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Housing Fund

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October 9, 2014

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Sponsor: McDermott

Proposed No.: 2014-0128

1 **AMENDMENT TO PROPOSED ORDINANCE 2014-0128, VERSION 2**

2 Delete Attachment A dated August 5, 2014 and insert Attachment A dated October 9,
3 2014

4 **EFFECT:** *The amendment deletes the existing Attachment A and inserts revised*
5 *Attachment A. Revised Attachment A updates provisions regarding affordable housing*
6 *efforts (Section 8.3) such that:*

7 1. *The city will use good faith efforts to encourage the other party to a sale or*
8 *long-term lease of the property not transferred to Sound Transit to include*
9 *affordable housing, provided that the city is not required to accept an offer for*
10 *less than market value.*

11 2. *If unsuccessful in obtaining inclusion of affordable housing or should the city*
12 *develop the remainder property without affordable housing, the city shall*
13 *transfer \$1 million to the city's Housing Fund to be administered at the*
14 *discretion of the city.*

2107

ATTACHMENT A TO ORDINANCE 2014-0128

INTERGOVERNMENTAL LAND TRANSFER AGREEMENT

**INTERGOVERNMENTAL LAND TRANSFER AGREEMENT
BY AND BETWEEN KING COUNTY AND THE CITY OF BELLEVUE**

This Intergovernmental Land Transfer Agreement (hereafter "Agreement"), is dated for reference purposes only as of _____, 2014 ("Effective Date"), by and between the CITY OF BELLEVUE, a municipal corporation of the State of Washington (hereafter the "City"), and KING COUNTY, a political subdivision of the State of Washington (hereafter the "County"). The City and County are collectively referred to as the "Parties" and individually as a "Party" as context may require.

Recitals

WHEREAS, the County is the owner of that certain real property comprised of 66,429 square feet, more or less, and located at 11101 NE 6th Street, in the City of Bellevue, County of King, State of Washington, the legal description of which is attached hereto as **Exhibit A** (hereafter the "Real Property") Hereafter, the term "Property" shall include all the Real Property and all other assets and properties conveyed by the County to the City as more fully set forth in Section 1 of this Agreement;

WHEREAS, the County acquired the Property, in part, with proceeds from a federal grant from the Federal Transit Administration ("FTA") for use as a public transit facility. Pursuant to the terms of that grant, the FTA must approve of any disposition of the Property;

WHEREAS, the County and City previously entered into negotiations that resulted in a Letter of Intent, dated March 13, 2012, as modified on May 29, 2012, which set forth certain agreed terms to guide negotiations on the sale of the Property, and the Parties have further refined those negotiated terms into this Agreement;

WHEREAS, the Parties acknowledge that the City intends to eventually use the Property for its contribution to the East Link light rail project being undertaken by the Central Puget Sound Regional Transit Authority ("Sound Transit") which consists of both permanent and temporary uses by Sound Transit;

WHEREAS, the City and Sound Transit continue to refine the design for the East Link light rail project as it impacts the Property and adjacent city-owned property. It is understood that a portion of the Property will be conveyed to Sound Transit for East Link infrastructure through a permanent property interest, either in fee or a permanent easement (the "Sound Transit Portion");

WHEREAS, the County and the City previously entered into an appraisal agreement, fully executed on October 15, 2012, which established the means by which an appraisal and review appraisal were obtained and opinions of the fair market value of the Property rendered and reconciled, all in compliance with FTA regulations (the "Appraisal Agreement"); and

WHEREAS, having established the structure of the transaction and the purchase price of the Property, the County desires to sell the Property and the City desires to purchase the Property in accordance with the terms of this Agreement. The County and the City are entering into this Agreement pursuant to the authority granted in Chapter 39.33 Revised Code of Washington, (Intergovernmental Disposition of Property Act) which permits a political subdivision of the State of Washington to sell real property to the state or any municipality or any political subdivision thereof on such terms and conditions as may be mutually agreed upon by the proper authority of the state and/or the subdivisions concerned.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and other agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. The Property. Subject to and upon the terms and conditions set forth in this Agreement, the County shall sell, convey, assign, transfer and deliver to the City and the City shall buy, assume and accept from the County the following assets and properties:
 - (a) All of the County's right, title and interest in the Real Property;
 - (b) All of the County's right, title and interest in any improvements and structures on the Real Property;
 - (c) All of the County's right, title and interest in and to tangible personal property, if any, owned by the County and attached, appurtenant to or used in connection with the Real Property (hereafter "Personal Property"); and
 - (d) all of the County's tenements, hereditaments, easements and rights appurtenant to the Property including but not limited to, all of the County's right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, easements for public utilities, all sewers and service drainage easements, all rights of connection to the sewers, and all rights of ingress and egress, and all leases, licenses, government approvals and permits affecting the Real Property.

2. Payment Obligation.

2.1 The total purchase price is SEVENTEEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$17,950,000) for the Property (the "Purchase Price"), which shall be due and payable at Final Closing, the date of which shall be established pursuant to Section 9.1.1 of this Agreement ("Payment Obligation Date"). Interest shall accrue on that portion of the Purchase Price that remains outstanding from the time of the Initial Closing (as defined below in Section 9), pursuant to the payment provisions contained in Section 14 until the Purchase Price is paid in full in cash or immediately available funds. Interest shall be compounded annually at the rate equal to the yield for MMD's "AAA" 15 year municipal bond rating in effect as of the date of Initial Closing until full satisfaction of the Purchase Price. Interest shall accrue for any partial year on a pro-rata basis assuming a 360 day year. At the Initial Closing, the actual interest rate shall be confirmed by the Parties in their escrow instructions to the Escrow Agent, who shall be authorized to memorialize the interest rate in the Memorandum of the Agreement (**Exhibit C**) to be recorded with the King County Records Division.

