

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is entered into between BAC COURT LLC, a Washington limited liability company ("Seller"), and BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT, a municipal corporation ("Purchaser") with respect to certain improved real property located at 11170 Meadowmeer Cir NE, Bainbridge Island, Washington 98110. The effective date ("Effective Date") of this Agreement means the date of complete and mutual execution hereof.

1. Purchase and Sale. Seller is the owner of certain real property located on Bainbridge Island, Washington at 11170 Meadowmeer Circle NE. Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, all of the following described property (collectively, the "Property"):

1.1 Real Property. The real property described on Exhibit A attached hereto, all easements and rights appurtenant thereto and all buildings and improvements thereon (collectively, the "Real Property").

1.2 Personal Property. No personal property is included in this transaction.

1.3 Intangible Property. The interest of Seller in and to all intangible personal property owned by Seller and used exclusively in connection with the ownership, development, maintenance, or occupancy of the Real Property, including without limitation, existing permits, approvals, and licenses, to the extent the same are assignable, but excluding leases and contracts (the "Intangible Personal Property").

1.4 Contracts. The interest of Seller under any contracts (defined in Section 4.3 below) which Purchaser agrees to assume at Closing pursuant to Section 4.3.

2. Purchase Price; Payment Terms. The total purchase price (the "Purchase Price") for the Property is Eight Million Seven Hundred Fifty Thousand and No/100 Dollars (\$8,750,000) to be paid as follows:

2.1 Earnest Money. Within two (2) business days after the Effective Date, Purchaser shall deposit with the Escrow Agent (as defined in Section 6) as earnest money, a promissory note ("Earnest Money Note") in the amount of One Hundred Thousand and No/100 Dollars (\$100,000) ("Earnest Money"). The Earnest Money Note shall be converted to cash within two (2) business days after the title review contingency under Section 3.2 is waived. The failure to deposit the Earnest Money Note when due or to convert the Earnest Money Note to cash when due shall give the Seller the right to terminate this Agreement upon written notice to Purchaser. The Earnest Money shall become nonrefundable upon deposit with the Escrow Agent in ALL events if the transaction contemplated by this Agreement does not close (unless Seller fails to close under Section 17.2 or in the event of termination of this Agreement under Section 12 or 13); provided, however, if Purchaser does not waive the title review contingency in Section 3.2 (within 10 days of receipt of the Title Commitment or within 5 days of notice of Seller's election not to cure an objected item) and terminates this Agreement, the Earnest Money Note shall be returned to Purchaser. The Earnest Money shall be applicable to the Purchase Price at Closing. The form of

the promissory note which will be the Earnest Money Note is described on Exhibit B attached hereto.

2.2 Cash at Closing. At Closing, Purchaser shall pay the entire Purchase Price in cash, with a credit for the Earnest Money paid.

3. Title. Seller shall deliver to Purchaser good and marketable title, free and clear of all liens and encumbrances except the Permitted Exceptions as defined in Section 3.2. Title shall be conveyed by Bargain and Sale Deed per RCW 64.04.040.

3.1 Title Commitment. Within three (3) business days following the Effective Date, Seller shall cause to be ordered a commitment for an ALTA owner's standard coverage policy of title insurance (the "Title Commitment"), issued by Pacific Northwest Title Insurance Company located on Bainbridge Island, Washington (the "Title Company"), listing Purchaser as the prospective named insured and showing as the policy amount the Purchase Price, together with legible copies of the vesting deed and all instruments referred to in the Title Commitment as conditions or exceptions to title to the Property ("Underlying Documents").

3.2 Title Review Contingency. Purchaser's obligation to close is contingent on Purchaser's approval of the Title Commitment. Purchaser shall have ten (10) days from receipt of the Title Commitment to review the same and notify Seller in writing of Purchaser's approval or disapproval. The following items are deemed to be acceptable to Purchaser and are "Permitted Exceptions": (i) taxes and assessments, both general and special, which are not due and payable or delinquent at Closing, and any assessments that become a lien against the Property between the Effective Date hereof and the Closing Date, (ii) such easements, restrictions, covenants and conditions of record affecting title which do not materially and adversely affect the use of the Property, (iii) items that would be disclosed by a survey of the Property and (iv) such other exceptions as are approved by Purchaser in this Section 3. If Purchaser does not approve of the Title Commitment in writing within the ten (10) days, the Earnest Money Note shall promptly be returned to Purchaser and all rights, liabilities and obligations of the parties hereunder shall be of no further force or effect. If there are one or more items in the Title Commitment that Purchaser objects to, the written notice to be provided within the ten (10) days shall list these items and Seller shall notify Purchaser in writing within five (5) days after receipt of Purchaser's written notice whether Seller elects to remove or cause the Title Company to insure against the same. Seller shall have no obligation to expend money or incur any contractual or other obligation, or institute any litigation in pursuing its efforts, other than to remove financing liens created by Seller. If Seller elects not to cure any objection to the Title Commitment objected to by Purchaser, Purchaser may, within five (5) days after Seller's notice of Seller's election to cure or not: (i) terminate this Agreement, in which case the Earnest Money Note shall be returned to Purchaser and neither party will have any further rights hereunder, other than rights or obligations that expressly survive termination, or (ii) waive the unsatisfied objection (which shall, along with all items not objected to, become a Permitted Exception) and proceed to Closing. Purchaser's failure to give such notice of termination within the five (5) days after receipt of Seller's notice of Seller's election not to cure shall constitute Purchaser's election to proceed to Closing. Monetary title exceptions to be discharged by Seller shall be paid out of the Purchase Price at Closing.

