

**CITY OF MONROE
RESOLUTION NO. 2013/027**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONROE, WASHINGTON, AUTHORIZING THE SALE OF
CERTAIN REAL PROPERTY TO HALLE PROPERTIES,
L.L.C

WHEREAS, the City of Monroe owns the real property legally described in the Commercial Real Estate Contract of Purchase and Sale appended hereto as Attachment A and incorporated herein by this reference as if set forth in full; and

WHEREAS, the City desires to sell, and Halle Properties, L.L.C. desires to purchase, said property in accordance with terms and conditions set forth in the Commercial Real Estate Contract of Purchase and Sale.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Approval of Commercial Real Estate Contract of Purchase and Sale. The City Council hereby declares the property described in the attached Commercial Real Estate Contract of Purchase and Sale, Exhibit A, to be surplus to the City's needs and authorizes its disposition in accordance with said contract. The Mayor is authorized to execute the Commercial Real Estate Contract of Purchase and Sale on behalf of the City.

Section 2. Effective Date. This resolution shall take effect immediately upon passage.

ADOPTED by the City Council of the City of Monroe, at its regular meeting thereof, and APPROVED by the Mayor this 10th day of December, 2013.

CITY OF MONROE, WASHINGTON



Robert G. Zimmerman, Mayor

(SEAL)

ATTEST:



Elizabeth M. Smoot, CMC, City Clerk

HALLE PROPERTIES, L.L.C.

An Arizona Limited Liability Company

20225 N. Scottsdale Road, Scottsdale, Arizona 85255
(480) 606-6000

Writer's Direct Line:
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E-mail: james.silhasek@discounttireco.com

December 6, 2013

VIA ELECTRONIC TRANSMISSION (dani.kirkland@cbre.com)
AND FED EX OVERNIGHT

Ms. Danielle Kirkland
CB Richard Ellis
1420 Fifth Avenue, Suite 1700
Seattle, WA 98101

Re: Proposal for Acquisition of Property Located at Chain Lake Road and Tjeme Place SE, City of Monroe, County of Snohomish, State of Washington (the "Property"), by and between The City of Monroe (the "Seller"), and Halle Properties, L.L.C., an Arizona limited liability company (the "Buyer")

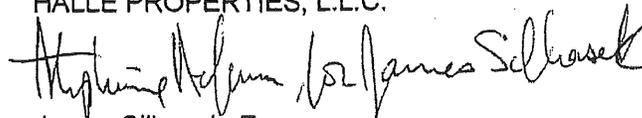
Dear Ms. Kirkland:

Enclosed please find four (4) copies of Seller's Contract of Sale (the "Contract"), which have been executed on behalf of Buyer. A marked copy is also enclosed reflecting revisions made to the document submitted with your email of December 4, 2013. Additionally, an updated Exhibit A has been inserted. Please present the Contract to the Seller for its review and consideration and, if acceptable, please have all copies signed and return two (2) fully-executed copies to me. Upon receipt, I will forward one copy to the Title Company, together with the earnest money deposit, to open escrow.

I wish to thank you for your assistance in this matter and should you have any questions please contact me at your earliest convenience.

Very truly yours,

HALLE PROPERTIES, L.L.C.



James Silhasek, Esq.

Executive Vice President and General Counsel

JS/sh

Enclosures

cc: Mr. Bruce T. Halle
Distribution A and C

COMMERCIAL REAL ESTATE CONTRACT OF PURCHASE AND SALE

THIS COMMERCIAL REAL ESTATE CONTRACT OF PURCHASE AND SALE (this "Contract"), is made by and between **THE CITY OF MONROE** (the "Seller"), and **HALLE PROPERTIES, L.L.C.**, an Arizona limited liability company or affiliate thereof (the "Buyer").

RECITALS:

A. Seller is the owner of Parcels 4 and 5 of the North Kelsey Short Plat, City of Monroe, County of Snohomish, State of Washington, records of the Snohomish County Auditor. A copy of the North Kelsey Short Plat is attached hereto as Exhibit B and incorporated herein by this reference. Buyer desires to purchase a portion of Lot 5 ("the Property") consisting of approximately 40,000 square feet, designated on Exhibit A hereto as "Property", with the final legal description to be furnished upon completion by Buyer of the Survey called for herein and a subsequent boundary line adjustment by the City relocating the easterly boundary line of Parcel 4 into Parcel 5 consistent with the completed Survey.