2.2. Allocation of Purchase Price. The Parties agree that the entire Purchase Price is allocable to real property and that the value of the Personal Property, if any, is *de minimis*.

3. Title.

3.1 Nature of Title. The Property shall be conveyed by a Deed to the City as described in Section 9.2.6, and shall be subject only to the Permitted Exceptions as defined in Section 3.4.

3.2 Title Commitment. Attached to the Appraisal Agreement is the First American Title Insurance Company (the "Title Company") title commitment dated August 22, 2012 (as File No. NCS-366711) (the "Title Commitment"). Within 90 days of the Effective Date and at its sole expense, the City shall obtain an update to the Title Commitment for an owner's extended coverage policy of title insurance issued by the Title Company describing the Property, listing the City as the prospective named insured and showing as the policy amount the Purchase Price for the Property. At such time as the updated Title Commitment is obtained by the City, the City shall further obtain legible copies of all instruments referred to in the updated Title Commitment as restrictions or exceptions to title to the Property.

3.3. Survey. If the City desires to have a survey (the "Survey") of the Property, the Survey shall be prepared by a licensed public surveyor and it shall be at the sole cost to the City. If the City orders the Survey, it shall be certified to the County, the City and the Title Company within 90 days of the Effective Date, and shall be sufficient for the Title Company to issue an owner's extended coverage title policy, identify the Property by legal description and shall set forth the number of square feet contained within the Property, show all natural monuments, existing fences, drainage ditches and/or courses, flood plain limits, any building or other site improvements and/or objects, any rights-of-way for streets, existing driveways, alleys or highways, easements and other restriction lines existing and/or proposed which shall affect any portion of the Property, and such other items as required by the City.

3.4. Review of Title Commitment and Survey, Permitted Exceptions. The City shall have until thirty (30) days after receipt of the updated Title Commitment and, if the City exercises its option, the completed Survey (the "Review Period") in which to notify the County of any objections the City has to any matters shown or referred to in the updated Title Commitment or Survey and of any title insurance endorsements required by the City. Any exceptions or other items that are set forth in the updated Title Commitment or the Survey and to which the City does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which the City does object within the Review Period, the County shall notify the City within ten (10) days after the County receives the City's notice of objections of any exceptions to title or items on the Survey which the County is not able to remove or otherwise resolve and any endorsements that the County is not able to provide following the City's request within the Review Period, and the City may, at the City's option, either waive the objections not cured or the City may terminate this Agreement by notice to the County.

4. Inspection and Contingencies.

4.1 Due Diligence Inspection Contingency. The City, its designated representatives, contractors or agents shall have the right, at the City's expense, to enter upon the Property to (i) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the City; and (ii) examine due diligence materials pertaining to the Property that are provided by the County, if any ("Inspection Contingency"). Any Due Diligence Materials (defined in Section 4.2) that the County provides to the City are provided as a convenience only in "AS IS, WHERE IS" condition and without any representation or warranty whatsoever as to the truth or accuracy of the any of the facts/findings in such materials and the City shall solely rely on its own judgment and due diligence investigations to satisfy itself as to the condition of the Property. The City and the City's designated representatives or agents shall have the right and the County hereby grants to the City and the City's designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in this Section 4.1 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt the County's use of, or the County's operations and activities, on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to the County's prior written approval. If the City conducts sampling, the County shall be entitled to split samples; provided that the County shall bear any additional costs associated with providing split samples, and the split samples shall be obtained following prudent scientific procedures and reasonable consultant collaboration. The City will not be permitted to undertake activities that damage County property. In connection with any such inspections and tests, the City agrees to hold harmless, indemnify and defend the County, its officers, agents and employees, from and against all claims, losses, mechanics or other liens, or liability for injuries, sickness or death of persons, including employees of the City caused by or arising out of any act, error or omission of the City, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, to the extent not caused by or arising out of any act, error, omission or negligence of the County, its officers, agents and employees.

4.2 Assistance with Due Diligence Materials. The County shall exercise prompt and commercially reasonable efforts to cooperate with City's due diligence activities. The County shall promptly deliver, or make available, to the City all documents and materials concerning the

Property (the "Due Diligence Materials") which the City may request during the Due Diligence Period that are in the County's possession or control and that are not subject to attorney-client privilege, work product rule or otherwise prohibited from being disclosed by law.

4.3 Legislative Approval Contingency. The County's and the City's performance under this Agreement are contingent on approval of this Agreement through an effective ordinance by each entity's respective legislative body.

4.4 FTA Approval. The County's and the City's performance under this Agreement are contingent on approval by the FTA of the terms and conditions of this Agreement and an appraisal supporting this transaction. Since such approval was granted by letter dated October 21, 2013, and is attached hereto as **Exhibit D**, this contingency is waived.

4.5 Removal of Contingencies. The Parties shall have until the Initial Closing (the "Due Diligence Period") to satisfy or waive each Party's respective Contingencies. The Parties may only satisfy or waive such Contingencies by issuing written notice thereof to the other or performing at the Initial Closing, which shall be deemed a waiver of the Contingencies. If all Contingencies are not removed within the Due Diligence Period, then the Initial Closing may be delayed by agreement of the Parties until the contingencies can be satisfied or waived, but no longer than ninety (90) days from the original Initial Closing Date, provided however, that if all Contingencies are not removed prior to or at the Initial Closing then either Party may terminate this Agreement, in which case neither Party shall have any further rights or obligations under this Agreement; and provided further that the City may decline to waive its Inspection Contingency for any reason or no reason, in its sole discretion. City may terminate this Agreement for any reason and for no reason by delivering written notice of such termination to the County at any time prior to expiration of the Due Diligence Period, in which event the Parties shall have no further obligations hereunder other than those obligations that expressly survive by their terms.

