



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 23, 2006

Ordinance 15626

Proposed No. 2006-0378.1

Sponsors Ferguson

1 AN ORDINANCE authorizing King County's sale of 2.63
2 acres of undeveloped land located at 4500 Talbot road
3 south in Renton, Washington.
4
5

6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 SECTION 1. Findings:

8 A. The Seattle-King County department of public health is the custodian of an
9 undeveloped parcel of 2.63 acres at 4500 Talbot Road South in Renton, assessor's parcel
10 number 312305-9067. This parcel is zoned commercial office public zone, sits on the
11 easterly side of the road south of South 45th Place.

12 B. The department of executive services, facilities management division on
13 behalf of the Seattle-King County department of public health is seeking council approval
14 to sell this parcel.

15 C. King County acquired the property for four hundred thousand dollars by
16 statutory warranty deed in 1989 as a site suitable for a health clinic facility.

17 D. The Seattle-King County department of public health planned to build a
18 medical clinic at this location, but construction never materialized for the following
19 reasons: 1. Plans of partnering services with Valley Medical Center did not materialize;
20 2. Traffic congestion, lack of parking and rising costs of development were substantial;
21 and 3. Demographics in the locale have dramatically changed, with the need for public
22 health services shifting farther south in King County.

23 E. The Seattle-King County department of public health has concluded that the
24 property is no longer proximate to high risk populations needing services, as it now lies
25 within an economically stable section of the city of Renton, and the property is too small
26 to develop an economically feasible public health facility due to the costs associated with
27 establishing and/or maintaining small, satellite public health facilities.

28 F. The Seattle-King County department of public health has declared the property
29 at 4500 Talbot Road in Renton surplus to its needs.

30 G. In July 2005, in anticipation of selling, the department of executive services,
31 facilities management division, appraised the property for an estimated market value of
32 nine hundred sixteen thousand five hundred dollars.

33 H. Notices were circulated to other county departments and to various cities,
34 water, sewer, fire and school districts regarding the county's plan to surplus and sell the
35 property.

36 I. No agencies other than Valley Medical Center responded that they were
37 interested in acquiring the property. A sale was discussed with Valley Medical Center,
38 but no definitive, written agreement was ever reached. In March 2006, Valley Medical
39 Center declined to submit a formal offer.

40 J. Pursuant to K.C.C. 4.56.100, the department of executive services facilities
41 management division, declared the property surplus to the county's present and
42 foreseeable needs and that it does not meet the criteria for affordable housing, as its
43 zoning does not allow residential development.

44 K. Pursuant to K.C.C. 4.56.100, the department of executive services facilities
45 management division formally marketed the property, determining that the county would
46 receive a greater return if it were listed and sold through a commercial real estate listing
47 service. After several competitive offers were received simultaneously, a purchase and
48 sale agreement with the highest offer was executed (Michael and Carol Lovy and Dale
49 and Helene Behar), for one million two hundred fifty thousand dollars.

50 L. This sale is contingent upon council approval, which is required prior to the
51 September 29, 2006, closing date.

52 M. The King County council, hereby determines that the sale of this property is
53 in the best interest of the public.

54 SECTION 2. The King County executive is hereby authorized to execute a
55 purchase and sale agreement, substantially in the form attached to this ordinance, and any

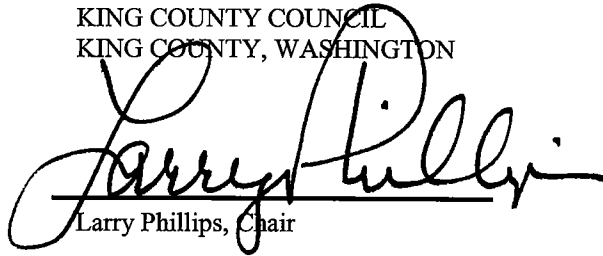
56 other necessary documents to sell the property known as 4500 Talbot Road South under
57 the terms of the purchase and sale agreement attached to this ordinance.

58

Ordinance 15626 was introduced on 8/21/2006 and passed by the Metropolitan King
County Council on 10/23/2006, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr.
Ferguson, Mr. Gossett, Ms. Hague, Mr. Constantine and Ms. Patterson
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



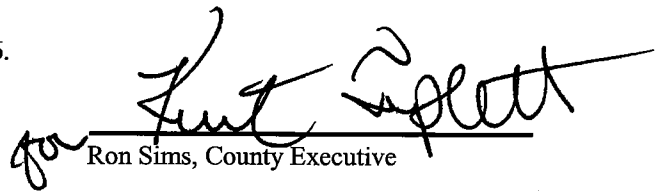
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 3 day of November, 2006.



