

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered into as of _____, 2006, by and between **KING COUNTY**, a municipal corporation and political subdivision of the State of Washington (the “Seller”) and **HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY**, a Washington State Not for Profit Corporation (the “Buyer”).

RECITALS

- A. Seller intends to purchase certain real property located in Unincorporated King County, County of King, State of Washington, which consists of 810 square feet, commonly identified as 10440 18th Avenue South, Seattle, Washington 98168 the legal description of which is attached hereto as **EXHIBIT A** (the “Property”).
- B. Seller intends to purchase the Property from the U.S. Department of Housing and Urban Development at the request of and for the sole purpose of transferring the Property to the Buyer at no cost or liability to the Seller, and contingent upon Buyer being contractually obligated to acquire the Property from Seller in that manner.
- C. Seller is desirous of selling the Property and Buyer is desirous of purchasing the Property.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. PURCHASE AND SALE. Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:

- (a) All of Seller’s right, title and interest in the Property, as described in **EXHIBIT A**;
- (b) All of Seller’s right, title and interest in improvements and structures located on the Property, if any;
- (c) All of Seller’s right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Property (“Personal Property”);

(d) All of Seller's tenements, hereditaments, easements and rights appurtenant to the Property including but not limited to, all of the Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the 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 Property.

Hereinafter, the items listed are collectively referred to as the "Purchased Assets."

2. PURCHASE PRICE. The purchase price of the Property is One (\$1.00) dollar to be paid at Closing in cash or other immediately available funds.

3. FORM OF CONVEYANCE.

(a) The Property shall be conveyed to the Buyer by quit claim deed in the form attached hereto as **EXHIBIT B**.

(b) Buyer shall obtain a current ALTA form of commitment for an owner's standard policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the fair market value of the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

(c) Any title evidence or survey desired by Buyer shall be obtained at the sole expense of the Buyer;

(d) Title to all personal property, if any shall be conveyed by a Bill of Sale and Assignment duly executed by Seller in the form attached hereto as **EXHIBIT C**.

4. AS-IS SALE; REPRESENTATIONS OF SELLER.

(a) **Condition of the Property.** Except for the warranties, representations and indemnifications contained in this Agreement, Seller does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Purchased Assets and no employee or agent of Seller is authorized otherwise. Without limitation, the foregoing specifically excludes, except for warranties, representations and indemnifications contained in this Agreement, any warranties or representations with respect to the structural condition of the Purchased Assets, the area of land being purchased, the existence or non-existence of any Hazardous Substances or underground storage tanks, or the actual or threatened release, deposit, seepage, migration or escape of Hazardous Substances, from or into the Purchased Assets, and the compliance or noncompliance of the Purchased Assets with applicable federal, state, county and local laws and regulations, including, without limitation, environmental laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term Hazardous Substances shall mean: "hazardous substance" as defined in the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”); “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (“RCRA”) as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

(b) Limited Representations. Seller acknowledges and represents only that it is a municipal corporation and subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted and that the execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a municipal corporation, (ii) has been or will be on or before the closing date, duly authorized by all necessary action of the Seller’s legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

(c) All representations, warranties and covenants of Seller contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing date.

5. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer represents and warrants as follows:

(a) Buyer is a Washington not-for-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted;

(b) The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a Washington not-for-profit corporation, (ii) has been or will be on or before the closing date, duly authorized by all necessary action of the corporation, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Buyer is a party or which is presently in effect and applicable to Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof;

(c) There is no pending or, to the best of Buyer’s knowledge, threatened lawsuit or material claim against or relating to Buyer that shall impede or materially affect Buyer’s ability to perform the terms of this Agreement;

(d) To the best of Buyer's knowledge, no representation or warranty by Buyer in this Agreement or in any instrument, document, certificate or statement furnished by Buyer to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact;

(e) No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer;

(f) Buyer acknowledges that, within the Due Diligence Period, it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Purchased Assets. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1 of this Agreement or any Closing document executed and delivered by Seller, and to the extent of any fraud or deliberate misrepresentation by Seller, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property including without limitation those relating to Hazardous Substances, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller;

(g) Buyer acknowledges that the purchase price set forth in Section 2 of this Agreement is based on Buyer's valuation of the Property and not upon any representations by Seller. Buyer's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of Seller under this Agreement nor be a basis for termination of this Agreement;

(h) Buyer shall rehabilitate and convey the Property for the purpose of providing affordable housing in the manner described in the March 8, 2006 letter from Homestead Community Land Trust attached hereto as **Exhibit E**.

(i) All representations, warranties and covenants of Buyer contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing date.

6. CONTINGENCIES.

(a) Seller's obligation to close is contingent on conveyance of the Property by HUD to Seller. This contingency shall be automatically satisfied at Closing upon such conveyance. If this contingency is not able to be satisfied at Closing, either party may terminate this Agreement upon written notice to the other and neither party shall have any further rights or obligations to the other hereunder.

(b) Seller's obligation to close is contingent upon approval of the Metropolitan King County Council by ordinance of the conveyance of the Property from Seller to Buyer. This contingency shall automatically be removed upon the effective date of such ordinance. If this contingency is not removed by 5:00 p.m. on the day before the Closing date set forth in this Agreement or as otherwise agreed to in writing by the Parties, Buyer or Seller may terminate this Agreement upon written notice to the other and neither party shall have any further rights or obligations to the other hereunder.