5. Condition of the Property.

5.1 The City acknowledges that it has the right to inspect the Property as set forth in Section 4.1. Upon this contingency being satisfied or waived, and except for the County's express representations and warranties in Section 7 and obligations under Section 3 of this Agreement and the Deed, THE CITY AS OF THE INITIAL CLOSING IS PURCHASING ITS INTERESTS IN THE PROPERTY IN AN "AS-IS WITH ALL FAULTS" BASIS WITH ANY AND ALL PATENT AND LATENT DEFECTS, IS NOT RELYING ON, AND HEREBY WAIVES ANY WARRANTY OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER FROM THE COUNTY WITH RESPECT TO ANY MATTERS CONCERNING THE PROPERTY INCLUDING, BUT NOT LIMITED TO THE PHYSICAL CONDITION OF THE PROPERTY; ZONING STATUS; TAX CONSEQUENCES OF THIS TRANSACTION; UTILITIES; OPERATING HISTORY OR PROJECTIONS OR VALUATION; COMPLIANCE OF THE PROPERTY WITH ENVIRONMENTAL LAWS (DEFINED BELOW) OR OTHER LAWS, STATUTES, ORDINANCES, DECREES, REGULATIONS AND OTHER REQUIREMENTS APPLICABLE TO THE PROPERTY; THE PRESENCE OR THREATENED RELEASE OF ANY HAZARDOUS SUBSTANCES (DEFINED BELOW), WETLANDS, ASBESTOS, LEAD, LEAD-BASED PAINT OR OTHER LEAD CONTAINING STRUCTURES, UREA FORMALDEHYDE, OR OTHER ENVIRONMENTALLY SENSITIVE BUILDING MATERIALS (WHETHER OR NOT A HAZARDOUS SUBSTANCE) IN, ON, UNDER OR EMANATING FROM OR INTO THE PROPERTY; THE CONDITION OR EXISTENCE OF ANY ABOVE GROUND OR UNDERGROUND STRUCTURES OR IMPROVEMENTS, INCLUDING TANKS AND TRANSFORMERS IN, ON OR UNDER THE PROPERTY; THE CONDITION OF TITLE TO THE PROPERTY, AND PERMITS, GRANT CONDITIONS, ORDERS, OR OTHER AGREEMENTS, AFFECTING THE PROPERTY (collectively, the "Condition of the Property").

5.2 . The City represents and warrants to the County that except for the County's express representations and warranties in Section 7 of this Agreement and the Deed, the City has not relied and will not rely on, and the County is not liable for or bound by, any warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto made or furnished by the County, any agent or contractor of the County, or any real estate broker or agent representing or purporting to represent the County, to whomever made or given, directly or indirectly, orally or in writing.

5.3 Subject to the County's express representations and warranties in Section 7 and obligations in Section 3 of this Agreement and the Deed, the City as of the Initial Closing assumes the risk that Hazardous Substances or other adverse matters may affect the Property that were not revealed by the City's or other prior inspections. Except to the extent of the County's express representations and warranties under Section 7 and obligations under Section 3 of this Agreement, the City waives, releases and discharges forever the County from any and all present or future claims or demands, and any and all present and future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the City might have asserted or alleged against the County arising from or in any way related to the Condition of the Property including but not limited to the alleged presence or threatened release, use, storage, generation, manufacture, transport, release, leak, spill, disposal or other handling of any Hazardous Substances in, on, or under or emanating to or from the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) Losses for injury or death of any person, and (c) Losses arising under any Environmental Law whether or not enacted after transfer of the Property. The term "Environmental Law" means any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Washington Hazardous Waste Management Act (RCW 70.105), the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9602 et seq.), the Toxic Substances Control Act, (15 U.S.C. § 2601 et seq.), the Model Toxics Control Act (RCW 70.105D), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Washington Water Pollution Control Act (RCW 90.48), and any laws concerning above ground or underground storage tanks. The term "Hazardous Substance" means any substance, including without limitation any waste, pollutant, contaminant or other material, that now or in the future becomes regulated or defined under any Environmental Law. Except as provided in Section 13.2, nothing in this Agreement is an indemnification by the City of the County for the County's liability, if any, under the Environmental Laws.

5.4 The City and the County acknowledge that the County's willingness to convey the Property reflects that the Property is being conveyed subject to the provisions of this Section 5.

5.5 Notwithstanding any provision of this Agreement to the contrary, the provisions of this Section 5 shall survive all Closings of the transaction contemplated herein and the delivery of the Deed to the City.

6. Closing Conditions.

6.1 The City's obligation to purchase the Property shall be subject to the following conditions that must be satisfied as of the Initial Closing:

6.1.1 All representations and warranties of the County contained in Section 7 of this Agreement and in each of the documents and instruments to be delivered at Initial

Closing shall be true, accurate and complete in all material respects at the time of the Initial Closing; and

6.1.2 The County shall have performed all obligations to be performed by it hereunder on or before the Initial Closing (or, if earlier, on or before the date set forth in this Agreement for such performance).

6.2. If the conditions set forth in Section 6.1 are not satisfied as of the Initial Closing and the City does not waive the same, the County and the City shall extend the Initial Closing Date an additional thirty (30) days.

6.3. The County's obligation to sell the Property shall be subject to the following conditions that must be satisfied as of the Initial Closing:

6.3.1 All representations and warranties of the City contained in Section 8 shall be true, accurate and complete in all material respects at the time of the Initial Closing; and

6.3.2 The City shall have performed all obligations to be performed by it hereunder on or before the Initial Closing (or, if earlier, on or before the date set forth in this Agreement for such performance).

6.4. If the conditions set forth in Section 6.3 are not satisfied as of the Initial Closing and the County does not waive the same, the County and the City shall extend the Initial Closing Date an additional thirty (30) days.