Ron Sims, County Executive

Attachments A. Legal Description of the Property, B. Real Estate Purchase and Sale Agreement

RECEIVED
2006 NOV -3 PM 3:35
CLERK
KING COUNTY COUNCIL

ATTACHMENT A**LEGAL DESCRIPTION OF THE PROPERTY**

The south 5.5 acres of the north 31 acres of that portion of the southeast quarter of the northeast quarter of Section 31, Township 23 North, Range 5 East, W.M., in King County, Washington, lying east of the Kent-Renton County Road;

EXCEPT that portion of said 5.5 acres lying within the east half of the southeast quarter of the northeast quarter of said Section 31, as described in Deed to the State of Washington, dated June 9, 1958 and recorded under King County Recording Number 4921232;

AND EXCEPT any portion, if any, lying within the west half of the north 5 acres of the south 9 acres of the southeast quarter of the northeast quarter of said Section 31;

AND EXCEPT dedicated roads.

15626

Attachment B
2006-378

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of June 30, 2006, by and between **KING COUNTY**, a municipal corporation and political subdivision of the State of Washington (the "Seller") and Michael and Carol Lovy, (husband and wife), and Dale and Helene Behar (husband and wife and or assigns), the "Buyer").

RECITALS

A. Seller owns that certain real property located in the City of Renton, County of King, State of Washington, which consists of approximately 114,562 square feet of land or 2.63 acres more or less of unimproved land, commonly identified as the Valley Medical Site, the legal description of which is attached hereto as **EXHIBIT A** (the "Property").

B. Seller is desirous of selling the Property and Buyer is desirous of purchasing the Property.

AGREEMENT

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:

**ARTICLE 1.
PURCHASE AND TRANSFER OF ASSETS**

1.1. PROPERTY TO BE SOLD. 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 in Section 10.1 of this Agreement) 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 in Section 1.1 are collectively referred to as the "Purchased Assets."

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets, Buyer shall, in full payment therefore, pay to Seller on the Closing Date a total purchase price of One Million Two Hundred Fifty Thousand DOLLARS AND Zero CENTS (\$1,250,000.00) (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to real property and that the value of the Seller's Personal Property, if any, is *de minimus*.

2.3. EARNEST MONEY. Not later than five (5) business days following the Date of this Agreement, and receipt from Seller of all information on the Property in Seller's possession (definition of Seller for this section only is Robert Thompson, acting supervisor, Leasing, Space Planning and Sales, King County Real Estate Services) Buyer shall deposit with Escrow Holder the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) cash as the initial earnest money deposit (the "Earnest Money"). The Earnest Money will be deposited into an interest bearing escrow account by the Escrow Agent at a financial institution approved by Buyer, and all interest accruing thereon shall become a part of the Earnest Money. Earnest Money shall become non-refundable after Purchaser Contingencies hereinafter described are satisfied or waived by Buyer. Upon closing of this transaction, the Earnest Money shall be credited against the Purchase Price. In the event this transaction fails to close as a result of Seller's default, the failure of any condition precedent to Buyer's obligations, or any reason other than Buyer's default, the Earnest Money shall be returned to Buyer. In the event this transaction fails to close as a result of Buyer's default, the Escrow Agent shall deliver the Earnest Money to Seller and retention of the Earnest Money by Seller shall be Seller's sole and exclusive remedy.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. Seller represents and warrants as follows:

3.1.1. Definition of Seller. The Seller 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.

3.1.2. Execution, Delivery and Performance of Agreement, Authority. 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 to 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.

3.1.3. Assessments. There is no pending, or to the best of Seller's knowledge, contemplated local improvement district or other special assessment or charge with respect to the Property, except as may be disclosed in the Title Commitment described in Section 4.1. of this Agreement.

3.1.4. Full Disclosure. No representation or warranty by Seller in this Agreement or in any instrument, certificate or statement furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fail to state a material fact which is necessary to make the statements set forth therein not false or misleading.

3.1.5. No Broker. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller 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 Seller or any action taken by Seller.

3.1.6. Contracts. There are no contracts or other obligations outstanding for the sale, exchange, transfer, lease, rental or use of the Property or any portion thereof.