B. Seller desires to sell and convey, and Buyer desires to purchase, the Property upon the terms and conditions hereinafter set forth.

C. Seller has retained the services of Newmark Grubb Knight Frank, Attention: Jane Lanford, 1420 Fifth Avenue, Suite 2200 Seattle, WA 98101, telephone: 425-653-3000 (office), 206-953-6688 (mobile), 206-224-2880 (fax) email: jlanford@ngkf.com, as broker, and Buyer has retained the services of CB Richard Ellis (CBRE), Attention: Danielle Kirkland, 1420 Fifth Avenue, Suite 1700, Seattle, WA 98101, telephone: 206-292-6021, facsimile: 206-292-6033, email: danikirkland@cbre.com, as co-broker (hereinafter collectively referred to as the "Broker").

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, the parties hereto agree as follows:

AGREEMENTS:

1. **Sale.** Seller hereby agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller at the price and upon and in accordance with the following terms, conditions and other stipulations.

2. **Purchase Price.** The total purchase price shall be Eight Hundred Thousand Dollars (\$800,000) (the "Purchase Price"), payable by Buyer as follows:

A. Twenty Five Thousand Dollars (\$25,000) in cash as earnest money deposit and partial payment of the Purchase Price (the "Earnest Deposit"), which sum shall be deposited within five (5) calendar days following the Effective Date (as defined below) of this Contract with Chicago Title Insurance Company, 701 5th Avenue, Suite 2300, Seattle, WA 98104 (hereinafter referred to as the "Escrow Agent" or "Title Company"), for placement in a non-interest bearing trust account and disbursed in accordance with this Contract; and

B. Seven Hundred Seventy Five Thousand Dollars (\$775,000) by cashier's check, wired funds or certified funds at Closing (as defined below), subject to any apportionments as hereinafter set forth.

3. **Closing Date.** Seller and Buyer agree that they will comply with all the terms and conditions of this Contract and close escrow on the second business day following the satisfaction or waiver by Buyer of the contingencies set forth in Sections 10A, 24, and (b) any objections to the reports or survey described in Section 7, but not later than 15 days following the expiration of the Investigation Period as defined below (the "Closing Date" or "Closing"). If the transaction contemplated hereby fails to close by such date, this Contract is subject to cancellation as provided herein.

4. **Time of Acceptance.** This offer must be accepted by Seller on or before December 18, 2013.

5. **Prorations and Costs.** Real property taxes shall be prorated as of Closing. Seller and Buyer shall each pay one-half (1/2) of the escrow fees. Buyer shall be responsible for the costs of recording the Statutory Warranty Deed and for the cost of a purchaser's policy of title insurance, if such policy is desired by Buyer. The parties mutually acknowledge that Seller is exempt from Real Estate Excise Taxes pursuant to WAC 458-61A-205.

6. **Assessments.** The amount of any and all assessments as of the Closing Date which are a lien or encumbrance on the Property, including but not limited to installments which may become due subsequent to the Closing Date, shall be paid in full by Seller on or before the Closing Date.

7. **Preliminary Title Report; Survey; Reports; Approval Period; Information.**

A. **Preliminary Title Report.** Seller shall cause Title Company, within twenty (20) calendar days after the Effective Date, to provide Buyer with a preliminary report of the title (the "Title Report"), to the Property (together with true, correct and legible copies of any and all instruments referred to in the Title Report as constituting exceptions or restrictions upon the title of Seller), disclosing all matters of record and other matters of which Title Company has knowledge which relate to the title of the Property.

B. **Conveyance.** Seller shall convey fee title to the Property being purchased by Statutory Warranty Deed (the "Deed") delivered to Buyer at closing. Seller's title to the property at closing shall be good, marketable and free of all liens, encumbrances or defects not approved in writing by Buyer. Rights reserved in federal patents or state deeds, building or use restrictions general to the area, utility easements not inconsistent with Purchaser's expressed intended use, reserved oil or mining rights, and building or zoning regulations or provisions shall not be deemed encumbrances or defects in title.