6.5 If the Initial Closing Date is extended pursuant to Section 6.2 above, and the respective conditions remain unsatisfied as of the extended Initial Closing Date, then the City shall have the right, in its sole discretion to elect to 1) waive the condition and proceed with the Initial Closing; 2) terminate this Agreement and thereafter the Parties shall have no further obligations or liabilities hereunder other than those obligations which survive the termination of this Agreement by their express terms, or 3) seek specific performance of the County's obligations to perform hereunder.

7. Representations and Warranties of the County. The County hereby makes the following representations and warranties, which representations and warranties shall be deemed made by the County to the City as of the Initial and Final Closing Dates:

7.1 The County will timely perform all of the obligations required by the terms of this Agreement to be performed by the County.

7.2 Prior to the Initial Closing, the County will notify the City of any significant change in the condition of the Property, title thereto, or change in any material respect which creates a limitation of or a conflict with the County's representations and warranties in this Agreement of which the County becomes aware, promptly upon learning of such change in condition.

7.3 The County is a political subdivision and municipal corporation of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington, has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations under this Agreement and the transactions contemplated hereby.

7.4 From the Effective Date to the Final Closing, the County will not grant, create or amend any temporary or permanent easement, right-of-way, encumbrance, restriction, covenant, lease, license, permit, right of use or entry or any other right or interest whatsoever which would affect the Property prior to or after the Effective Date without the City's written consent first having been obtained, which consent may be withheld in the City's sole discretion. Further the

County may not mortgage or otherwise encumber the Property or this Agreement as financial security for any reason.

7.5 Except as disclosed in writing to the City during the Due Diligence Period, there is no pending, or to the County's knowledge (which knowledge shall be limited to the actual knowledge of a specific County employee performing an electronic search of relevant records who shall be identified in writing by the County in a timely manner prior to each Closing), threatened lawsuit, litigation, proceeding or material claim against or relating to the County with respect to the Property that would impede or materially affect the County's ability to enter into or perform the terms of this Agreement, and there is no pending or, to the County's actual knowledge, contemplated condemnation or similar proceeding with respect to the Property or any part thereof.

8. Representations and Warranties of the City. The City hereby makes the following representations and warranties, which representations and warranties shall be deemed made by the City to the County as of the Initial Closing and Final Dates:

8.1 The City shall timely perform all of the obligations required by the terms of this Agreement to be performed by the City.

8.2 The City is a municipal corporation of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington, has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations under this Agreement and the transactions contemplated hereby.

8.3 The City, in accepting the property, agrees to the following:

8.3.1 The City is acquiring the property for uses associated with the East Link Light Rail project. To the extent the entire parcel is not transferred to Sound Transit, the City anticipates conducting planning efforts to determine the best use of that portion of the Property not transferred to Sound Transit ("Remainder Property"). Nothing set forth in this agreement shall require any deviation from the City's standard planning effort process.

8.3.2 Should the City sell or encumber the Remainder Property with a long-term lease, the City will use its good faith efforts to encourage the other party to that transaction to include affordable housing in the development of the Remainder Property; provided however, that such good faith efforts shall not require the City to accept an offer to purchase or lease for less than market value. "Good faith efforts" as used in this section may include offering dimensional flexibility and density bonus incentives allowed under the City's land use code now or as may be hereafter amended or superseded.

8.3.3 If unsuccessful in obtaining inclusion of affordable housing obligation in any such sale or long-term lease or should the City develop the Remainder Property without the inclusion of affordable housing, the City shall transfer \$1,000,000 to the City's Housing Fund, which is a special purpose, dedicated housing trust fund in the City's budget, or such City fund, existing at the time of said transfer or development and established for supporting or providing affordable housing, to explore creative and innovative methods to maintain and increase affordable housing opportunities within the City. Administration of such funds shall be at the discretion of the City and may include coordination with A Regional Coalition for Housing (ARCH) program.

8.3.4 The obligations of this Section 8.3 shall only apply to the City and shall not bind future purchasers.

9. Closing.

9.1 Time and Place. Following the Effective Date, the closings of this sale shall take place in separate closings as described in this Section 9:

9.1.1 Initial Closing. The Initial Closing shall take place at the offices of First American Title Insurance Company, Seattle, Washington, escrow agent for the Initial Closing of this transaction ("Escrow Agent"), within thirty (30) days of written notice by the City or December 31, 2014, whichever occurs first ("Initial Closing Date"); provided, however that either party may extend the Initial Closing Date for up to thirty (30) days by giving written notice of such extension to the other Party at least fifteen (15) days in advance of the Initial Closing Date.

9.1.2 Possession Payment. If the City decides to exercise its exclusive possession rights as set forth in Section 12 as of the Effective Date, then the City shall pay the County the possession payment as described in Section 12, which shall be non-refundable. The possession payment shall be applied as a credit against the Purchase Price at the Final Closing.

9.1.3 Final Closing. The Final Closing date shall occur within sixty (60) days following written notice by the City of its desire to establish the Final Closing Date for the Property to the County and to the Escrow Agent or its successor entity. In no event shall the Final Closing on the Property take place any later than December 31, 2015. At the City's option, the Initial Closing and Final Closing may occur in one simultaneous transaction.

9.2 County Obligations at Initial Closing. At or before the Initial Closing, the County shall deliver to Escrow Agent, for delivery to the City, the following:

9.2.1 [Reserved]

9.2.2 Excise Tax Affidavit. An appropriate excise tax affidavit, signed and notarized by the responsible and authorized officials of the County and citing any applicable exemptions;

9.2.3 Bill of Sale. A fully executed bill of sale for any Personal Property;

9.2.4 Other Documents. Such other documents and funds as may be required to close this transaction, including a Foreign Investment in Real Property Tax Act ("FIRPTA") certificate; and

9.2.5 Memorandum of Agreement. One original executed copy of the Memorandum of Agreement described in Section 17.5 and an unexecuted copy of which is attached as Exhibit C.