3.1.7. Future Agreements. From and after the date hereof, unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

- (i) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (ii) sell, dispose of or encumber any portion of the Property.

3.1.8. Condition of the Property. Seller has not intentionally withheld any material information concerning Hazardous Substances with respect to the Property. 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.

3.1.9. Risk of Loss. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

3.1.10. 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 (the "Code") and shall deliver to Buyer prior to the Closing Date, an affidavit, as set forth in **EXHIBIT B (Certificate of Non-Foreign Status)**, evidencing such fact, and such other documents as may be required under the Code.

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

3.2.1. Organization. Buyers are Individuals of the State of Washington 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.

3.2.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyers as Individuals (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer'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 Buyer is a party to 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.

3.2.3. Full Disclosure. No representation or warranty by Buyer in this Agreement or in any instrument, document, certificate or statement furnished to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fail to state a material fact which is necessary to make the statements set forth therein not false or misleading.

3.2.4. Condition of Property. 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, and that, as of the date hereof, Seller has provided Buyer with copies of all reports in Seller's possession that have been

requested by Buyer. 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, 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.

3.2.5. Property Acquisition and Redevelopment. No costs of any nature associated with the purchase of the Property or redevelopment of the Property will ever be or become an obligation of the Seller. The Buyer shall be solely responsible for all costs associated with the acquisition of the Property and redevelopment of the Property, including without limitation responsibility for all land use approvals, permits, site plan approvals, environmental approvals, and any other governmental approvals necessary for Purchaser to develop and construct on the Property.

3.2.6. No Broker. 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.

3.2.7. Indemnification. Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all claims and agency orders or requirements relating to or arising out of, directly or indirectly, the Property after Closing.

ARTICLE 4. TITLE MATTERS

4.1. TITLE. Seller shall deliver to Buyer good and marketable title, free and clear of all liens, defects and encumbrances except for the Permitted Exceptions (as defined in Section 4.1.3 of this Agreement).

4.1.1 Title Commitment. Buyer shall obtain a current ALTA form of commitment for an owner's policy of title insurance (the "Title Commitment") issued by Transnation Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total purchase price for the Property.

4.1.2 Survey. Prior to the expiration of the Due Diligence Period (as defined in Section 5.1 of this Agreement), Buyer shall have the option, at its expense, to have prepared and furnished to the Title Company, Buyer and Seller a survey (the "Survey") of the Property prepared by a licensed public surveyor.

4.1.3 Review of Title Commitment and Survey. Buyer shall have until fourteen (14) days after receipt of the last dated Title Commitment and Survey, if any has been obtained, (the "Review Period") in which to notify Seller of any objections Buyer has to any matters shown or referred to in the Title Commitment or Survey. Any exceptions or other items that are set forth in the Title Commitment or the Survey and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's notice of objections of any exceptions to the title or items on the Survey which Seller is not willing or able to remove or otherwise resolve, and Buyer may, at Buyer's option, either waive the objections not cured or Buyer may terminate this Agreement by written notice to Seller. Notwithstanding the foregoing, all monetary liens or encumbrances shall be paid by Seller at Closing.

4.2. OWNER'S TITLE INSURANCE POLICY. At the closing, Buyer shall cause an owner's policy of title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the closing date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the usual printed exceptions contained in such title insurance policy, to the matters approved by Buyer as provided herein, and to any other matters approved in writing by Buyer. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this section. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

4.3. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Warranty Deed in the form attached hereto as **EXHIBIT C**, subject to the Permitted Exceptions, and appropriate covenants regarding requirements for historic preservation, affordable housing, market rate housing, retail or commercial uses. Rights reserved in federal patents or state deeds, building or use restrictions general to the district, and building or zoning regulations or provisions shall be deemed Permitted Exceptions.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion that the condition of the Property for Buyer's contemplated use meets with its approval. If Buyer approves of the condition of the Property, Buyer agrees to notify Seller, in writing, thereby removing the contingency. Buyer shall make such determination within 45 days following the date of mutual execution of this Agreement ("Due Diligence Period"), or shall have until September 15, 2006, whichever is later, unless extended according to terms disclosed in

paragraph 10.1. In the event this contingency is not satisfied or waived within the Due Diligence Period, Buyer may terminate this Agreement upon written notice to Seller on or before the expiration of the Due Diligence Period, and neither party shall have any further rights or obligations to the other hereunder.