(c) Buyer's obligation to close is contingent upon Buyer's satisfactory completion of its due diligence investigation of the Property, including review of title, physical condition, environmental condition, land use and zoning and the like during the period commencing as of the date of this Agreement and ending on March 24__, 2006 (the "Due Diligence Period") [NOTE - This due diligence period needs to end before the King County Council approves the ordinance because after such approval the County will be obligated to take the house from HUD - and so after that time cannot have this contract be subject to termination by Habitat]. During the Due Diligence Period Buyer shall make arrangements with the current owner, HUD, to have access to the Property. Upon written request, Seller shall provide to buyer copies of surveys, studies, reports and agreements related to the Property that are in Seller's possession or control. Buyer shall notify Seller by no later than 5:00 p.m. on the last day of the Due Diligence Period as to whether this contingency has been satisfied or waived by Buyer. If this contingency is not removed by that time, Buyer or Seller may terminate this Agreement upon written notice to the other and neither party shall have any further rights or obligations to the other hereunder.

7. **FOREIGN PERSON.** Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended and shall deliver to Purchaser prior to the Closing an affidavit, as set forth in **Exhibit D**, evidencing such fact, and such other documents as may be required under the Code.

8. **LIMITATION OF LIABILITY.** Notwithstanding any other provisions of this Agreement, Seller's liability for damage to the Property or for any breach of this Agreement shall not exceed the amount of funds paid by Buyer to Seller hereunder.

9. **CLOSING/CLOSING DATE.** The Closing shall take place on April 12, 2006 or such earlier date as may be mutually agreed upon by the parties, unless extended pursuant to a written agreement executed by Buyer and Seller. Upon execution of this Agreement, the parties agree to set up an escrow account with First American Title Insurance Company (the "Escrow Agent"). The Escrow Agent shall serve as closing agent for the

transaction contemplated herein and closing shall occur in the offices of Escrow Agent in Seattle, Washington. The title, right of possession and interest to the Purchased Assets shall pass to Buyer upon the Closing Date and thereafter the risk of loss thereof shall be the responsibility of Buyer.

10. CLOSING COSTS. Buyer shall pay all costs of Closing the conveyance contemplated by this Agreement, as well as the conveyance from HUD to the County, limited to those for escrow, for any real estate excise tax or other transfer tax due, for Buyer's title insurance, and for recording charges.

11. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer the following properly executed documents:

(a) A Quit Claim Deed conveying the Property in the form of **Exhibit B** attached hereto;

(b) A Bill of Sale and Assignment duly executed by the Seller in the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

(c) Seller's Certificate of Non-Foreign status substantially in the form of **EXHIBIT D**, attached hereto

12. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller the following properly executed documents:

(a) Cash or immediately available funds in the amount of the Purchase Price.

13. ACKNOWLEDGMENT OF TERMS AND CONDITIONS OF SALE. Buyer affirms that it has full knowledge of the terms, conditions, and requirements contained in this Agreement.

14. NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Each statement, representation, warranty, indemnity, covenant, and agreement made by Seller and Buyer in this Agreement or in any document, certificate or other instrument delivered by or on behalf of Seller or Buyer pursuant to this Agreement or in connection herewith shall be deemed the representation, warranty, indemnity, covenant and agreement of Seller and Buyer and shall survive the Closing Date unless a different time period is expressly provided for in this Agreement and all such statements are made only to and for the benefit of the parties hereto, and shall not create any rights in other persons.

15. DEFAULT. In the event of default by either party to this Agreement, the non-defaulting party shall have the right to bring an action for specific performance, damages and any other remedies available to such party at law or in equity. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have the exclusive jurisdiction and venue. In any court action or proceeding brought by a party to enforce or interpret this

Agreement, the prevailing party as determined by the court shall be entitled to recover from the other party the prevailing party's reasonable attorneys' fees and costs of suit.

16. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

17. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as any parties may specify by notice to all other parties and given as provided herein:

If to Buyer: [insert Habitat notice address]

With a copy to:

If to Seller: [inset King County notice address]

With a copy to:

With a copy to:

Whenever a number of days is referred to in this Agreement, days shall mean calendar days. If any period of time expires on a non-Federal business day, Buyer or Seller shall have until the close of business of the next Federal business day to take whatever action is to be taken within the time period;

18. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all parties hereto.

19. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

20. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

21. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of each party hereto, its successors and assigns.

22. LEGAL RELATIONSHIP. The parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

23. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

24. COOPERATION. Prior to and after Closing the parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.

25. GOVERNING LAW. This Agreement and all amendments thereof shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law provisions.

26. NON-MERGER. The terms and provisions of this Agreement will not merge in, but will survive, the closing of the transaction contemplated under this Agreement.

27. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent, which shall not be unreasonably withheld.

28. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party. All parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement, although each party must determine if they wish to obtain and pay for such legal review. Each party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of the terms found in this Agreement.

29. EXHIBITS. The following Exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

Exhibit A	Legal Description
Exhibit B	Bargain and Sale Deed
Exhibit C	Bill of Sale and Assignment
Exhibit D	Certificate of Non-Foreign Status

Exhibit E Homestead Community Land Trust Letter

EXECUTED as of the date and year first above written:

SELLER:

Name: _____

Title: _____

APPROVED AS TO FORM:

By

Deputy Prosecuting Attorney

BUYER:

Name: _____

Its: _____

STATE OF WASHINGTON }

ss.

COUNTY OF KING

On this day personally appeared before me _____, to me known to be the _____ of KING COUNTY, the municipal corporation and political subdivision of the State of Washington that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such municipal corporation and political subdivision, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2003.

Printed Name

NOTARY PUBLIC in and for the State of
Washington, residing at

My Commission Expires

STATE OF WASHINGTON }

ss.

COUNTY OF KING

On this day personally appeared before me _____, the
_____ of _____,
known to me to be the Buyer that executed the foregoing instrument, and acknowledged
such instrument to be [his/her] free and voluntary act and deed for the uses and purposes
therein mentioned, and on oath stated that [he/she] was duly authorized to execute such
instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of
_____, 2003.

Printed Name

NOTARY PUBLIC in and for the State of
Washington, residing at

My Commission Expires

EXHIBIT A.