9.3 County Obligations at Final Closing. At or before the Final Closing, the County shall deliver to Escrow Agent, for delivery to the City, a fully executed Bargain and Sale Deed in substantially the form attached hereto as **Exhibit B** ("Deed"), subject only to the Permitted Exceptions.

9.4 City's Obligations at Initial Closing. At or before the Initial Closing, the City shall deliver to Escrow Agent, for delivery to the County, the following:

9.4.1 Other Documents. Such other documents and funds as may be required for the initial closing of this transaction; and

9.4.2. Memorandum of Agreement. One original executed copy of the Memorandum of Agreement described in Section 17.5 and an unexecuted copy of which is attached as Exhibit C.

9.4.2 Payments. The City's obligation to make periodic payments, as set forth in Section 14 begins as of the Initial Closing Date.

9.5 City's Obligations at Final Closing. At or before the Final Closing, the City shall deliver to Escrow Agent, for delivery to the County, the following:

9.5.1 Other Documents. Such other documents and funds as may be required to close this transaction; and

9.5.2 Payments. Cash or immediately available funds in the amount of the Purchase Price, and if the City exercised its rights for exclusive possession, use and control of the Property, any amounts of unpaid possession payments, as provided in Section 9.1.2 and 12, then due and owing.

10. Proration. All taxes, assessments, interest and other expenses associated with the Property, shall be prorated as of the Final Closing Date.

11. Closing Costs. The County and the City shall share equally the escrow fees with respect to the sale of the Property. The City shall be solely responsible for the cost of title insurance premiums, title endorsements, extended coverage or other title coverage requested by the City.

12. Possession. The City shall be entitled to exclusive possession, use and control of the Property immediately following the Initial Closing. The Parties agree that as of the Effective Date but prior to the Initial Closing the City may exercise exclusive rights to the Property in accordance with this Section 12. To exercise this right, the City shall provide written notice to the County upon execution of this Agreement. The notice shall identify when the exclusive rights are to begin; and if the exclusive rights are expected to terminate prior to the Initial Closing Date the date the rights are to expire. In exchange for such exclusive rights, the City shall pay the County an amount equal to \$50,000 per month until the exclusive rights terminate ("possession payment"). The possession payment shall be prorated in proportion to the number of days in the full month in which the exclusive rights terminate..

13. Indemnification.

13.1 By County. Subject to and without in any way limiting the provisions of Section 5 of this Agreement, the County shall pay, protect, pay the defense costs of, indemnify and hold the City and its successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred (hereafter "Claim") by reason of (a) the breach of any representation, warranty or agreement of the County set forth in this Agreement prior to Final Closing; (b) the failure of the County to perform any obligation required by this Agreement to be performed by the County prior to Final Closing; (c) liabilities from occurrences prior to the Initial Closing caused by the County's negligence arising out of the ownership, maintenance and/or operation of the Property by the County; or (d) any injuries to persons or property from occurrences prior to the Initial Closing from any cause occasioned in whole or in part by any acts or omissions of the County, its agents or employees; provided that, this Section 13.1 shall not apply to any Claim arising from or in any way related to a Condition of the Property for which the City waives, releases and discharges the County under Section 5 of this Agreement. The County upon notice from the City shall defend any such claim at its expense and with counsel reasonably satisfactory to the City. This indemnification shall survive all Closing of the transaction contemplated by this Agreement and the delivery of the Deed to the City. This indemnification is intended for the sole benefit of the City and shall not inure to the benefit of any third party.

13.2 By City. Subject to and without in any way limiting the provisions of Section 5 of this Agreement, the City shall pay, protect, pay the defense costs of, indemnify and hold the County and its successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of the City set forth in this Agreement prior to Final Closing; (b) failure of the City to perform any obligation required by this Agreement to be performed by the City prior to Final Closing; (c) liabilities from occurrences prior to Final Closing caused by the City's negligence arising out of the use, possession, maintenance and/or operation of the Property by the City; or (d) any injuries to persons or property from occurrences occurring prior to Final Closing from any cause occasioned in whole or in part by any acts or omissions of the City, its agents or employees. City upon notice from the County shall defend any such claim at its expense and with counsel reasonably satisfactory to the County. This indemnification shall survive all Closings. This indemnification is intended for the sole benefit of the County and shall not inure to the benefit of any third party.

13.3 Additional Indemnification Provisions. Solely to give full force and effect to the indemnification provisions contained herein and in Section 4.1 and not for the benefit of any person, each Party specifically and expressly waives any immunity it may have under the Washington State Industrial Insurance Act, RCW Title 51 or any other industrial insurance, workers' compensation or similar laws of the State of Washington and acknowledge that this waiver was mutually negotiated by the Parties hereto as part of the consideration for this Agreement. This provision shall not be interpreted or construed as a waiver of any Party's right to assert such immunity, defense or protection directly against any of its own employees. In no event shall either Party's indemnification obligations under this Agreement be limited to the extent of any insurance available to or provided by the obligated Party.

14. Periodic Interest Payments. The City shall have the right to pre-pay some or all of the Purchase Price. As long as any portion of the Purchase Price is outstanding, the City shall make payments to the County equal to the monthly accrued interest on any unpaid portion of the Purchase Price at the interest rate provided in Section 2 herein, compounded monthly commencing from the Initial Closing Date, first payment due and payable on the fifth day of the first month after the Initial Closing and payable thereafter on the fifth day of each subsequent month until the Purchase Price is paid in full. Notwithstanding the foregoing, the full balance of the Purchase Price shall be due and payable by the City to the County on December 31, 2015, plus any remaining accrued interest and any unpaid possession payments. In the event of a default by the City of its obligations in this Section 14, upon such event of default the outstanding balance of the Purchase Price and applicable interest and any unpaid possession payments shall be accelerated and due in full.