5.1.1. Inspections. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at Buyer's expense to (i) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Purchaser (subject to the limitations set forth below and Paragraph 5.1.2 Right of Entry); (ii) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; and (iii) examine all Due Diligence materials that Buyer may reasonably request from Seller that are not subject to attorney-client privilege or that the County is not otherwise prohibited from disclosing by law; (IV) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyers proposed development of the property, (V) determine whether Purchaser's proposed development of the property is economically feasible.

5.1.2. Right of Entry. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property pursuant to a County permit and conduct the tests, investigations and studies set forth in this Article 5 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 Seller's use of, or Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. The Buyer will not be permitted to undertake activities that damage County property. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 Approval of King County Council. 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.

5.1.4 Buyer shall order a level one environmental inspection immediately after depositing earnest money in escrow. Upon closing, Buyer shall be credited for the actual cost of the level one environmental report, if the Buyer does not remove contingencies related to environmental evaluation, Seller shall refund Buyer for the actual cost of the level one environmental report. Such refund or credit shall not exceed \$6,000.00.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the date hereof and the Closing Date, Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing Date shall have been performed at or prior to the Closing Date as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 7 COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the date hereof and the Closing Date, Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing Date shall have been performed at or prior to the Closing Date as provided for in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer hereunder are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, and Seller shall exert its best efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to Closing all documents required by the terms of this Agreement to be delivered to Buyer unless a different time period is expressly provided for in this agreement.

8.2. REPRESENTATIONS, WARRANTIES AND COVENANTS. 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.

8.3. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing Date shall have been properly performed in all material respects.

8.4. TITLE. Any and all matters shown or referred to in the Title Commitment to which Buyer has objected within the time specified in Section 4.1, shall have been cured by Seller, unless such objections have been waived by Buyer.

8.5. APPROVAL OF COUNSEL. Seller's counsel shall have approved this document as to form as evidenced by such counsel's signature on this Agreement.

8.6. CONDEMNATION. No portion of the Purchased Assets shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Purchased Assets to any such body in lieu of condemnation.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

9.1. REPRESENTATIONS, WARRANTIES AND COVENANTS. 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.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing Date shall have been properly performed in all material respects.

9.3.

9.4. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing Date all documents required by the terms of this Agreement to be delivered to Seller.

9.5. TITLE. Buyer shall have caused the Title Company to be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place on or before September 29, 2006, unless the Buyer's contingency period is extended pursuant to a written agreement executed by Buyer and Seller. The contingency period may be extended by the Buyer for up to two (2) consecutive 30-day periods upon payment of a contingency deposit. A Ten Thousand Dollar (\$10,000.00) deposit is required for each 30-day extension. Contingency deposits are

non-refundable and will be applied to the purchase price. Upon execution of this Agreement, the parties agree to set up an escrow account with Transnation Title Insurance Company (the "Escrow Agent"). The Escrow Agent shall serve as Closing Agent for the transaction contemplated herein and the Closing shall occur in the offices of Escrow Agent in _____, 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.

10.2. PRORATIONS. All prorations, unless otherwise specifically provided for herein, shall be made as of the Closing Date.

10.2.1. Closing Costs. Seller shall pay for the owner's standard coverage title policy. Buyer and seller shall each pay one half of escrow fees. Buyer shall pay for all additional closing costs associated with this purchase and sale, including but not limited to, the cost of its own attorneys' fees. Except as otherwise provided in Section 10.2 of this Agreement, all other expenses hereunder shall be paid by the party incurring such expenses.

10.2.2. Taxes. Seller is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments ("Taxes") on the Property.

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

- (a) Seller's Certificate of Non-Foreign Status substantially in the form of **EXHIBIT B**, attached hereto;
- (b) A Warranty Deed conveying the Property in the form of **EXHIBIT C** attached hereto;
- (c) A Bill of Sale and Assignment duly executed by the Seller in the form of **EXHIBIT D**, attached hereto for the Personal Property, if any

10.4. 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.

ARTICLE 11. TERMINATION

11.1. TERMINATION BY EITHER PARTY. Either party may terminate this Agreement if a condition to its obligation to consummate the transactions contemplated by this Agreement as set forth in Articles 8 and 9 has not been satisfied by the Closing Date. In that event, if neither party is in default under this Agreement, the parties shall have no further obligations or liabilities to one another and all documents delivered into escrow shall be returned to the appropriate party.

ARTICLE 12. MISCELLANEOUS PROVISIONS

12.1. 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.