C. **Title Insurance.** Buyer is responsible for the cost of obtaining title insurance. Buyer may elect to purchase, at Closing, an Owner's standard or extended

coverage title insurance policy issued by the Title Company. The policy of title insurance to be issued may contain no exceptions other than those included in the standard form of title insurance and those described in subsection (B) above to which Buyer has not made an objection. Within ten (10) days of Buyer's receipt of the Title Report, Buyer must notify the Seller in writing of any and all exceptions that must be removed from the title insurance. If title cannot be made so insurable prior to closing and, under such circumstances, Buyer elects not to waive the defects or encumbrances, the earnest money deposited by Buyer with the Escrow/Closing Agent shall be refunded to Buyer and this Contract shall be terminated.

D. Survey. Buyer shall within ten (10) days after the receipt of the Title Report, and at its own expense, make arrangements for a survey of the Property (the "Survey") to be performed. The Survey shall be a staked ALTA form survey and may set forth square feet, access to the Property, the location of all improvements, rights of way, easements, encroachments, streets, roads, water courses, fences, topographical elevations and the designation and location of flood plains on or adjacent to the Property. The survey shall be sufficient to allow the Boundary Line Adjustment necessary for the conveyance of the Property. Buyer shall promptly provide Seller with a full and complete copy of the Survey at no cost to Seller.

E. Soils Report. Buyer shall upon within ten (10) days of the Effective Date, and at its own expense, make arrangements for a soils report (the "Soils Report"), pertaining to the Property. The Soils Report, to be received within forty (40) calendar days after the Effective Date, may provide the following: (i) a minimum of four (4) test borings; (ii) a general description of site topography and use, on-site and off-site drainage, and any evidence of previous development or fills; (iii) laboratory analyses of representative samples; and (iv) a geotechnical engineering report presenting the results of field and laboratory testing, foundation design recommendations, site grading and sub floor preparation procedures, and lateral earth pressures. Buyer shall promptly provide Seller with a full and complete copy of the Soils Report at no cost to Seller.

D. Approval Period. After the later of the dates for receipt identified above or actual receipt by Buyer of the Survey, the Title Report and the Soils Report, Buyer shall have twenty (20) calendar days to review same and to deliver in writing to Seller such objections as Buyer may have to anything contained therein. Any such item to which Buyer shall not object shall be deemed to be accepted by Buyer. If there are objections by Buyer, Seller shall in good faith attempt to satisfy the same prior to the Closing Date, but Seller shall not be required to incur any cost to do so. If Seller delivers written notice to Buyer on or before the Closing Date that Seller is unable to satisfy such objections, or if, for any reason, Seller is unable to convey title as set forth herein, Buyer may waive such objections and accept such title as Seller is able to convey by providing Seller and Escrow Agent written notice of Buyer's waiver of such objections. In the event Buyer elects, at its sole option, not to waive such objections, this Contract shall terminate on the Closing Date and the Earnest Deposit plus all interest accrued thereon shall be refunded to Buyer. Upon such occurrence, this Contract shall be null and void and the parties shall be relieved of all further liability hereunder.

G. Information. Seller shall, within twenty (20) calendar days following the Effective Date, provide Buyer with copies of all information in the possession or control of Seller regarding the Property including, but not limited to, any specifications for on-site or off-site improvements, soils tests, reports on water and utility availability and quality, environmental studies, tax assessment records and zoning applications and stipulations. If any such information comes into the possession or control of Seller prior to the Closing, Seller shall promptly provide copies of such information to Buyer. Seller makes no representation or warranty regarding the information and materials provided to Buyer pursuant to this Section except that, to the best of Seller's actual knowledge, the copies provided to Buyer are true, correct and complete and contain no inaccuracies or omissions. As of Closing, Seller transfers ownership of such information and materials to Buyer.

8. Documents and Escrow.

A. The Property, including any and all improvements thereon and rights and privileges appurtenant thereto, shall be conveyed to Buyer upon Closing by the Deed in accordance with subsection 7(B). The Deed, duly executed by Seller and appropriately acknowledged, shall be delivered to Escrow Agent, together with any other documents required herein, to be recorded as required upon the fulfillment of Buyer's obligations under this Contract.

B. Seller and Buyer direct Escrow Agent to attach its standard form escrow instructions to this Contract which instructions shall constitute the entire escrow instructions to Escrow Agent. All documents necessary to close escrow shall be deposited with Escrow Agent. Seller and Buyer further agree to execute all documents reasonably necessary to close this transaction, in the standard forms used by Escrow Agent.

C. If there is a conflict between the provisions of this Contract and any escrow instructions and attachments executed pursuant hereto, the provisions of this Contract shall be controlling.