3.3 Title Insurance. At Closing an ALTA owner's standard coverage policy of title insurance shall be issued by the Title Company, in the amount of the Purchase Price, insuring Purchaser's title subject to no exceptions other than the Permitted Exceptions approved by



Purchaser pursuant to Section 3.2 and any exceptions caused by Purchaser (the "Owner's Title Policy").

4. Purchaser's Due Diligence Review.

4.1 Review Materials. Within five (5) business days after the Effective Date, Seller shall deliver to Purchaser the following review materials to the extent in Seller's possession ("Review Materials"): (a) all licenses and permits with respect to the ownership and operation of the Property, (b) copies of all service, maintenance and other contracts in effect relating to the ownership and operation of the Property, and any third party warranties or guaranties relating to the Property, (c) real estate tax statements for the Property, (d) maintenance and repair logs and records for the Property, (e) the Conditional Use Permit for the Property, and (f) other documents reasonably requested and necessary for Purchaser's review in connection with Purchaser's due diligence. Notwithstanding the foregoing, in no event shall Seller be required to deliver any "proprietary information," which means tax returns, appraisals, prior purchase and sale agreements, attorney-client privileged work or and similar materials. The term "Seller's possession" as used above means in the physical possession of Seller.

4.2 Property Review. After the Effective Date, Purchaser and Purchaser's representatives, at Purchaser's sole expense, shall have access to the Property for the purposes of inspecting the same and making such tests and studies as Purchaser may deem necessary in connection with its purchase of the Property. All such investigations of the Property shall in no event include a Phase 2 environmental study, nor shall they include intrusive physical testing of the soils without Seller's advance consent, which shall not be unreasonably withheld. Purchaser shall be required to perform any such inspections or studies in a manner as to not disturb or interfere with any existing activities on the Property or the current use of the Property by Seller. Purchaser shall keep the Property free and clear of any mechanics' liens or materialmen's liens related to Purchaser's Investigation. Purchaser's entry onto the Property for conduct of its due diligence activities under this Agreement will require reasonable advance notice, and coordination with Seller who shall have the right to set the times for access. Notwithstanding the foregoing, in no event shall Purchaser or Purchaser's representatives, without the prior written consent of Seller (which consent may be conditioned upon Purchaser providing additional insurance and indemnification) contact the United States, the State of Washington or any agency, department, commission, bureau or instrumentality thereof having jurisdiction over the Property. Purchaser shall restore the Property to its original condition if disturbed in any way as part of Purchaser's inspections and studies, shall pay all costs associated therewith and shall hold Seller harmless from any claims as a result of Purchaser's entry onto the Property.

4.3 Contracts. Purchaser and Seller shall work together cooperatively to determine which of Seller's contracts related to the Property will be assumed by Purchaser at Closing, and which will be terminated by Seller. It is agreed that Purchaser will assume the elevator maintenance contract at Closing. Seller shall terminate any contracts relating to the Property not assumed by Purchaser, and shall indemnify and hold Purchaser harmless from any obligations thereunder after Closing. Purchaser will indemnify and hold Seller harmless from any further obligations under any contracts relating to the Property assumed by Purchaser at Closing.

It shall be the sole obligation of Purchaser to terminate any assumed contract Purchaser desires after Closing, and Purchaser understands that the ability to terminate will be subject to the terms of each assumed Contract. Seller will provide any approval necessary for Purchaser

to assume a contract. Seller makes no representation or warranties with regard to the terms of any of the assumed Contracts.

4.4 Waiver. Purchaser's obligation to close is contingent on Purchaser's review under this section. Purchaser shall have thirty (30) days from the Effective Date (the "Review Period") to review all the information and studies and notify Seller in writing of Purchaser's approval or disapproval. If Purchaser disapproves the due diligence contingency under this Section 4, this Agreement shall terminate and all rights, liabilities and obligations of the parties hereunder shall be of no further force or effect, other than rights and obligations that expressly survive termination. Seller shall retain the Earnest Money in the event of termination hereunder and the Earnest Money shall be due and payable to Seller at the time of termination. Purchaser hereby authorizes Escrow Agent to release the Earnest Money to Seller upon receipt of a copy of Purchaser's written notice to terminate hereunder and agrees to execute any further authorizations requested by Escrow Agent. If no written notice is provided by Purchaser within the thirty (30) days, the due diligence contingency shall be deemed approved. If Purchaser does not waive the due diligence contingency, or if this transaction fails to close, all studies and reports generated by Purchaser during the Review Period shall be delivered to Seller.