Legal Description

LOT 7, BLOCK 1, VISTA VILLA, ACCORDING TO THE PLAT THEREOF,
RECORDED IN VOLUME 30 OF PLATS, PAGE(S) 26, IN KING COUNTY,
WASHINGTON.

EXHIBIT B.

Quit Claim Deed

Filed For Record At Request Of

K. C. Real Estate Services
500A King County Admin. Bldg.
500 Fourth Avenue
Seattle, WA 98104

QUIT CLAIM DEED

GRANTOR - KING COUNTY, WASHINGTON

GRANTEE -

LEGAL ---

TAX ACCT.

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of ONE AND NO/100 (\$1.00) DOLLARS, the receipt of which is hereby acknowledged, pursuant to King County Code 4.56 does hereby convey and quit claim to _____, a not for profit corporation of the State of Washington, the following described real property, situated in the County of King, State of Washington, together with any after-acquired title which the grantor may acquire:

LOT 7, BLOCK 1, VISTA VILLA, ACCORDING TO THE PLAT THEREOF,
RECORDED IN VOLUME 30 OF PLATS, PAGE(S) 26, IN KING COUNTY,
WASHINGTON.

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 the King County Executive to execute the instrument, and acknowledged it as the _____ of King County, Washington 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 _____

EXHIBIT C.
Bill of Sale and Assignment.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this _____ day of _____, 2006, by KING COUNTY (“Seller”), in favor of **HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY**, a Washington not-for-profit corporation (“Buyer”), with reference to the following facts.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

Seller represents and warrants that it is the sole owner of, and has good title to, such personal property, and has full right and authority to transfer and deliver the same, and will defend the sale hereby against each and every person claiming otherwise.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____
Its: _____

EXHIBIT D.

Certificate of Non-Foreign Status.

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by **KING COUNTY** ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Asset Development and Management Section, Room 500 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

DATED this _____ day of _____, 2003.

TRANSFEROR:

KING COUNTY

By _____
Title _____



Homestead Community Land Trust

Creating and permanently preserving affordable homes in Seattle

March 8, 2006

RE: HfH / HCLT partnership

Dear Mr. Thompson:

At our monthly meeting today, the Homestead Community Land Trust (HCLT) Board confirmed their desire to enter into a partnership with Habitat for Humanity Seattle/South King County (HfH) for a joint project focused on the property located at 10440 18th Ave S. HCLT's role in the partnership will be to steward the ongoing affordability of the home, assuring that it remains affordable to and owned by households at or below 80% AMI in perpetuity. As a community land trust, HCLT is specifically structured to perform this stewardship function. We currently are stewarding the permanent affordability of eight homes, and have plans to add 21 additional homes to our trust by the end of 2007. Each home within our trust will provide stability, pride of ownership, and wealth building opportunities for multiple generations of low-income buyers without the need for future public or private subsidy.

The partnership between Homestead Community Land Trust and Habitat for Humanity will proceed as follows: HfH will enter into a purchase and sale agreement with King County for the parcel. They will select the initial low-income family who will help renovate the home and ultimately purchase it. HfH will also coordinate the complete renovation of the home. HCLT will provide education to the purchasing family about their rights and responsibilities as a homeowner within the land trust.

Once the renovation is complete, HfH will sell the home to the homebuyer at an affordable price and provide zero interest mortgage financing. HfH will simultaneously sell the land under the home to HCLT for \$1. HCLT will immediately enter into a 99-year ground lease with the home owning family, converting the property from fee simple ownership to a leasehold estate. HCLT will hold ownership of the property through all successive resales. Only the house will be resold to future low-income families.

HCLT's ground lease gives the homeowner many of the usual rights and responsibilities of fee simple homeownership, with several notable exceptions. The house must be owner occupied, and at resale, sold to another low-income buyer at an affordable price. A resale formula in the ground lease determines the maximum amount the home can be sold for at any given time. The homeowner pays an ongoing \$35/month lease fee to HCLT to offset administrative costs.

While HfH has a mortgage on the property, HfH retains a 1st purchase option, allowing them to either directly provide a future low-income HfH selected buyer, or to temporarily take ownership of the home to facilitate future renovations if needed. HCLT retains a 2nd purchase option, allowing us to offer the home to a low-income buyer from our wait list in the case that HfH does not exercise their option. In the unlikely event that both organizations chose not to exercise their purchase option, the ground lease still requires that the homeowner sell to a low-income family at an affordable price determined by the resale formula. At resale HCLT will enter into a new 99-year ground lease with the next low-income purchaser of the home, affording them the same rights and responsibilities as the selling family had.

HCLT will monitor compliance with the ground lease over time and facilitate resales. We maintain an ongoing relationship with our homeowners, providing post purchase education and support when needed. Each home owning family is automatically defined as a member of HCLT, affording them voting rights and board representation.

We are very excited to combine our strength in stewarding affordability with HfH's proven ability to create high quality affordable homes for families in need, and are very appreciative of King County's role in facilitating this property transfer from HUD.

Sincerely,

Sheldon Cooper
Executive Director

Instructions for Sales Contract

Property Disposition Program

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0306 (exp. 6/30/2004)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required in order to administer the Property Disposition Sales Program (24 CFR Part 291). The collection of information is required in order to provide a binding contract between the property purchaser and HUD. A real estate broker or one of its agents completes this form. If this information were not collected, HUD would not be able to administer the Property Disposition Sales Program properly to avoid waste, mismanagement, and abuse. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested on this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's Property Disposition Program.

This **Sales Contract**, identified as form HUD-9548, must be prepared and transmitted in accordance with the following instructions. The form provides an original for fiscal and legal review, signed copy for the Purchaser, and unsigned information copies for the Purchaser, the selling Broker, and HUD's designated representative..