9. Investigation/Feasibility Study. For a period of One Hundred Twenty (120) calendar days after the Effective Date of this Contract (the " Investigation Period"), Buyer, its agents, contractors and engineers, shall have the right to examine the Property, including, but not limited to, performing environmental studies and soil analysis, the preparation of market or economic feasibility and development studies of the Property, the availability of water, sewer, gas, electricity, waste water treatment and other utilities and services to the Property including the costs of securing same, and the zoning pertaining to the Property. Seller shall permit access to the Property to Buyer and any persons designated by Buyer, and Seller shall permit inspection and performance of any engineering tests to determine whether the Property is appropriate for the development contemplated by Buyer. Buyer shall provide Seller with 48 hours advance written notice of any such entry onto the Property. To the extent that Buyer disturbs the Property, Buyer shall return the Property to the condition reasonably extant prior to the time of

such entry. If Buyer determines during the Investigation Period that the Property is not suitable for Buyer's Intended Use (as defined below), Buyer shall give Seller and Escrow Agent written notice as required by subsection 7(F). Buyer and Seller shall thereupon be released from all further obligations under this Contract. If Buyer fails to provide such written notice to Seller, then it shall be presumed that the Property is suitable for Buyer's Intended Use and the Contract may not be terminated by Buyer for the reasons set forth in this Section. Buyer shall indemnify and hold Seller, its officials, officers and employees harmless from any property damage or personal injury resulting in any manner from such entry onto the Property, investigation and/or study.

10. **Boundary Line Adjustment.** After receipt from Buyer of the Survey, Seller shall initiate a boundary line adjustment ("BLA") in accordance with Chapter 17.30 MMC. Final approval of the BLA for conveyance of the Property need not occur until after the passage of the inspection contingency and time for objection to the Title Report, but shall occur prior to the Closing Date.

10.A **Intentionally left blank.**

11. **Default and Remedies.** If Buyer fails to pay the balance of the Purchase Price when due, or otherwise defaults in any respect on any material obligation under this Contract, Seller may elect to be released from the obligation to sell the Property to Buyer. Seller's sole remedy, in the event of such default, shall be to recover, as specified herein, the Earnest Deposit as liquidated damages, and not a penalty, hereunder. If the Seller breaches this Contract by default or otherwise, Buyer, in addition to any rights available at law or in equity, has the right to specific performance of this Contract; provided, however, if Seller is unable, without fault, to deliver the Title Policy, or if this Contract is terminated pursuant to the provisions of subsection 7(F) or Section 9, Buyer's sole remedy shall be to cancel this Contract, in which case Escrow Agent shall refund to Buyer the Earnest Deposit. BUYER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICAL TO QUANTIFY THE ACTUAL DAMAGES TO SELLER IN THE EVENT OF A BREACH BY BUYER, THAT THE AMOUNT OF THE EARNEST DEPOSIT PAID IS A REASONABLE ESTIMATE OF SUCH ACTUAL DAMAGES, AND THAT SELLER'S REMEDY IN THE EVENT OF A BREACH BY BUYER SHALL BE TO RETAIN THE EARNEST DEPOSIT AS LIQUIDATED DAMAGES.

12. **Seller's Warranties.** Seller represents, warrants and covenants that, to Seller's actual knowledge as of the Closing Date (and said representations, warranties and covenants shall survive the Closing):

A. Seller has the right and capacity or the power and authority to enter into this Contract and to perform Seller's obligations under this Contract.

B. Seller holds indefeasible fee simple title to the Property and there are no recorded or unrecorded leases, encumbrances, easements, or claims of easements or prescriptive rights upon or claims of adverse possession concerning the Property or any

part thereof that are within Seller's actual knowledge, other than those accepted according hereto by Buyer.

C. There are no litigation, arbitration or administrative proceedings pending or threatened concerning the Property, or pending or threatened against Seller which might have the effect of impairing the development or use of the Property.

D. The Property has public access, direct or by easement, to roadways dedicated to and accepted by the state, city or county in which the Property is located.

E. The Property is designated as General Commercial under the City of Monroe zoning regulations. Buyer recognizes and understands there will be fees associated with applicable EIS of approximately \$62,000 and Growth Management charges as they relate to development of the property and will be responsible for paying said fees, as well as any and all other applicable regulatory fees and charges.