15. Default.

15.1 By the County. If there is an event of default under this Agreement by the County, the City will be entitled to seek specific performance of the County's obligations under this Agreement, and shall further have the right to pursue any other remedies in law or equity.

15.2 By the City. If there is an event of default under this Agreement by the City, the County will be entitled to seek specific performance of the City's obligations under this Agreement, and shall further have the right to pursue any other remedies in law or equity, including but not limited to an action to recover any sum owed by the City under this Agreement without offset or deduction of any kind.

16. Notices. All notices to be given by each Party to the other pursuant to this Agreement shall be delivered in person, by facsimile or deposited in the United States mail, properly addressed, postage fully prepaid, for delivery by certified or registered mail, return receipt requested. Notices given by personal delivery or facsimile shall be deemed effective upon receipt (provided notice by facsimile is on a business day and receipt is acknowledged); notices given by mail shall be deemed effective on the third business day

after deposit. Notices may be given at the following addresses and facsimile numbers, until further notice by either Party:

If to the County: King County
Department of Transportation
Transit Division
201 S. Jackson Street
Seattle, WA 98104-3856
Attn: Design & Construction Manager
Facsimile No. (206) 684-1803

With a copy to: King County
Facilities Management Division
500 Fourth Avenue, Ste 800
Seattle, WA 98104
Attn: Manager, Real Estate Services Section
Facsimile No. (206) 205-5070

With a copy to: King County
Prosecuting Attorney's Office
501 Third Avenue, Ste 400
Seattle, WA 98104
Attn: Tim Barnes
Facsimile No. (206) 296-0191

If to the City: City of Bellevue
450 110th Avenue NE
Bellevue, Washington 98004
Attn: Lori M. Riordan, City Attorney
Telephone No. (425) 452-6829
Facsimile No. (425) 452-7256

With a copy to: City of Bellevue
450 110th Avenue NE
Bellevue, Washington 98004
Attn: Nora Johnson, Director, Civic Services
Telephone No. (425) 452-4167

17. Miscellaneous:

17.1 Governing Law/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any action at law or equity shall be filed in the superior court of King County located in Seattle.

17.2 Entire Agreement. This Agreement constitutes the entire agreement between Parties concerning the sale of all the interests in the Property and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect.

17.3 No Third Party Beneficiaries. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

17.4 Modification or Amendment. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by the Parties hereto and subject to council approvals.

17.5 Memorandum of Agreement. At the time of the Initial Closing, the Parties shall execute and record in the real property records of King County, a Memorandum of Agreement in form and substance substantially similar to **Exhibit C**, which shall include the agreed-upon interest rate established in accordance with Section 2.

17.6 Counterparts. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

17.7 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of the Parties. The City or the County shall not assign this Agreement, or any part thereof, without the other Party's prior written consent, which consent may be withheld in the other Party's sole and absolute discretion.

17.8 Event Date. If any event date falls on a Saturday, Sunday or legal holiday, then the time for performance shall be extended until the next business day.

17.9 Non-Waiver. No term or condition of this Agreement will be deemed to have been waived or amended unless expressed in writing, and the waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.

17.10 Exhibits and Schedules. This Agreement contains the following Exhibits which are attached and made a part of this Agreement:

Exhibit A	Legal Description
Exhibit B	Bargain and Sale Deed
Exhibit C	Memorandum of Agreement
Exhibit D	FTA Approval Letter

17.11 Brokers. Neither Party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee based on the purchase and sale contemplated by this Agreement.

17.12 Time. Time is of the essence of this Agreement.

17.13 Attorneys Fees/Litigation Expenses. Each Party shall pay their respective attorney's fees with respect to this Agreement. In any controversy, claim or dispute arising out of, or relating to, this Agreement, the substantially prevailing party shall be entitled to recover its costs and expenses of suit, including reasonable attorneys' fees.

17.14 Recitals; Construction; Definitions. Each of the recitals set forth above is incorporated into this Agreement as though fully set forth herein. Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had jointly prepared it.

17.15 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

17.16 Survival. The terms and provisions of this Agreement shall not merge in, but shall survive, all Closings and conveyance of the Deed for the transaction contemplated under this Agreement.

17.17 Compliance with Laws. Commencing upon Initial Closing, the City shall obey all laws and regulations, including orders issued by administrative agencies of the state or federal government, pertaining to its exclusive use, possession and control of the Property.

17.18 Waiver of Right to Rescind; Disclosure. To the extent RCW ch. 64.06 may apply to this Agreement, the City hereby waives, to the fullest extent permitted by law, the right to rescind this Agreement pursuant to any provision of RCW ch. 64.06. Further, to the fullest extent permitted by RCW ch. 64.06, the City expressly waives its right to receive from the County a seller disclosure statement as provided for in RCW ch. 64.06 ("Seller Disclosure Statement"). The County and the City acknowledge and agree that the City cannot waive its right to receive the environmental section of the Seller Disclosure Statement (which is contained in Section 6 of the form). The County will provide the same, with only such environmental section completed by the County, to the City within five (5) days after the Effective Date. Nothing in the Seller Disclosure Statement creates a representation or warranty by the County, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. The City is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that the County may not have knowledge of defects that careful inspection might reveal. The City specifically acknowledges and agrees that the Seller Disclosure Statement is not part of this Agreement, the County has no duties to the City other than those set forth in this Agreement, the City has no independent cause of action under the Seller Disclosure Statement and specifically and without limitation, the City will not have a remedy for economic loss resulting from negligent errors, inaccuracies or omissions on the Seller Disclosure Statement. Nothing in this Section is a waiver of the representations and warranties inherent in or set forth in the Deed.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first set forth above.