Remove this Instruction Sheet and type the HUD Case Number in the box in the upper right.

- Item 1: Type Purchaser(s) name and complete property address.
- Item 2: Enter name(s) and style in which title will be taken.
- Item 3: Enter Bid Amount and amount of earnest money Purchaser has deposited.
Enter holder of earnest money deposit in accordance with Seller's instructions.
- Item 4: Enter when appropriate, strictly in compliance with Seller's offering. If Seller has offered the property with insured financing available, and Purchaser is buying under such means, check the first block and the applicable type of insured financing, and complete the down payment and mortgage information. If the insured mortgage involves a repair escrow (and has been so offered by Seller), also check the appropriate block and insert the amount of the repair escrow.
Note: The amounts shown for "cash due at closing" and "balance by mortgage" do not include the FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into the mortgage.
Note: If Purchaser is paying cash or applying for conventional or other financing not involving FHA, check appropriate block.
- Item 5: Enter amount of financing/closing costs Seller is expected to pay.
Note: If the amount stated in Item 5 exceeds actual and typical allowable financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) owing to Seller.
- Item 6: Enter dollar amount Seller is expected to pay, including any selling bonus if offered by Seller. The commission will be paid by Seller upon completion of closing.
- Item 7: Enter net amount due Seller (purchase price [Item 3], less Items 5 and 6). Contract will be awarded on the basis of the greatest acceptable net return to Seller.
- Item 8: Enter appropriate occupancy information. If left blank, Purchaser will be considered as an investor. If purchaser qualifies for discount, enter percent. Discount will be reduced by amounts, if any, on Line Items 5 and 6. (Do not enter discounted price on contract.)
- Item 9: Enter in accordance with HUD's instructions.
- Item 10: Enter appropriate back-up offer information.
- Item 11: Enter if an addendum is to be attached to and made a part of this contract.
Note: Addendum not previously approved by Seller may not be made a part of this Contract. Approved addendum must be signed by, and in the same style as, those signing as Purchaser(s).
- Item 12: Purchaser(s) must initial in appropriate space.
- Other:**
- Failure of the Purchaser to perform in accordance with this contract may cause the Seller to retain all or a portion of the earnest money deposit. Broker must be certain this is fully explained to and understood by the Purchaser(s).**
 - Enter Selling Broker's Name and Address Identifier (NAID). If broker has not been issued a SAMS NAID, complete forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, along with required documentation, and attach to this contract. Contact HUD's local designated representative.**
 - The Broker is required to inform Purchaser of the Conditions of Sale on the reverse of the Sales Contract, and particularly of Purchaser's right and responsibility for satisfying itself as to the full condition of the property prior to submitting an offer to purchase and that Seller will provide no warranty or perform any repairs after acceptance of the Contract.**

Signatures: Sign Original, leaving carbon inserts intact, making certain that the signature(s) appears on all copies.

Transmittal: Forward the Original with Copies 1 and 2 to HUD's designated representative. Copies 3 and 4 are to be retained by Broker and Purchaser as information copies. Upon acceptance, HUD's designated representative will return the signed Copy 1 to Broker for delivery to Purchaser(s). HUD's designated representative will retain Copy 2.

Sales Contract

U.S. Department of Housing and Urban Development

Property Disposition Program

Office of Housing
Federal Housing Commissioner

HUD Case No. 561-750484

- 1. I (We), King County, a Political Subdivision of the State of Washington
(Purchaser(s)) agree to purchase on the terms set forth herein, the following property, as more particularly described in the deed conveying the property to the Secretary of Housing and Urban Development:
10440 18th Avenue South, Seattle Washington, King County
2. The Secretary of Housing and Urban Development (Seller) agrees to sell the property at the price and terms set forth herein, and to prepare a deed containing a covenant which warrants against the acts of the Seller and all claiming by, through or under him. Title will be taken in the following name(s) and style: King County, a Political Subdivision of the State of Washington
3. The agreed purchase price of the property is 3. \$ 1.00
Purchaser has paid \$ 0.00 as earnest money to be applied on the purchase price, and agrees to pay the balance of the purchase price, plus or minus prorations, at the time of closing, in cash to Seller. The earnest money deposit shall be held by
4. Purchaser is applying for FHA insured financing [] 203(b), [] 203(b) repair escrow, [] 203(k) with a cash down payment of \$ due at closing and the balance secured by a mortgage in the amount of \$ for months (does not include FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into mortgage.)
[] Said mortgage involves a repair escrow amounting to \$
[] Purchaser is paying cash or applying for conventional or other financing not involving FHA.
5. Seller will pay reasonable and customary costs, but not more than actual costs, nor more than paid by a typical Seller in the area, of obtaining financing and/or closing (excluding broker's commission) in an amount not to exceed 5. \$ 0.00
6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of 6a. \$ 0.00
6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: 6b. \$ 0.00
7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) 7. \$ 1.00
8. Purchaser is: [] owner-occupant (will occupy this property as primary residence) [] investor
[] nonprofit organization [] public housing agency [] other government agency. Discount at closing: %
Discount will reduced by amounts, if any, listed on Line Items 5 and 6.
9. Time is of the essence as to closing. The sale shall close not later than 45 days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or First American Title and Escrow
10. If Seller does not accept this offer, Seller [] may [] may not hold such offer as a back-up to accepted offer.
11. Lead based paint addendum [] is [] is not attached; Other addendum [] is [] is not attached hereto and made part of this contract.
12. Should Purchaser refuse or otherwise fail to perform in accordance with this contract, including the time limitation, Seller may, at Seller's sole option, retain all or a portion of the deposit as liquidated damages. The Seller reserves the right to apply the earnest money, or any portion thereof, to any sums which may be owed by the Purchaser to the Seller for rent. Purchaser(s) Initials: AP/S Seller's Initials:
13. This contract is subject to the Conditions of Sale on the reverse hereof, which are incorporated herein and made part of this contract.
Certification of Purchaser: The undersigned certifies that in affixing his/her/its signature to this contract he/she/it understands: (1) all the contents thereof (including the Conditions of Sale) and is in agreement therewith without protest; (2) he/she/it is responsible for satisfying itself as to the full condition of the property; and (3) that Seller will not perform repairs after acceptance of this contract.