F. Except for the warranties and representations contained in this Contract, Seller does not make, and specifically disclaims, any warranties, express or implied, including any warranty or merchantability or fitness for a particular purpose with respect to the Property and no employee or agent of Seller is authorized otherwise. Without limitation, the foregoing specifically includes any warranties with respect to the condition of the Property for development by Buyer. Except for warranties and representations expressly set forth in this Contract, Buyer takes the Property "As Is" and Buyer shall otherwise rely on its own pre-closing inspections and investigations.

References in this Contract to "Seller's actual knowledge" shall mean the actual knowledge of Seller's current director-level employees.

12A. Hazardous Materials.

(1) Definition of Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," "hazardous substance" or similar term under the Federal Water Pollution Control Act (33 U.S.C. §1317), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601), (iv) petroleum, (v) asbestos or (vi) which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law.

(2) Presence of Hazardous Material. Buyer acknowledges that the Property may or may not contain certain Hazardous Materials and that Seller only warrants to the best of Seller's actual knowledge, that as of the date of this Contract Seller is not aware of the presence on

or beneath the Property of any legally unacceptable levels of Hazardous Materials. Seller makes no, and expressly disclaims any, other representation or warranty to Buyer regarding the presence or absence of any Hazardous Materials on or under the Property. It shall be Buyer's responsibility under this Contract to examine the Property and to review such reports or other documents it deems necessary to satisfy itself as to the presence or absence of any such Hazardous Materials.

(3) Right to Inspect. Prior to the expiration of the Investigation Period, Buyer shall have the right, at its cost and expense, to conduct such physical inspections of the Property as necessary in order to determine the presence or absence of Hazardous Material on or under the Property in accordance with Section 9.

(4) Indemnification. If the parties proceed to the Closing, Buyer shall, release indemnify, defend and hold Seller harmless from any and all claims, demands (including demands by any governmental agency), liabilities, costs, expenses, penalties, damages, losses and liens, including without limitation clean up costs and reasonable attorneys' fees, arising out of or with respect to Hazardous Material released on or under the Property subsequent to the Closing. The indemnity provided for herein shall survive the Closing hereunder and shall not be merged into the Deed. Seller shall indemnify, defend and hold Buyer harmless from any and all claims, demands, (including demands by any government agency), liabilities, costs, expenses, penalties, damages, losses and liens arising from any material breach of Seller's warranty in Section 12A(2) The indemnity provided for herein shall survive the Closing and shall not be merged into the Deed.

13. Possession. Possession of the Property shall be delivered to Buyer upon the Closing.

14. Condemnation. If any part of the Property is condemned prior to the Closing, Seller shall promptly give Buyer written notice of such condemnation and Buyer shall have the option of either applying the proceeds of any condemnation award on a pro rata basis to reduce the Purchase Price or to declare this Contract terminated by delivering written notice to Seller, in which event, the Earnest Deposit together with accrued interest thereon, shall be refunded to Buyer.

15. Notices. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when personally delivered, transmitted by telephonic reproduction, delivered to a commercial overnight delivery service, or deposited in the United States mail, postage fully prepaid, registered or certified mail, and addressed to the intended recipient at the address on the signature page of this Contract. Any address for notice may be changed by written notice delivered as provided herein.

16. Applicable Law and Venue. This Contract shall be construed under and in accordance with the laws of the state of the location of the Property and all obligations of the parties created hereunder are performable in the county where the Property is located. The

exclusive venue for any litigation arising out of this Contract shall be the Superior Court for Snohomish County, Washington.

17. **Time of Essence.** Time is of the essence concerning all terms and conditions of this Contract.

18. **Authority and Inurement.** Each person signing this Contract warrants that he has the capacity, full power and authority to enter into and consummate the transaction contemplated hereby on his own behalf or on behalf of the party he represents, as appropriate. This Contract shall inure to the benefit of and is binding upon the parties and their beneficiaries, successors-in-interest and assigns.

19. **Entire Agreement.** This Contract and all attached exhibits shall constitute the entire agreement between Seller and Buyer and shall supersede any other written or oral agreements between Seller and Buyer. This Contract may be modified only in writing signed by Seller and Buyer.