KING COUNTY:	CITY OF BELLEVUE:
By _____ Name: Dow Constantine Its: King County Executive	By _____ Name: Nora Johnson Its: Civic Services Director
Approved as to form: Daniel T. Satterberg	Approved as to form: Lori M. Riordan
By _____ Name: _____ Its: Deputy Prosecuting Attorney	By _____ Name: Monica Buck Its: Deputy City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ___ was authorized to execute the instrument and acknowledged it as the _____ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2014.

Notary Public
Print Name _____
My commission expires _____

[NOTORIAL STAMP HERE]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ___ was authorized to execute the instrument and acknowledged it as the _____ of the CITY OF BELLEVUE, a municipal corporation of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2014.

Notary Public
Print Name _____
My commission expires _____

[NOTORIAL STAMP HERE]

EXHIBIT A

[Legal Description]

**LOT 3 OF CITY OF BELLEVUE SHORT PLAT NO. 81-17, RECORDED DECEMBER 3, 1981
UNDER RECORDING NO. 8112039005, IN KING COUNTY WASHINGTON;**

**EXCEPT THAT PORTION CONVEYED TO THE CITY OF BELLEVUE BY DEEDS
RECORDED MARCH 26, 1992 AND APRIL 18, 2002 UNDER RECORDING NOS. 9203261584
AND 20020418000668.**

EXHIBIT B

AFTER RECORDING RETURN TO:

King County
Facilities Management Division
ADM-ES-0800
500 Fourth Avenue, Rm 800
Seattle, WA 98104

BARGAIN AND SALE DEED

GRANTOR: KING COUNTY, a political subdivision of the State of Washington

GRANTEE: CITY OF BELLEVUE, a municipal corporation of the State of Washington

Legal description:

Abbreviated legal: Lot 3 of City of Bellevue Short Plat NO. 81-17
Additional legal below

Tax parcel number: 322505-9216-09

The Grantor herein, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of **SEVENTEEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$17,950,000)** in hand paid, and other valuable consideration the sufficiency of which is hereby acknowledged, does hereby bargain, sell and convey to the Grantee, the CITY OF BELLEVUE, a municipal corporation of the State of Washington, the following described real property, situate in the City of Bellevue, County of King, State of Washington:

LOT 3 OF CITY OF BELLEVUE SHORT PLAT NO. 81-17, RECORDED DECEMBER 3, 1981 UNDER RECORDING NO. 8112039005, IN KING COUNTY WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE CITY OF BELLEVUE BY DEEDS RECORDED MARCH 26, 1992 AND APRIL 18, 2002 UNDER RECORDING NOS. 9203261584 AND 20020418000668;

Dated this _____ day of _____, 20____.

KING COUNTY, WASHINGTON

BY _____

TITLE _____

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

I certify that _____ signed this instrument, on oath stated that he was authorized by King County Ordinance _____ to execute the instrument, and acknowledged he/she to be the _____ of King County, Washington and to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Dated _____

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My appointment expires _____

ACCEPTED BY:
CITY OF BELLEVUE

BY _____

TITLE _____

DATE _____

EXHIBIT C

After recording return to:

King County
Facilities Management Division
800 King County Administration Building
500 Fourth Avenue
Seattle, WA 98104

MEMORANDUM OF INTERGOVERNMENTAL LAND TRANSFER AGREEMENT

SELLER: KING COUNTY, a political subdivision of the State of Washington

BUYER: CITY OF BELLEVUE, a municipal corporation of the State of Washington

Legal Description:

Abbreviated form: Lot 3 of City of Bellevue Short Plat NO. 81-17
Additional legal on Attachment A of document

Assessor's Property Tax Parcel Account Number(s): 322505-9216-09

THIS MEMORANDUM OF INTERGOVERNMENTAL LAND TRANSFER AGREEMENT (the "Memorandum") is dated for reference purposes as of _____, 2014 between KING COUNTY, a political subdivision of the State of Washington ("Seller") and the CITY OF BELLEVUE, a municipal corporation of the State of Washington ("Buyer").

1. Agreement. Seller and Buyer have entered into that certain Intergovernmental Land Transfer Agreement, dated for reference purposes as of _____, 2014, (the "Agreement") for the purpose of conveying fee simple title of the property legally described above (the "Property"). The Agreement provides a financing mechanism wherein Buyer shall make monthly payments of interest from the Initial Closing Date until the Purchase Price is paid in full prior to conveyance of the title by bargain and sale deed. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Agreement.
2. Closings. The Agreement establishes two closing dates. The Initial Closing shall take place in 2014 at a date and time to be set by mutual agreement of Seller and Buyer for the purpose of executing the Agreement, opening an escrow account and providing Buyer possession and use of the Property. Buyer shall thereafter commence payment according to the terms of the Agreement and at an interest rate of ____ based on MDA "AAA" 15 year municipal bond rating; which has been established as of the Initial Closing Date of _____. A Final Closing shall take place on a date and time to be agreed upon by Seller and Buyer, but no later than December 31, 2015, at which time the fee to the remaining Property shall be conveyed to Buyer.
3. Possession. Under the terms of the Agreement, the City is entitled to exclusive possession, use and control of the Property immediately following the Initial Closing.
4. Tax Exemption. In accordance with WAC 458-61A-205, the Agreement shall be exempt from any taxes imposed under the authority of RCW 82.45.

5. Lien Notice. Notice is hereby given that Seller will not be liable for any labor, services, materials or equipment furnished or to be furnished to Buyer, its contractors, agents, lessees, or licensees or to anyone holding an interest in the Property as of the Effective Date.
6. Purpose of Memorandum. This Memorandum is prepared for purposes of recordation only and does not set forth all of the terms and conditions set forth in the Agreement, except that the interest rate shall be established at the rate set forth herein. In the event there is any conflict between the terms and conditions of the Agreement and this Memorandum, the Agreement shall control.