Any failure of Seller to timely deliver or make available any of the above listed Review Materials will not extend the Review Period, and Purchaser's sole and exclusive remedy for Seller's failure, if any, shall be to terminate this Agreement before the expiration of the Review Period in accordance with the provisions of this Section 4. Except as set forth in Section 9, Seller makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in the Review Materials, and Purchaser acknowledges that the Review Materials will be for informational purposes only and shall not give Purchaser any cause of action against Seller or the preparer, absent an agreement from the preparer that Purchaser is entitled to rely on a particular matter. In no event will the Review Materials include appraisals, valuation memos, or correspondence related to the sale of the Property.

4.5 Indemnification. Purchaser shall indemnify, defend (with counsel reasonably satisfactory to Seller), protect, and hold harmless the Seller Parties (as defined below) from and against any and all actions, causes of action, liabilities, claims, suits, penalties, fines, judgments, liens, awards, loss, cost, damage, or expense of any kind whatsoever (including, without limitation, attorney's fees and costs) (hereinafter "Claims"), which the Seller Parties may sustain or incur, for injury to or death of any person (including without limitation claims brought by employees, invitees, agents contractors, subcontractors and consultants of Purchaser or any employees or invitees of any invitees, agents, contractors, subcontractors and consultants of Purchaser (hereinafter collectively "Contractor") or damage to or loss of any property or cleanup of any discharge or release by Purchaser or any Contractor, and expenses, costs of litigation, and reasonable attorney's fees related thereto, or incident to establishing the right to indemnification, to the extent such Claims arise out of Purchaser's due diligence activities conducted on the Property pursuant to this Agreement, including (without limitation), by reason of or in connection with any studies made by Purchaser or Purchaser's agents or its Contractors relating to or in connection with the Property, or entries by Purchaser or its agents or Contractors onto the Property. Purchaser shall defend, indemnify, and hold harmless the Seller Parties to the full extent allowed by applicable law. In no event shall Purchaser's obligations hereunder be limited to the extent of any insurance available to or required by this Agreement to be provided by Purchaser. The "Seller Parties" are Seller and its affiliates, members, directors, officers, employees, attorneys, agents, contractors, successors, and assigns. The provisions of this Section 4 shall survive Closing or termination of this Agreement.


5. Financing Contingency. Purchaser's obligation to close is contingent on Purchaser's securing financing to pay the Purchase Price at Closing. Purchaser shall have forty-five (45) days from the Effective Date to secure this financing and to notify Seller in writing of Purchaser's approval or disapproval. If Purchaser disapproves the financing contingency under this Section 5, this Agreement shall terminate and all rights, liabilities and obligations of the parties hereunder shall be of no further force or effect, other than rights and obligations that expressly survive termination. Seller shall retain the Earnest Money in the event of termination hereunder and the Earnest Money shall be due and payable to Seller at the time of termination. Purchaser hereby authorizes Escrow Agent to release the Earnest Money to Seller upon receipt of a copy of Purchaser's written notice to terminate hereunder and agrees to execute any further authorizations requested by Escrow Agent. If no written notice is provided by Purchaser within the forty-five (45) days, the financing contingency shall be deemed approved. Purchaser agrees to actively pursue securing financing and to waive this contingency as soon as Purchaser is satisfied that financing is in place for Closing.

6. Closing. The Title Company's escrow department shall serve as the escrow agent ("Escrow Agent") for the closing of this transaction (the "Closing"). The Closing shall take place at the offices of the Escrow Agent on August 31, 2021, or such earlier date as both parties mutually agree in writing (the date on which the Closing occurs being referred to herein as the "Closing Date"). Purchaser shall deposit the necessary documents and funds with the Escrow Agent sufficiently in advance of the Closing Date to facilitate an orderly closing and both parties shall execute and deliver closing documents as outlined herein. This Agreement shall serve as escrow instructions and an executed copy of this Agreement shall be delivered to Escrow Agent. The parties shall execute such additional instructions as Escrow Agent may provide so long as they do not change the terms of this Agreement.

Closing under this Agreement is contingent upon the concurrent closing of the transaction between Forecourt, Inc. ("Forecourt"), as Seller, and Purchaser, as purchaser of those certain assets of Forecourt, pursuant to the terms of the Asset Purchase Agreement between Forecourt and Purchaser ("Asset Agreement"), which is being executed concurrent with the execution of this Agreement. Both transactions must close at same time.

Under Section 6 of the Asset Agreement, Forecourt must apply for forgiveness of its second Payroll Protection Program loan as soon as it is able to do so, and Closing under the Asset Agreement may be extended under the terms set forth therein to allow extra time to process the forgiveness. The Closing hereunder will be extended for the same period of time as under the Asset Agreement if an extension under Section 6 of the Asset Agreement occurs. Additionally, if the Asset Agreement is terminated under Section 6, this Agreement shall also terminate at the same time and such termination will not be a default under this Agreement. In the event of a termination under Section 6 of the Asset Agreement, the Earnest Money under this Agreement shall be retained by Seller. Purchaser hereby authorizes Escrow Agent to release the Earnest Money to Seller upon receipt of a copy of written notice to terminate hereunder and agrees to execute any further authorizations requested by Escrow Agent.