Purchaser(s): (type or print names & sign) King County, a Political Subdivision of the State of Washington
Purchaser(s) Address: 500 4th Ave. Room 500, Seattle WA 98104

Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) 91-6001327 (206) 296-7494
Seller: Secretary of Housing and Urban Development By: (type name & title, & sign)
Date Purchaser(s) Signed Contract: 02/24/2006
Date Contract Accepted by HUD:

Certification of Broker: The undersigned certifies that: (1) neither he/she nor anyone authorized to act for him/her has declined to sell the property described herein to or to make it available for inspection or consideration by a prospective purchaser because of his/her race, color, religion, sex, familial status, national origin, or disability; (2) he/she has both provided and explained to the purchaser the notice regarding use of Seller's closing agent; (3) he/she has explained fully to the purchaser the entire terms of the contract, including Condition B on the reverse hereof; and (4) he/she is in compliance with Seller's earnest money policy as set forth on HUD forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, which he/she has executed and filed with Seller.

Broker's Business Name & Address: (for IRS reporting) (include Zip Code)
Broker's EIN or SSN: (include hyphens)
SAMS NAID:
Signature of Broker:
Broker's Phone No:
X

Type or print the name and phone number of sales person:

This section for HUD use only. Broker notified of:
[] Acceptance [] Back-Up No.
[] Rejection [] Return Earnest Money Deposit X
Authorizing Signature & Date:

Conditions of Sale

- A. All assessments, including improvement assessments which are available for payment without interest or penalty for advance payment, taxes, rent, and ground rent, if any, shall be prorated as of the closing date.
- B. Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. It is important for Purchaser to have a home inspection performed on the property in order to identify any possible defects. If FHA insured financing is used, up to \$200 of the cost to perform the inspection may be financed into the mortgage. Names of home inspection companies can be found in the yellow pages of your telephone directory under the heading "Home Inspection Services."**
- C. If financing is involved in this transaction (Item 4), Purchaser agrees that should he/she/it fail to provide documentation indicating that proper loan application was made in good faith within 10 calendar days of the date this contract was accepted by Seller, and/or thereafter otherwise to put forth good faith efforts to obtain necessary financing, Seller shall have the option of rescinding this contract and retaining all or a portion of Purchaser's earnest money deposit.
- D. Seller may rescind this contract and return all or a portion of Purchaser's earnest money deposit under the following conditions:
1. Seller has not acquired the property.
 2. Seller is unable or unwilling to remove valid objections to the title prior to closing.
 3. Seller determines that purchaser is not an acceptable borrower.
- Tender of the deposit shall release the Seller from any and all claims arising from this transaction.
- E. Purchaser may not perform repairs nor take possession of the property until sale is closed. Risk of loss or damage is assumed by Seller until sale is closed, unless Purchaser takes possession of the property prior thereto, in which case State law shall apply. (1) If sale involves FHA insured financing and after damage the property no longer meets the intent of Minimum Property Standards (MPS), Seller may, at its option, perform repairs or cancel the contract and return Purchaser's full earnest money deposit. If, after damage, the property still meets the intent of MPS, Purchaser has the option of accepting the property as-is, with a purchase price adjustment at Seller's sole discretion, or cancelling the contract and receiving refund of full earnest money deposit. (2) If sale does not involve FHA insured financing, Seller will not repair damage but may, at Seller's sole discretion, reduce the sale price. Purchaser has option to cancel the contract and receive refund of full earnest money deposit. Tender of the earnest money shall release Seller from any claims arising from this transaction.
- F. If this property is being offered with FHA insured mortgage financing available, Seller's acceptance of this contract constitutes a commitment to insure, conditioned upon Purchaser being determined by Seller or Direct Endorsement Underwriter to be an acceptable borrower and further conditioned upon Seller's authority to insure the mortgage at the time the sale is closed.
- G. Purchaser understands that Seller's listing price is Seller's estimate of current fair market value.**
- H. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.
- I. Purchaser and Seller agree that this contract shall be binding upon their respective heirs, executors, administrators, successors or assigns but is assignable only by written consent of the Seller.
- J. If this property was constructed prior to 1978, Seller has inspected for defective paint surfaces (defined as cracking, scaling, chipping, peeling or loose paint on all interior and exterior surfaces). Seller's inspection found no defective paint surfaces, or if defective paint surfaces were found, Seller has treated or will treat such defective surfaces in a manner prescribed by Seller prior to closing. **Purchaser understands and agrees that the Seller's inspection and/or treatment is not intended to, nor does it guarantee or warrant that all lead-based paint and all potential lead-based paint hazards have been eliminated from this property.** Purchaser acknowledges that he/she/it has received a copy of a pamphlet which discusses lead-based paint hazards and has signed, on or before the date of this contract, the Lead-Based Paint Addendum to Sales Contract - Property Built Before 1978. Purchaser understands that the Lead-Based Paint Addendum must be signed by all Purchasers and forwarded to Seller *with* this contract. Contracts which are not in conformance with these requirements will not be accepted by Seller.
- K. The effective date of this contract is the date it is accepted (signed) by the Seller.
- L. If the amount stated in Item 5 exceeds actual and typical financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) due Seller.
- M. Seller's policies and requirements with regard to earnest money (including forfeiture thereof), extensions of time in which to close the sale, back-up offers, and allowable financing and/or closing costs are detailed in instructions issued to selling brokers.
- N. Seller makes no representations or guarantees that the property will, in the future, be eligible for FHA insured mortgage financing, regardless of its condition or the repairs which may be made.
- O. Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years. (18 U.S.C. 1010, 3559; 3571)**
- P. This contract contains the final and entire agreement between Purchaser and Seller and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not contained in this contract.