20. **Commission\Broker's Authority.** The parties hereby authorize Broker to insert over their signatures, the correct legal description or to correct the legal description if it is erroneous or incomplete, if Broker is instructed by both parties to insert or correct the legal description. Except as expressly set forth in Recital C on page 1, each party hereto hereby agrees to indemnify and hold the other harmless for, from and against any claims, costs, fees, expenses and liabilities in connection with claims to fees, commission or other compensation by any other broker or finder allegedly employed by such party or arising from such party's own acts, commitments, or agreements. This Section shall survive the Closing. Without prejudice to the foregoing, Buyer shall pay CBRE any applicable brokerage commission and Seller shall pay Newmark Grubb Knight Frankit's applicable fee. Seller shall not pay CBRE.

21. **Effective Date.** Any reference to the "Effective Date", the "effective date of this Contract" or the "date of this Contract" shall refer to the date this Contract, after having been fully executed on behalf of Buyer and Seller, is received by Escrow Agent.

22. **Roll-Back Taxes.** In the event the Property has been assessed for property tax purposes at such rates as would result in "roll-back" taxes upon the change in land usage or ownership of the Property, Seller hereby agrees to pay all such taxes and to indemnify and save Buyer harmless from and against all claims and liability for such taxes. Such indemnity shall survive the Closing Date and not be merged therein.

23. **Regulatory Authority Preserved.** Buyer expressly acknowledges that Seller is a municipal corporation organized under the laws of the state of Washington and has executed this Contract in its proprietary capacity as owner of the Property. Nothing in this Contract shall be construed as waiving, abridging or otherwise limiting the City of Monroe's regulatory authority, police power and/or legislative discretion, which are hereby expressly reserved in full.

24. **Legal Lot.** If the Property is not a lot as defined by the zoning ordinances ("Legal Lot"), to which the Property is subject, Seller shall, prior to the Closing Date and at

Seller's expense, take all reasonably necessary measures to have the Property designated as a Legal Lot by proper boundary line adjustment, subdivision or replatting, as the case may be.

25. **Date for Performance.** If the time period by which any right, option or election provided under this Contract must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday, legal or bank holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

26. **Cancellation.** If any party elects to cancel this Contract for any reason permitted hereunder or because the Closing does not occur by the agreed date, the party electing to cancel shall deliver to the party in breach and Escrow Agent a notice stating that this Contract shall be canceled unless the breach is cured within thirteen (13) calendar days following the delivery of the notice to the Escrow Agent. If the breach is not cured within such period, this Contract may be canceled at the option of the non-breaching party giving such notice.

27. **Attorneys' Fees.** In the event of any action or proceeding brought by either party against the other pertaining to or arising out of this Contract, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.

28. **Severability.** A final determination by a court of competent jurisdiction that any provision of this Contract is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its reflected intent.

29. **Captions.** The section captions herein are for reference purposes only and are not a part of this Contract.

30. **Counterparts.** This Contract may be executed in any number of counterparts, each of which shall be considered one and the same instrument.

31. **Risk of Loss.** If there is any loss or damage to the Property between the date hereof and the Closing Date for any reason, including without limitation, by reason of fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the cost of repairing such loss or damage would exceed ten percent (10%) of the Purchase Price, Buyer may elect to cancel this Contract unless Seller agrees in writing to pay the cost of repairing all such loss or damage.

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[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Buyer has executed this Contract as of the day and year set forth below.

BUYER:

HALLE PROPERTIES, L.L.C.,
an Arizona limited liability company

By: Wilanna, Inc., an Arizona corporation,
Managing Member

By: 
James Silhasek, Agent

Date: December 6, 2013

Buyer's Address: Attention: James Silhasek, Esq.
20225 North Scottsdale Road
Scottsdale, Arizona 85255

Buyer's Telephone No.: (480) 606-5828
Buyer's Facsimile No.: (480) 606-4361

Buyer's E-mail: james.silhasek@discounttire.com

ACCEPTANCE

Seller hereby agrees to sell the Property on the terms and conditions stated herein and acknowledges the receipt of a copy hereof and authorizes Broker to deliver a signed copy to Buyer.

IN WITNESS WHEREOF, Seller has executed this Contract as of the day and year set forth below.

SELLER:

THE CITY OF MONROE

By: _____

Name: Robert G. Zimmerman

Title: Mayor

Date: _____, 2013

Seller's Address: Jeff Sax, Economic Development Manager
806 West Main Street
Monroe, WA 98272

Seller's Telephone No.: 360-794-7400

Seller's Facsimile No.: 360-794-4007

Seller's E-mail: jsax@monroewa.gov

Receipt of Contract is hereby acknowledged
this ____ day of _____, 2013

Escrow Agent

By: _____

Name: _____

Title: _____