6.1 Seller's Closing Deliveries. At or prior to the Closing, Seller shall deliver or cause to be delivered to the Escrow Agent the following items and documents, duly executed and acknowledged by Seller where applicable: (i) a Bargain and Sale Deed conveying to Purchaser the Real Property, free and clear of any liens, encumbrances or exceptions other than the Permitted Exceptions (the "Deed"), (ii) a Real Estate Excise Tax Affidavit ("REET"), (iii) an

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Assignment and Assumption of Contracts and Intangible Property, assigning to Purchaser Seller's interest in the contracts assumed by Purchaser and the Intangible Personal Property, in the form attached as Exhibit C ("Assignment"), (iv) a Nonforeign Certification, certifying the nonforeign status of Seller, (v) funds to pay all closing costs and expenses to be paid by Seller hereunder, or, in the alternative, a written authorization satisfactory to the Escrow Agent providing for the deduction of such amounts out of escrow funds due Seller, and (vi) any other documentation reasonably required by the Escrow Agent to close this transaction.

6.2 Purchaser's Closing Deliveries. At or prior to the Closing, Purchaser shall deliver or cause to be delivered to the Escrow Agent the following items and documents, duly executed and acknowledged by Purchaser where applicable (i) the Purchase Price less the amount of the Earnest Money, (ii) funds to pay all closing costs and expenses to be paid by Purchaser hereunder, (iii) Purchaser's counterpart signature to the REET and the Assignment, and (iv) any other documentation reasonably required by the Escrow Agent to close this transaction.

6.3 Prorations. Real property taxes and any general or special assessments due and payable in the year of sale, utility charges and other operating income or expenses shall be prorated to Closing, based upon actual days involved. Seller shall, on or before Closing, furnish to Purchaser and the Title Company all information reasonably necessary to compute the prorations provided for in this Section, and Purchaser shall provide any information required to claim any exemption Purchaser desires to claim for the payment of real property taxes or assessments, if applicable.

6.4 Closing Costs. Seller shall pay the premium for a standard coverage owner's policy of title insurance, one-half of the real estate excise tax due upon sale of the Real Property, the costs necessary to record the Deed, Seller's share of the prorations set forth above, and one-half of the fee charged by the Escrow Agent. Purchaser shall pay Purchaser's proportionate share of the prorations set forth above, one-half of the real estate excise tax due upon sale of the Real Property, the portion of the title insurance premium relating to any extended coverage Purchaser might obtain, the premium for any lender's policy required, any and all costs associated with any financing documents or requirements, and one-half of the fee charged by the Escrow Agent.

6.5 Post-Closing Adjustments. After Closing, Purchaser and Seller agree to cooperate as needed to reconcile items to the extent they were not prorated or credited at closing, or if bills are received by either party after Closing which relate to services rendered to the Property prior to or after Closing, the responsible party shall pay the amount due upon presentation of such bill or invoice. Purchaser shall cause the utilities to be transferred to Purchaser as of Closing.

7. Maintenance Pending Closing. From the date hereof until Closing, Seller agrees to (i) maintain the Property in its current condition, reasonable wear and tear and damage from casualty excepted, (ii) maintain the existing insurance on the Property, (iii) perform its obligations under any existing Contracts, and (iv) further agrees that it will not enter into any written or oral contracts or agreements that would be binding on Purchaser or the Property after Closing, except to the extent reasonably necessary to operate the Property and subject to the reasonable approval of Purchaser. To the extent any improvements, repairs or maintenance have been made or will be made to the Property prior to Closing which might form the basis of mechanics' and materialmen's liens, Seller agrees to keep the Property free from liens which might

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result, and to indemnify, defend, protect and hold Purchaser harmless from any and all such liens and all attorneys' fees and other costs incurred by reason thereof.

8. Limitations of Seller's Representations and Warranties, Release.

8.1 AS-IS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY INSTRUMENTS TO BE DELIVERED BY SELLER AT CLOSING, PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER IS PURCHASING THE PROPERTY IN AN "AS-IS" CONDITION "WITH ALL FAULTS" AND WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESSED OR IMPLIED, OF ANY NATURE WHATSOEVER FROM OR ON BEHALF OF SELLER, INCLUDING WITHOUT LIMITATION, THOSE OF FITNESS FOR A PARTICULAR PURPOSE AND USE.

8.2 No Reliance. Purchaser acknowledges that (i) Purchaser has had or will have, pursuant to this Agreement, an adequate opportunity to make such legal, factual and other inquiries and investigation as Purchaser deems necessary, desirable or appropriate with respect to the Property, and (ii) except as otherwise expressly set forth in this Agreement or in any instruments to be delivered by Seller at Closing, neither Seller, nor anyone acting for or on behalf of Seller, has made any representation, warranty, promise or statement, express or implied, to Purchaser, or to anyone acting for or on behalf of Purchaser, concerning the Property or the condition, use or development thereof. Purchaser represents that, in entering into this Agreement, Purchaser has not relied on any representation, warranty, promise or statement, express or implied, of Seller, or anyone acting for or on behalf of Seller, other than as expressly set forth in this Agreement or in any instruments to be delivered by Seller at Closing, and that Purchaser shall purchase the Property based upon Purchaser's own prior investigation and examination of the Property. If Purchaser elects (A) not to inspect the Property, (B) to terminate this Agreement on or before the expiration of the Review Period, or (C) to proceed to Closing, such election will be made at Purchaser's absolute discretion, in reliance solely upon the tests, analyses, inspections and investigations that Purchaser makes, or had the right to make and opted not, or otherwise failed, to make, and not in reliance upon any alleged representation made by or on behalf of Seller, except as set forth in this Agreement or in any instruments to be delivered by Seller at Closing.