Earnest Money Forfeiture and/or Return

The following provisions are applicable in all instances except those where HUD is unable or unwilling to close the sale, in which case the entire amount will be returned.

Investor Purchasers

- Uninsured Sales: 100% of the deposit will be forfeited to HUD for failure to close, regardless of the reason.
- Insured Sales:
 - 50% of the deposit will be forfeited to HUD for failure to close if the purchaser is determined by HUD to be an unacceptable buyer.
 - 100% of the deposit will be forfeited to HUD if the sale fails to close for any other reason.

Owner-Occupant Purchasers

100% of the deposit will be forfeited when:

- No documentation is submitted.
- Documentation fails to provide an acceptable cause for the buyer's failure to close.
- Documentation is not received by HMBI no later than close of business on the tenth (10th) day following cancellation of the contract.

50% of the deposit will be forfeited when for an uninsured sale, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender.

100% of the deposit will be returned when:

- There has been a death in the immediate family (purchaser, spouse or children living in the same household).
- There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely, affecting the purchaser's financial ability to close the sale.
- There has been a loss of job by one of the primary breadwinners, or a substantial loss of income through no fault of the purchaser.
- For an FHA insured sale, HUD (or a D.E. underwriter) determines that the purchaser is not an acceptable borrower. For an uninsured sale, the purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized lender, and despite good faith efforts, is unable to obtain mortgage financing. "Pre-approved" means a commitment has been obtained from a recognized mortgage lender for mortgage financing in a specified dollar amount sufficient to purchase the property.
- There is other equally good cause, as determined by HMBI, in keeping with the spirit and intent of the above policy.

Allowable Closing Costs (Applies to 1st Mortgages Only)

HUD will pay certain Closing Costs up to 5% of the purchase price, IF the closing costs are included in the bid and inserted on line 5 of the Sales Contract.

Below is a list of the identified allowable closings costs that may be paid in association with the sale of a HUD-owned single-family property if there are sufficient funds on Line 5 to cover the expenses.

*Appraisal Fee	HUD will pay for the Appraisal Report on an FHA 203(k) loan that is necessary to determine the "after rehab" value. HUD will pay for a new appraisal if the previous appraisal expired prior to the execution of the Sales Contract.
*Credit Report	Up to \$20
*Flood Certification	If the property is being offered with FHA insurance and is in a flood plain, HUD will pay for the Flood Certification
*Home Inspection (Includes testing for lead based	The actual cost of the home inspection provided there are sufficient funds remaining on line 5 of the sales contract.

paint, radon and mold if not already tested)	
Homeowner's Warranty	Varies by state
*Loan Discount Points	Up to three percent to buy down the rate with certification from the lender.
*Loan Origination Fee	Up to one percent will be paid on conventional/FHA mortgages; up to one and a half percent will be paid on FHA 203 (k) mortgages.
*Prepaid and Escrow Items for Owner-occupant Purchasers Only	(excludes Hazard insurance)
*Recording and/or transfer taxes or fees (i.e., amounts charged as a percentage of value)	If, under state or local law, the recording fees and/or transfer charges or taxes are imposed on the Seller (i.e., HUD), then HUD is immune from paying these charges and will not pay them. If however, the charges are imposed on the purchaser, HUD may pay these charges on behalf of the purchaser if funds remain in line 5.
*Survey, if required by lender	Actual cost subject to funds available on Line 5
*Title Insurance Coverage for Lender	Actual cost subject to funds available on Line 5
*Title Insurance Coverage for Owner	Actual cost subject to funds available on Line 5

Closing costs automatically paid by HUD:

Proration of property taxes and any special assessments such as Homeowner's Association (HOA) fees and utility bills.	
Condominium or HOA Transfer Fee, if applicable	
Cost to provide condominium documents to purchaser	
Settlement of Closing Agent Fee	HUD's contracted closing agent
Recording Fees	HUD will automatically pay recording fees and charges for the deed only (i.e., nominal amount charged per page for recordation).
Repair Escrow Fee of \$200 where applicable	

HUD will pay the lesser of the amount requested in Line 5 or the actual costs of the items specified. Any funds remaining after the allowable closing costs have been paid will not be credited to the purchaser(s) at sales closing.

Warranties

HUD makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of the Sales Contract. All HUD homes are sold "As Is." As a result, Purchaser acknowledges that

Purchaser is responsible for ensuring that the property, in its current condition, is acceptable to Purchaser. Seller will provide no warranty after acceptance of the Sales Contract.

Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable.

Home Inspection

It is Purchaser's responsibility to be an informed buyer. Purchaser has the right to carefully examine the potential new home with a qualified home inspector. Purchaser has fifteen (15) calendar days from the day of HUD's acceptance of the Sales Contract to complete the inspection. Failure to comply with this timeframe may forfeit Purchaser's right to an inspection with utilities activated. Utilities must be activated in Purchaser's name and may not remain activated for more than two (2) days. Regardless of the test results, Purchaser understands fully that neither HUD nor HMBI as HUD's Representative, will be responsible for costs associated with, nor perform any repairs to the property.

