This Permit may be recorded by either party.

This Agreement is entered into on this _____ day of _____, 200____.


CITY OF SPOKANE

By:  8/10/09
Title: Thomas E. Danek, Jr.
City Administrator
City of Spokane

Attest:


City Clerk

Approved as to form:


Assistant City Attorney

SPOKANE PUBLIC FACILITIES DISTRICT


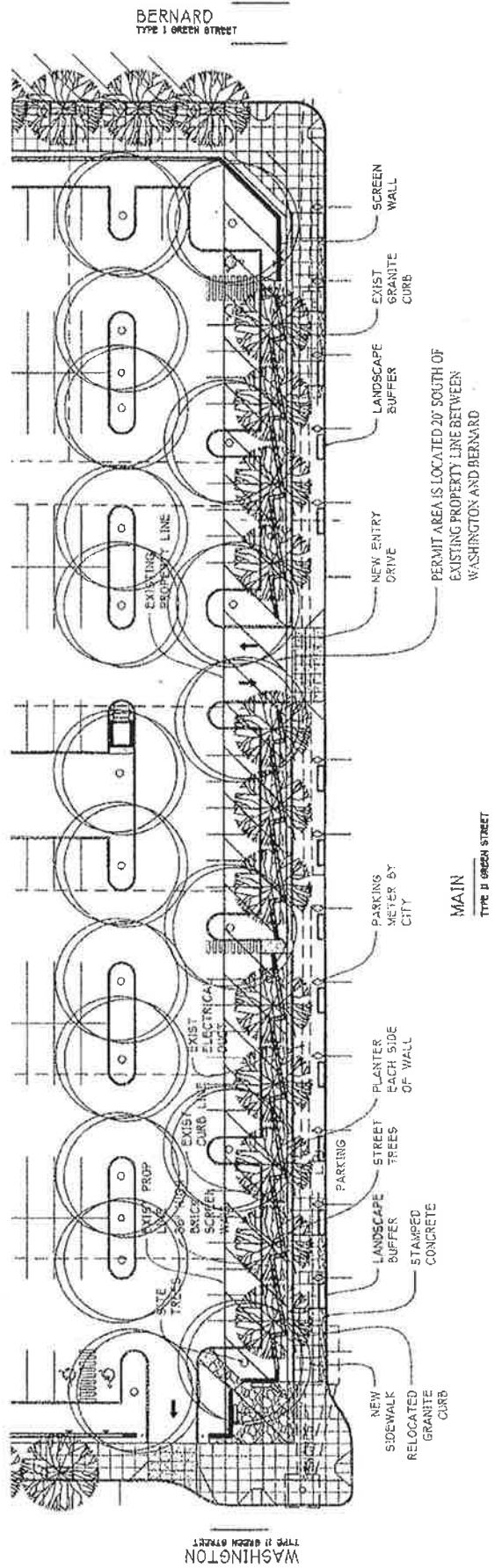
By: 
Title: SD DIRECTOR

EXHIBIT A

[Drawings Depicting Permit Area and Permitted Improvements]



MAIN AVENUE PLAN 6/30/09 EXHIBIT A

Exhibit D
Environmental Reports

- A. Phase I and Limited Phase II Environmental Site Assessment – Option 3 Site issued September 20, 2002
- B. Geotechnical Engineering Study – Option 3 Site issued September 26, 2002
- C. Geotechnical Engineering Evaluation – South Block Surface parking Lot issued April 1, 2009
- D. Supplemental Phase II Environmental Site Assessment issued May 29, 2009
- E. Preliminary Remedial Action – South Block Parking Lot issued February 16, 2010

Exhibit E
Disclosure Statements

6. ENVIRONMENTAL

- A. Has there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

E. Is there any soil or groundwater contamination?

- Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

F. Has the property been used as a legal or illegal dumping site?

- Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

G. Has the property been used as an illegal drug manufacturing site?

- Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

7. RESIDENTIAL DISCLOSURE STATEMENT - ENVIRONMENTAL

A. Have there been any flooding, standing water, or drainage problems on the property or access to the property?

- Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

B. Does any part of the property contain fill dirt, waste, or other fill material?

- Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

F. Has the property been used for commercial or industrial purposes?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

G. Is there any soil or groundwater contamination?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- I. Has the property been used as a legal or illegal dumping site?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- J. Has the property been used as an illegal drug manufacturing site?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- K. Are there any radio towers that cause interference with cellular telephone reception?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- L. Are there any pending special assessments?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- M. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

7. IMPROVED RESIDENTIAL REAL PROPERTY - ENVIRONMENTAL

- A. Has there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- B. Does any part of the property contain fill dirt, waste, or other fill material?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

- C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?

Yes
 No
 Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

F. Has the property been used for commercial or industrial purposes?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

G. Is there any soil or groundwater contamination?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

I. Has the property been used as a legal or illegal dumping site?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

J. Has the property been used as an illegal drug manufacturing site?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.

K. Are there any radio towers in the area that cause interference with cellular telephone reception?

- Yes
- No
- Don't know

See Section 8.7 and 8.10 of the Purchase and Sale Agreement and all environmental reports thereunder.