8.3 Release. Except to the extent such claim and liability is the result of the breach of Seller's representations and warranties as may be expressly provided in this Agreement or any instruments to be delivered by Seller at Closing, Purchaser, for itself and its successors in interest, releases Seller from, and waives all claims and liability against Seller for, any structural, physical or environmental condition at the Property, and hereby releases Seller from, and waives all liability against Seller attributable to, the structural, physical or environmental condition of the Property, including without limitation the presence, discovery or removal of any hazardous materials or substances in, at, about or under the Property, or connected with or arising out of any and all claims or causes of action based upon CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by SARA Superfund Amendment and Reauthorization Act of 1986 and as may be further amended from time to time) or any related claims or causes of action or any other federal, state or municipal based statutory or regulatory causes of action for environmental contamination at, in or under the Property. The provisions of this Section 8 shall survive indefinitely any Closing or termination of this Agreement and shall not be merged into the Closing documents.

9. Representations and Warranties of Seller

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9.1 Seller hereby represents and warrants to Purchaser, which representations and warranties shall be deemed made by Seller as of the as of the Effective Date and also as of the Closing Date, and except as disclosed in the Title Commitment or Review Materials, or otherwise disclosed by Seller to Purchaser in writing, or discovered by Purchaser in connection with its due diligence review pursuant to this Agreement:

(a) Seller is a limited liability company duly organized, validly existing and in good standing in the State of Washington with full authority to sell and convey the Property and to enter into this Agreement.

(b) Seller has the full power, authority, and capacity necessary to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement has been duly authorized and approved by all necessary action of the Seller. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligation of Seller, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally.

(c) There are no actions or proceedings pending, or to the actual knowledge of Seller, threatened against Seller relating to or affecting the Property.

(d) To the actual knowledge of Seller, there are no hazardous substances on, about or under the Property, as defined under all relevant federal, state, and local laws.

(e) There are no leases or contracts affecting the Property to which Seller is a party which will not be terminated, other than contracts assumed by Purchaser and the Permitted Exceptions.

9.2 Seller's Actual Knowledge. References to the "actual knowledge of Seller" or "Seller has no actual knowledge" shall mean the present, actual knowledge of Michele Stockman, member of Seller, as of the Effective Date and the Closing Date, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any agent, representative, consultant or employee of Seller, and without any obligation to undertake any further investigation or take any affirmative action to acquire any knowledge.

10. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller, which representations and warranties shall be deemed made by Purchaser as of the Effective Date and also as of the Closing Date, or otherwise disclosed by Purchaser to Seller in writing:

(a) Purchaser is a municipal corporation duly organized, validly existing and in good standing in the State of Washington with full authority to purchase the Property and to enter into this Agreement. Purchaser has provided all public and other notices and secured all approvals necessary to enter into this Agreement and to finalize the Closing under this Agreement. No further consent, authorization, order, or approval of any governmental agency or third party is required in connection with the execution of this Agreement, or the closing of the transaction contemplated hereby.

(b) Purchaser has the full power, authority, and capacity necessary to enter into and perform its obligations under this Agreement and to consummate the transactions



contemplated hereby. The execution, delivery and performance of this Agreement has been duly authorized and approved by all necessary action of the Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid, and binding obligation of Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally.

11. Update and Survival of Representations and Warranties

11.1 Update after Effective Date. If there is an event that occurs or a disclosure that Seller becomes aware of between the Effective Date and the Closing Date that changes any representation and warranty made by Seller, Seller shall notify Purchaser which notification shall update the representations and warranties.

11.2 Survival. All representations and warranties made by the parties hereto shall survive the Closing, shall not merge in the performance of any obligation by any party hereto, and shall terminate and expire twelve (12) months from the Closing Date, except to the extent provisions hereof provide for a different term of survival. Purchaser agrees that it will not assert a breach of a representation or warranty after the Closing Date to the extent Purchaser was actually aware prior to the Closing Date of the facts upon which that claim for breach of that representation or warranty is based.

12. Risk of Loss or Damage. Upon loss of or damage to the Property, by fire, flood, earthquake or other calamity prior to the Closing Date, the value of which exceeds the sum of twenty five percent (25%) of the Purchase Price, Purchaser may elect to terminate this Agreement, in which event all rights, liabilities and obligations of the parties hereunder shall be of no further force or effect and the Earnest Money shall be returned to Purchaser, or if Purchaser does not elect to terminate the Agreement, Purchaser may elect to purchase the Property in the condition existing on the Closing Date; provided, however, that Seller shall not be liable to restore the Property, or pay damages to Purchaser, and the Purchase Price recited in Section 2 herein shall not be changed by reason of such loss or damage, but Purchaser shall be entitled to the proceeds of any policies of insurance carried by or for the benefit of Seller with respect to such loss or damage.