A home inspection provides the buyer more detailed information about the condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at a potential new home to:

- Evaluate the physical condition (i.e., structure, construction, and mechanical systems)
- Identify items that need to be repaired or replaced
- Estimate the remaining useful life of the major systems, equipment, structure and finishes

If the inspection discloses a major defect, the following provisions will apply:

Insured Sales:

- a) Purchaser may close the sale as scheduled without Seller performing repairs nor a price reduction or,
- b) Purchaser may request termination of the contract with a full refund of the earnest money, provided that HMBI, as HUD's Representative concurs with the inspection report. As a condition to having the contract terminated and the earnest money deposit refunded, Purchaser agrees to have the test completed and to provide a written rejection, with the appropriate documentation, to HMBI within fifteen (15) calendar days from the date the Sales Contract was signed by HMBI as HUD's Representative; otherwise HUD and HMBI will assume that the inspection was satisfactory and Purchaser will proceed to closing. The cancellation contingency is limited to roof, foundation, defective components within the mechanical systems (electrical, plumbing, and heating). Defective kitchen appliances, window air conditioner units, light fixtures, receptacles and switch plate covers, as well as leaky faucets, missing showerheads and other similar defects are not considered in the mechanical systems nor is equipment age or energy efficiency ratings.

Uninsured Sales: No repairs will be authorized. The inspection will not be a basis for canceling the sale. The same provisions, as listed above, will also apply if any of the utilities cannot be turned on due to code violations, known defects, utility company policy or if the inspection cannot be completed as the result of a major component defect.

If FHA insured financing is used, the cost of the inspection, up to the maximum amount allowed by HUD, may be financed into the mortgage or included as part of the financing/closing costs figure stated on Line 5 of the sales contract.

If problems are discovered with the home after closing, FHA can not give or lend money for repairs, and FHA cannot buy the home back.

Purchaser understands the importance of obtaining a home inspection. Purchaser also understands that FHA will not perform a home inspection or guarantee the price or condition of the property.

_____ Purchaser chooses to have a home inspection.

NO Purchaser chooses not to have a home inspection.

Purchaser also understands fully and hereby agree to bear all expenses associated with the testing of the systems, including repair of damage and re-winterization of the property.

Keys to the Property

Purchaser acknowledges that the keys to the Property have been available to the public. It is recommended that the Purchaser have the locks re-keyed immediately after closing. Seller and its agents are not responsible for the new owner's personal property if the Purchaser chooses not to re-key the locks.

PURCHASER ATTESTATION

Purchaser has read and understands this Addendum. By signing this Addendum, Purchaser acknowledges and agrees with all its contents.

Purchaser is aware that failure to perform in accordance with the sales contract may result in the forfeiture of all or a portion of the earnest money deposit.

Purchaser's Signature: *Nalley Stora* Date: 2/24/06

Purchaser's Signature: _____ Date: _____

SELLING AGENT/BROKER ATTESTATION

I agree to coordinate the inspection of the property's systems with HMBI. I also agree that I will be present during the inspection and am responsible for any costs incurred by my Purchaser associated with the inspection. I further agree to ensure that the property is returned to the same condition as before the inspection. This includes repair of damage and re-winterization of the property when deemed appropriate by HMBI. I also agree to notify HMBI within one day upon completion of the testing.

Selling Broker's Signature: _____ Date: _____

Revision 02-2006



13555 SE 36th Street, Suite 150
Bellevue, WA 98006
Main: 425-378-9500
Fax: 425-747-7465
www.hmbireo.com

Addendum To Sales Contract

\$1 Home Sales to Local Governments Program

Property Address: 10440 18th Ave S
SEATTLE, WA 98168

FHA/HUD Case#: 561-750484

- The proposed disposition strategy, goals and objective for purchasing this property are: (Purchaser may list a number of alternative strategies here.)

Purchaser will act as conduit to facilitate
purchase by the Homestead Community Land Trust
and Habitat for Humanity to provide affordable
housing in King County

- By signing this addendum, I/We affirm that all profits from sales of HUD homes will go to support local housing/community development initiatives;
- The following local government programs will benefit from the proceeds in excess of the cost to rehabilitate the property received from purchasing and subsequently selling the property:

- By signing this addendum, I/We agree to provide HUD's Homeownership Center (HOC) Program Support Staff Director with an annual report that provides the status and details on all properties purchased under this program. The report must include information on the ultimate purchaser, the amount of profit realized on the final sale and where the profit was put back into local housing/community development.

Kathy Brown, Director FMD, King County
Printed Name and Title of Purchaser:

Kathy Brown
Signature of Purchaser:

2/24/06
Date:

**Radon Gas and Mold Notice
and Release Agreement**

**U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner**

Property Case #: 561-750484
Property address: 10440 18th Ave S
SEATTLE, WA 98168

**PURCHASERS ARE HEREBY NOTIFIED AND UNDERSTAND THAT
RADON GAS AND SOME MOLDS HAVE THE POTENTIAL TO CAUSE
SERIOUS HEALTH PROBLEMS.**

Purchaser acknowledges and accepts that the HUD-owned property described above (the "Property") is being offered for sale "AS IS" with no representations as to the condition of the Property. The Secretary of the U.S. Department of Housing and Urban Development, his/her officers, employees, agents, successors and assigns (the "Seller") and HMBI, independent management and marketing contractors ("M & M Contractor") to the Seller, have no knowledge of radon or mold in, on, or around the Property other than what may have already been described on the web site of the Seller or M & M Contractor or otherwise made available to Purchaser by the Seller or M & M Contractor.

Radon is an invisible and odorless gaseous radioactive element. Mold is a general term for visible growth of fungus, whether it is visible directly or is visible when barriers, such as building components (for example, walls) or furnishings (for example, carpets), are removed.

Purchaser represents and warrants that Purchaser has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or M & M Contractor as to the presence of radon or mold and that the Purchaser has not relied on the Seller's or M & M Contractor's failure to provide information regarding the presence or effects of any radon or mold found on the Property.