DATED the date above first written.

KING COUNTY:	CITY OF BELLEVUE:
By _____	By _____
Name: _____	Name: _____
Its: _____	Its: _____
Approved as to form: Daniel T. Satterberg	Approved as to form: Lori M. Riordan
By _____	By _____
Name: _____	Name: _____
Its: Deputy Prosecuting Attorney	Its: Deputy City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ___ was authorized to execute the instrument and acknowledged it as the _____ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2014.

Notary Public
Print Name _____
My commission expires _____

[NOTORIAL STAMP HERE]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ___ was authorized to execute the instrument and acknowledged it as the _____ of the CITY OF BELLEVUE, a municipal corporation of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2014.

Notary Public
Print Name _____
My commission expires _____

[NOTORIAL STAMP HERE]

Attachment A to Memorandum of Agreement
(Legal description)

LOT 3 OF CITY OF BELLEVUE SHORT PLAT NO. 81-17, RECORDED DECEMBER 3, 1981 UNDER RECORDING NO. 8112039005, IN KING COUNTY WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO THE CITY OF BELLEVUE BY DEEDS RECORDED MARCH 26, 1992 AND APRIL 18, 2002 UNDER RECORDING NOS. 9203261584 AND 20020418000668.

EXHIBIT D
[FTA Approval]



U.S. Department
of Transportation
Federal Transit
Administration

REGION X
Alaska, Idaho, Oregon,
Washington

915 Second Avenue
Federal Bldg. Suite 3142
Seattle, WA 98174-1002
206-220-7954
206-220-7959 (fax)

October 21, 2013

Kevin Desmond
General Manager
Metro Transit Division
Department of Transportation
King County Metro
KSC-TR-0415
201 South Jackson Street
Seattle, WA 98104-3856

Re: Property Appraisal & Disposition Concurrence
King County property at 11101 NE 6th Street, Bellevue WA

Dear Mr. Desmond:

This responds to your letter of August 7, 2013 seeking Federal Transit Administration (FTA) concurrence on the appraisal of certain real property and its proposed disposition to the City of Bellevue (City). The property is located at 11101 NE 6th St., Bellevue, Washington, and aggregates 66,429 square feet. It was acquired by King County (County) in part with funds from FTA grant WA-03-0016 to provide layover space for buses as part of the original Bellevue Transit Center. The layover project was never built. The County has now declared this property surplus, and the City seeks to purchase the property for the purposes of furthering the Sound Transit East Link project. A portion of the property will be developed into a light rail station and guideway, while the remainder will be used for staging during construction of the East Link project. The County has obtained an appraisal and a review appraisal--and while the appraisals are slightly older than six months--both the City and the County are in agreement that the indicated value reflects current fair market value. The terms of the proposed property transfer are contained in the Intergovernmental Land Transfer Agreement that was provided for FTA review. Transfer of the title will occur following County's receipt of the purchase price and any interest payment(s). The County intends to place proceeds from the sale (including any interest) in a segregated account to fund future FTA eligible capital project(s). Since the property is being disposed under FTA's excess property process, the County is required to obtain FTA instruction for disposition.

FTA Circular 5010.1D, Chapter IV, provides, in part:

j. Real Estate Disposition

- (1) Disposition Alternatives. *If the grantee determines that real property is no longer needed, FTA may approve use of the property for other purposes. This may include use in other Federal grant programs or in non-Federal programs that have consistent purposes with those authorized for support by FTA.*
- (a) Valuation of Property Pending Disposal. *For properties no longer needed for transit purposes, the grantee is expected to follow the valuation requirements of 49 CFR part 24 and obtain an appraisal to ascertain the value of the property considered for disposal.*
- (b) ...
- (c) Alternative Disposition Methods. *When real property is no longer needed for any transit purpose, the grantee will request disposition instructions from FTA. The allowable alternative disposition methods are as follows:*
- ...
3. Sell and Use Proceeds for Other Capital Projects. *Sell property and use the proceeds to reduce the gross project cost of another FTA eligible capital transit project. See 49 U.S.C., 5334(h)(4). The grantee is expected to record the receipt of the proceeds in the grantee's accounting system, showing that the funds are restricted for use in a subsequent capital project, and reduce the liability as the proceeds are applied to one or more FTA approved capital projects. FTA must approve the application of the proceeds to a subsequent capital grant, which should clearly show that the gross project cost has been reduced with proceeds from the earlier transaction.*

FTA reviewed the appraisal from Integra Realty Resources dated November 28, 2012 (with a valuation date of November 6, 2012), and the review appraisal from Paul Zemtseff dated January 8, 2013. Based on that review, FTA concurs with the appraised value in the amount of \$17,950,000 for the referenced property.

In addition, FTA concurs with disposition of the property to the City and the County's use of the proceeds for future eligible FTA capital project(s) in accordance with Alternative Disposition Method described above and in Circular 5010.1D, Chapter IV, Section 2(j)(e)3. Please ensure that the County retains records that show the federal contribution towards the original purchase of the property and federal percentage of the original acquisition price. This information will support the amount of federal funds or federal interest that you must account for from the proceeds of the disposition.

To encourage the complete due diligent assessment of contamination prior to project decision-making, the County is expected to notify the City and/or Sound Transit that FTA generally will not participate in the remediation of contamination discovered during construction on property previously determined to be free of contamination or hazardous waste.

If you have any questions, please feel free to contact Ted Uyeno at 206.220.7958 or Tom Radmilovich at 206.220.7953.

Sincerely,



BW Blaine Wine
Director, Office of Program Management and Oversight

cc: Randy Witt, King County Metro (KCM)
Rand Juliano, KCM
David Morrison, KCM