13. Condemnation. If the Property or any part thereof is or becomes the subject of a condemnation proceeding prior to Closing, Purchaser may elect to terminate this Agreement by giving notice of such termination to Seller, in which event all rights, liabilities and obligations of the parties hereunder shall be of no further force or effect and the Earnest Money shall be returned to Purchaser, or if Purchaser does not elect to terminate the Agreement, Purchaser may elect to purchase the Property (or such portions thereof as have not been taken in the condemnation proceeding), in which case the total Purchase Price shall be reduced by the total of any condemnation award received by Seller at or prior to Closing. On Closing, Seller shall assign to Purchaser all Seller's rights in and to any future condemnation awards or other proceeds payable or to become payable by reason of any taking. Seller agrees to notify Purchaser of any eminent domain proceedings immediately after Seller learns thereof.

14. Possession. Purchaser shall be entitled to possession of the Property at Closing.

15. Brokers. Each party represents and warrants to the other that it has dealt with no real estate broker regarding this transaction in a manner which would result in any obligation to pay

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a commission. Each party agrees to indemnify and hold the other party harmless from and against any and all claims or charges for any other brokerage commissions from any person such that the party incurring any other brokerage charge shall have the sole obligation to pay the same and hold the other party harmless.

16. Attorneys' Fees. If it shall be necessary for either Purchaser or Seller to employ an attorney to enforce their rights pursuant to this Agreement because of the default of the other party, the prevailing party in any such action shall be entitled to recover all of its costs, expenses, and reasonable attorneys' fees.

17. Default; Remedies

17.1 Default by Purchaser. If Purchaser fails, without legal excuse, to complete the purchase of the Property in accordance with the terms of this Agreement or otherwise defaults hereunder, Seller shall have the option either (i) to seek specific performance provided an action therein is commenced within sixty (60) days of Purchaser's failure to perform, or (ii) to terminate this Agreement and retain the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such default. In the event Seller elects to retain the Earnest Money, Purchaser expressly agrees that the delivery to and the retention of the Earnest Money by Seller represents a reasonable estimation of the damages in the event of Purchaser's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty.

17.2 Default by Seller. If Seller fails, without legal excuse, to complete the sale of the Property in accordance with the terms of this Agreement or otherwise defaults hereunder, Purchaser shall have the option either (i) to terminate this Agreement and receive a refund of the Earnest Money, or (ii) to seek specific performance provided an action thereon is commenced within sixty (60) days of Seller's failure to perform.

18. Notices. All notices, requests, demands and other communications in connection with this Agreement shall be in writing and furnished to the other party at its address listed below (or at such other address as may be specified from time to time by notice from the addressee to the other party) and shall be deemed to have been duly given when delivered personally or sent by nationally recognized overnight courier; sent by certified or registered mail, postage prepaid; or transmitted by email (with copies also mailed the same day by U.S. mail, postage prepaid), to the following respective addresses:

If to Seller: 11700 Meadowmeer Cir NE, Bainbridge Island, WA 98110
Attn: Michele Stockman
shelly@bainbridgeac.com

With a copy to: Mary Ann Barkshire
PO Box 267, Medina, WA 98039
mbarkshire@comcast.net

If to Purchaser: 7666 High School Road, Bainbridge Island, WA 98110
Attn: Executive Director

Email: terry@biparks.org

With a copy to: Law Office of Hayes Gori, PLLC
271 Wyatt Way NE, Suite 112, Bainbridge Island, WA 98110
hayes@hayesthelawyer.com

Notice shall be deemed to have been received (i) upon receipt in the case of personal delivery, (ii) one (1) business day after being deposited in the case of overnight courier, (iii) three (3) business days after the date deposited in the U.S. mail in the case of certified or registered mail, and (iv) the day of receipt as evidenced by an email confirmation in the case of transmittal by email.

19. Assignment. Purchaser shall not have the right to assign its rights under this Agreement except with the prior written consent of Seller; provided, however that Purchaser may assign its rights under this Agreement to an entity related to or controlled by Purchaser.

20. Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the Property being conveyed hereunder and supersedes all prior oral and written understandings.

21. Binding Effect. Once mutually executed, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, and assigns.

22. Exhibits. The exhibits attached hereto are incorporated herein by reference as if fully set forth herein. Purchaser and Seller represent that they have reviewed to their satisfaction the Exhibits hereto.

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

24. Seller Disclosure Statement. Seller will provide Purchaser with a Form 17 Commercial Property Seller Disclosure Statement under RCW 64.06 within five (5) business days of the Effective Date. Purchaser agrees that any information discovered by Purchaser concerning the Property during Purchaser's Review Period or any time prior to Closing shall not obligate Seller to prepare and deliver to Purchaser a revised or updated seller disclosure statement. Purchaser hereby waives any right to receive an updated or revised seller disclosure statement, regardless of the source of any new information. Purchaser will have adequate opportunity to complete any and all independent inspections of the Property it deems necessary and agrees Purchaser will acquire the Property solely on the basis of and in reliance upon such examinations and not on any information provided in any Seller Disclosure Statement of otherwise provided or to be provided by Seller.

25. Expenses. Each party to this Agreement shall pay its own expenses (including, without limitation, the fees and expenses of its agents, representatives, counsel, and accountants) incidental to the preparation and consummation of this Agreement.