Real Estate Brokers and Agents are not generally qualified to advise purchasers on radon or mold treatment or its health and safety risks. **PURCHASERS ARE ENCOURAGED TO OBTAIN THE SERVICES OF A QUALIFIED AND EXPERIENCED PROFESSIONAL TO CONDUCT INSPECTIONS AND TESTS REGARDING RADON AND MOLD PRIOR TO CLOSING.** Purchasers are hereby notified and agree that they are solely responsible for any required remediation and/or resulting damages, including, but not limited to, any effects on health, due to radon or mold in, on or around the property.

In consideration of the sale of the Property to the undersigned Purchaser, Purchaser does hereby release, indemnify, hold harmless and forever discharge the Seller, as owner of the Property and separately, M & M Contractor, as the independent contractor responsible for maintaining and marketing the Property, and its officers, employees, agents, successors and assigns, from any and all claims, liabilities, or causes of action of any kind that the Purchaser may now have or at any time in the future may have against the Seller and/or M & M Contractor resulting from the presence of radon or mold in, on or around the Property.

Purchaser has been given the opportunity to review this Release Agreement with Purchaser's attorney or other representatives of Purchaser's choosing, and hereby acknowledges reading and understanding this Release. Purchaser also understands that the promises, representations and warranties made by Purchaser in this Release are a material inducement for Seller entering into the contract to sell the Property to Purchaser.

Dated this 24th day of February, 2026


Purchaser's Signature

Purchaser's Signature

Purchaser's Printed Name

Purchaser's Printed Name

**LEAD-BASED PAINT DISCLOSURE ADDENDUM
SELLER HAS RECORDS OR REPORTS PERTAINING TO LEADBASED PAINT AND/OR
LEAD-BASED PAINT HAZARDS**

Property Case #: 561-750484

Property Address: 10440 18TH AVE S
SEATTLE, WA, 98168

Lead Warning Statement

Every Purchaser of any interest in residential real property on which a residential dwelling was built before 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior purchase.

Seller Acknowledgement and Contingency Period

Seller has knowledge regarding lead-based paint and/or lead-based paint hazards. Records, reports and other information are available for downloading and review from the property listing website, and copies have been provided to the Purchaser. Purchaser has a contingency period to withdraw from the contract that expires fifteen (15) calendar days from the date of the Purchaser's signature below. Because the Purchaser had access to lead records, reports and other available information before submission of the bid, the Purchaser may withdraw from the purchase contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser's notice of withdrawal), but is not entitled to a refund of earnest money, unless the Purchaser obtained an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor and the Purchaser provides the Seller with a copy of the inspection or risk assessment report.

The records or reports indicate that:

No lead-based paint or lead-based paint hazards were found.

Lead-based paint and/or lead-based paint hazards were found. None of the lead-based paint was deteriorated.

Lead-based paint and/or lead-based paint hazards were found. Some of the lead-based paint was deteriorated and Seller has already completed the required stabilization. The lead-based paint stabilization plan and the lead clearance report are available for downloading from the property listing web site, and have been provided to the Purchaser as evidenced by the signature (s) below. No further stabilization is planned.

Lead-based paint and/or lead-based paint hazards were found. Some of the lead-based paint was deteriorated. Seller has caused a lead-based paint stabilization plan and cost estimate to be prepared. The lead-based paint stabilization plan and cost estimate are available for downloading from the property listing website, and have been provided to the Purchaser as evidence by the signature(s) below.

Financing Type (Selling Broker to initial applicable item)

No FHA Financing: If the purchase of this property is not being financed with an FHA- insured loan, the Seller will not complete any additional lead-based inspection, beyond that which has already been conducted, paint stabilization or clearance. The Purchaser has a contingency period, which expires 15 days from the date of the Purchaser's signature below, to review records and reports provided by the Seller and to conduct an independent inspection or risk assessment.

Any FHA Financing, and no deteriorated lead-based paint was found.

Any FHA Financing Except 203(k): This property is being sold subject to FHA insured financing under a program other than a 203(k) Rehabilitation Mortgage and, as disclosed above by the seller, deteriorated lead-based paint was found. If the Seller has not already done so, the Seller agrees to procure a visual assessment and lead-based paint inspection and stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance before the settlement date or any extensions thereof.

FHA 203(k) Financing: This property is being sold subject to a 203(k) Rehabilitation Mortgage and, as disclosed above by the seller, deteriorated lead-based paint was found and the Seller has not already completed stabilization and clearance. The Purchaser shall stabilize the deteriorated lead-based paint as part of its work plan for the property rehabilitation and shall obtain lead clearance before occupancy. Purchaser shall complete the 203(k) Rehabilitation Financing Lead Agreement form.

Purchaser Acknowledgement (initial applicable items)

Purchaser has received the EPA-approved pamphlet "Protect Your Family from Lead In Your Home."

Seller has provided, and Purchaser has received, copies of the records and reports available to the Seller. A list of lead-related records and reports is attached.

Purchaser has received a 15-day opportunity to conduct a lead-based paint inspection or risk assessment for the presence of lead-based paint and/or lead-based paint hazards.

Selling Broker Acknowledgement (initial)

Selling Broker is aware of his/her responsibility to ensure compliance with the disclosure of information concerning lead upon the transfer of residential property in 42 U.S.C. 4852d.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Healy D. B. (Purchaser) 2/24, 2006 (date)

_____ (Co-Purchaser) _____, 20__ (date)

_____ (Selling Broker) _____, 20__ (date)

Bruce E. Ardore (Seller) January 18, 2006 (date)

ADDENDUM TO PURCHASE AND SALE AGREEMENT

Between HUD and King County for property at:
10440 18th Avenue South, Seattle, WA

1. Sale of subject property by HUD to King County is contingent on adoption of an ordinance by the King County Council authorizing the sale and simultaneous closing of the property from King County to the Homestead Community Land Trust.

Seller:

Buyer:

KAD

Clayton Brown