26. Governing Law. This Agreement is being delivered in and shall be construed in accordance with, and governed by, the laws of the State of Washington. Seller hereby consents to jurisdiction and venue for any action commenced to enforce this Agreement in the County of Kitsap, State of Washington.



27. Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

28. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

29. No Waiver. Either party's waiver of the other's performance of any covenant, condition or promise does not invalidate this Agreement nor shall it be considered a waiver of any other covenant, condition, or promise, and will not constitute a waiver of performance of any other act required at a later time. The exercise of any remedy available through this Agreement does not waive any additional remedy provided by law, nor does it exclude any other remedy unless expressly excluded.

30. Counterparts. This Agreement may be executed on original or facsimile counterpart signature pages, and each such counterpart signature page will be deemed a part of one original agreement. Signatures transmitted electronically shall be deemed the equivalent of original signatures for all purposes.

31. Time of Essence. Time is of the essence for each and every term, condition, obligation, and provision hereof. 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. Any period of time stated in this Agreement shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Unless otherwise stated, as used in this Agreement "day" shall mean a calendar day.

32. Confidentiality; Press Release. Subject to the terms of the NDA executed between Seller and Purchaser prior to the date hereof, as modified, Seller and Purchaser agree that other than the public notice that Purchaser is required to make under the Open Public Meetings Act (RCW 42.30), information reasonably required to be disclosed by Purchaser at public meetings, and disclosures otherwise required by law, including without limitation the Public Records Act, the terms and conditions of this Agreement and details regarding its negotiation, all of the Review Materials provided Purchaser hereunder, and any matter learned relating to the business of Seller ("Confidential Information"), are and shall remain confidential between Seller and Purchaser, and Purchaser shall limit disclosure of Confidential Information to people with a need to know in order for Purchaser to perform due diligence; provided, however, that the foregoing prohibitions shall not apply to (i) disclosures that are required by Law; (ii) information that is ascertainable or obtained from public or published information, not made available to the public by the disclosing party; (iii) information received from a third party not known to the disclosing party to be under an obligation to keep such information confidential; (iv) information independently developed by the disclosing party, or (v) information disclosed to professional advisors (who shall be similarly bound).

The parties agree to use reasonable efforts to ensure that its representatives, and related parties will not, use (except as contemplated by this Agreement) reproduce, distribute, or disclose to any other person or entity any Confidential Information relating to Seller or Purchaser. The obligations under this Section 32 shall survive Closing for a period of three (3) years unless terminated earlier in writing by Seller.

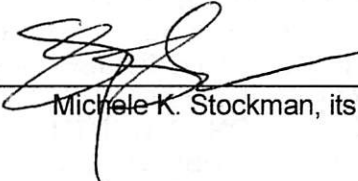
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With respect to public announcements regarding this transaction (excluding notices of meetings of Purchaser's Board) between the Effective Date and the Closing Date, each party shall give the other party an advance courtesy copy of any such announcement for review and comment and shall give due consideration to feedback received from the other party.

33. 1031 Exchange. Purchaser is aware that Seller may want to perform an IRC Section 1031 tax-deferred exchange as part of the Closing hereunder. If Seller decides to perform such 1031 exchange, Seller requests Purchaser's cooperation in such an exchange and Purchaser agrees to cooperate as long as it does not delay the Closing Date or cause additional expense to Purchaser. Seller agrees to hold Purchaser harmless from any and all claims, costs, liabilities, or delays in time resulting from such an exchange.

SELLER:

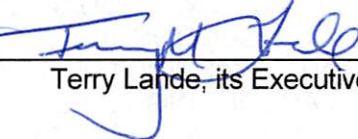
BAC COURT LLC
a Washington limited liability company

By: 
Michele K. Stockman, its Manager

Date signed: 6/17/2021

PURCHASER:

BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT
a municipal corporation

By: 
Terry Lande, its Executive Director

Date signed: 6/17/2021

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PARCEL I: THE SOUTH QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, SECTION 10, TOWNSHIP 25 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; EXCEPT ALL THAT PORTION LYING WITHIN DIVISION 2, MEADOWMEER, ACCORDING TO PLAT RECORDED IN VOLUME 19 OF PLATS, PAGE 86, IN KITSAP COUNTY, WASHINGTON; EXCEPT KOURA ROAD; AND EXCEPT THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 25 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 10; THENCE ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 10, NORTH 1°11'52" EAST 123.30 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING 1°11'52" EAST 204.85 FEET TO THE NORTHEAST CORNER OF SAID SUBDIVISION; THENCE ALONG THE NORTH LINE OF SAID SUBDIVISION, NORTH 88°11'30" WEST 204.85 FEET; THENCE LEAVING SAID NORTH LINE, SOUTH 43°29'49" EAST 291.24 FEET TO THE TRUE POINT OF BEGINNING. PARCEL II: THAT PORTION OF THE NORTH HALF OF THE SOUTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, SECTION 10, TOWNSHIP 25 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 10; THENCE ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 10, NORTH 1°11'52" EAST 328.15 FEET TO THE SOUTHEAST CORNER OF SAID SUBDIVISION; THENCE ALONG THE SOUTH LINE OF SAID SUBDIVISION NORTH 88°11'30" WEST 501.77 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 88°11'30" WEST 157.94 FEET TO THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE ALONG THE WEST LINE OF SAID SUBDIVISION NORTH 1°07'14" EAST 296.99 FEET; THENCE LEAVING SAID WEST LINE SOUTH 23°10' EAST 187.99 FEET; THENCE ON A 520 FOOT RADIUS CURVE TO THE LEFT, AN ARC DISTANCE OF 121.16 FEET; THENCE SOUTH 36°31' EAST 30.14 FEET TO THE TRUE POINT OF BEGINNING. PARCEL III: THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTH WEST QUARTER, SECTION 10, TOWNSHIP 25 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, LYING EAST OF THE PLAT OF MEADOWMEER, DIVISION NUMBER 2, ACCORDING TO PLAT RECORDED IN VOLUME 19 OF PLATS, PAGE 86, IN KITSAP COUNTY, WASHINGTON. >>> EXCEPT THAT PORTION CONVEYED TO CITY OF BAINBRIDGE ISLAND FOR MEADOWMEER CIRCLE AS DESCRIBED UNDER AUDITOR'S FILE NO. 200905070268, RECORDS OF KITSAP COUNTY, WASHINGTON.


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EXHIBIT B

EARNEST MONEY PROMISSORY NOTE

PRINCIPAL SUM: **\$100,000**

DATE: _____

FOR VALUE RECEIVED, BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT, a municipal corporation ("Maker"), hereby promises to pay to BAC COURT LLC, a Washington limited liability company ("Holder"), the principal sum of **\$100,000 (one hundred thousand dollars)** with interest thereon from date hereof at the rate of ZERO% per annum until paid in full, as follows.

The principal sum shall be paid in cash and deposited into that certain escrow account set up with Pacific Northwest Title within two (2) business days after the title review contingency under Section 3.2 of the Real Estate Purchase and Sale Agreement between Maker and Holder, dated _____, 2021 ("the REPSA"), is waived. Maker's failure to deposit the cash strictly as set forth herein shall constitute default under the REPSA.

Said principal sum shall be paid in lawful money of the United States.

This Note shall be interpreted and enforced according to the laws of the State of Washington, without regard to conflict of law principles thereof. Venue for any action arising out of or relating to this Note shall lie exclusively in Kitsap County, Washington. If Holder retains an attorney for collection of amounts due on this Note, Maker shall pay all costs and a reasonable attorney fee. This Note shall bear interest at a rate of twelve percent (12%) after default.

Each entity executing this Note as Maker does so as a principal and not as a surety.

Time is of the essence of this Note.

BAINBRIDGE ISLAND METROPOLITAN
PARK & RECREATION DISTRICT (Maker)

By: _____
Terry Lande, its Executive Director

EXHIBIT C

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND INTANGIBLE PROPERTY

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND INTANGIBLE PROPERTY (this "Assignment") is entered into as of _____ by and between BAC COURT LLC, a Washington limited liability company ("**Seller**"), and Bainbridge Island Metropolitan Park & Recreation District, a municipal corporation ("**Purchaser**"). This Assignment is made pursuant to the Real Estate Purchase and Sale Agreement, dated _____, 2021, by and between Purchaser and Seller (the "Agreement"), to transfer certain of the Property (as defined in the Agreement), specifically the Intangible Personal Property and the Assumed Contracts (as defined below).

In consideration of the sum of Ten Dollars (\$10) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Contracts. Seller assigns and transfers to Purchaser, to the extent assignable and transferable and without representation or warranty, all of Seller's right, title, and interest in and to the contracts assumed by Purchaser under the Agreement, which contracts are listed in attached Exhibit A (the "Assumed Contracts"). By execution hereof, Purchaser accepts this Assignment, and hereby assumes all of the obligations of Seller accruing after the date hereof with respect to the Assumed Contracts and agrees to indemnify and hold Seller harmless from all such obligations.
2. Intangible Personal Property. Seller assigns and transfers to Purchaser, to the extent assignable and transferrable, and without representation or warranty, all of Seller's right, title, and interest in and to the Intangible Personal Property. By execution hereof, Purchaser accepts this Assignment, and hereby assumes all of the obligations of Seller accruing after the date hereof with respect to the Intangible Personal Property and agrees to indemnify and hold Seller harmless from all such obligations.
3. Further Assurances It is specifically agreed that Seller shall not be responsible for the discharge and performance of any duties or obligations to be performed and/or discharged in connection with the Intangible Personal Property and the Assumed Contracts after the date hereof. The parties agree to execute any further documentation reasonably required to vest in Purchaser the interests conveyed hereunder.
4. Law; Binding Effect This Assignment shall be governed by and construed in accordance with the laws of the State of Washington and shall inure to and be binding upon the parties hereto and their respective heirs, successors, and assigns. This Assignment may be executed and delivered electronically and in counterparts.

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Assignment as of the date first written above.

SELLER: BAC COURT LLC
a Washington limited liability company

By: _____
Michele K. Stockman, its Manager

PURCHASER: BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT
a municipal corporation

By: _____
Terry Lande, its Executive Director

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