12.2. DEFAULT. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have the exclusive jurisdiction and venue.

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

12.4. 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 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:

With a copy to:

If to Seller: Bob Thompson
Facilities Management Division
Department of Executive Services
King County Administration Building
500 Fourth Avenue, Room 500
Seattle, WA 98104-2337

With a copy to: King County Prosecuting Attorney
Attn: Pete Ramels
400 King County Courthouse

15626

516 Third Avenue
Seattle, WA 98104

12.5. 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.

12.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, 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.

12.7. 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.

12.8. BINDING EFFECT. Subject to Section 12.14 below, this Agreement shall be binding upon and inure to the benefit of each party hereto, its successors and assigns.

12.9. 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.

12.10. 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.

12.11. COOPERATION. Prior to and after the Closing Date 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.

12.12. 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.

12.13. 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.

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

12.15. **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.

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

EXHIBIT A	Legal Description of Property
EXHIBIT B	Certificate of Non-Foreign Status
EXHIBIT C	Warranty Deed
EXHIBIT D	Bill of Sale and Assignment

EXECUTED as of the date and year first above written:

SELLER:

**KING COUNTY, a political subdivision
of the State of Washington**

Name: Kathy J Brown
Kathy Brown
Director, Faculties Management
Division

APPROVED AS TO FORM:

By [Signature]
Deputy Prosecuting Attorney

BUYER:

Name: _____
Its: _____

[Acknowledgements Follow]

STATE OF WASHINGTON }
COUNTY OF KING } ss.

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 _____, 2006.

Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

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 _____, 2006.

Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

15626

BUYER:

Name: Michael ~~Lo~~ Michael LOVY
Its: _____

APPROVED AS TO FORM:

By _____
Buyer's Legal Counsel

[Acknowledgements Follow]

STATE OF WASHINGTON }
COUNTY OF KING } ss.

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.

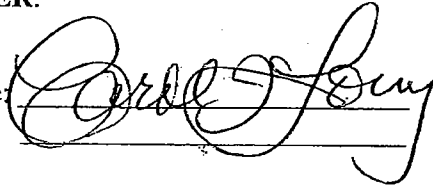
GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2006.

Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

15626

BUYER:

Name: _____
Its: _____



APPROVED AS TO FORM:

By _____
Buyer's Legal Counsel

[Acknowledgements Follow]

STATE OF WASHINGTON }
COUNTY OF KING } ss.

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 _____, 2006.

Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

15626

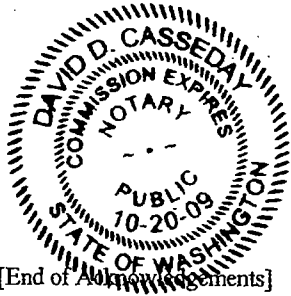
STATE OF WASHINGTON

COUNTY OF ^{Pierce} KING

} ss.

On this day personally appeared before me Carol Louy, the individual 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 5th day of July, 2006.



David Casseday

Printed Name David Casseday
NOTARY PUBLIC in and for the State of Washington,
residing at Tacoma, WA
My Commission Expires 10-20-2009

[End of Acknowledgements]

15626

BUYER:

Name: Dale Behar
Its: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me Dale Behar, 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 6th day of
July, 2006.



Ann Marie Fowler
Printed Name Ann Marie Fowler
NOTARY PUBLIC in and for the State of Washington,
residing at Redmond
My Commission Expires 8/31/09

15626

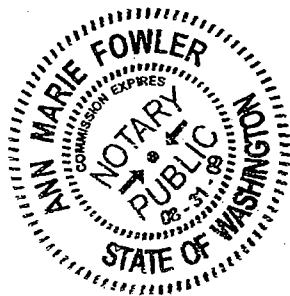
BUYER:

Name: Helene Behar
Its: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me Helene Behar, 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 10th day of
July, 2006.



Ann Marie Fowler
Printed Name Ann Marie Fowler
NOTARY PUBLIC in and for the State of Washington,
residing at Redmond
My Commission Expires 8/31/09

15626

EXHIBIT A

Property Legal Description

End of Legal Description.

EXHIBIT B

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 _____, 2004.

TRANSFEROR:

KING COUNTY

By _____

Title _____

EXHIBIT C

Return address of Buyer

WARRANTY 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 TEN (\$10.00) DOLLARS and other good and valuable consideration, the receipt of which is hereby acknowledged, pursuant to K.C. Ordinance No. _____, does hereby convey and warrant unto _____, LLC, a limited liability company under the laws of State of Washington, the following described real property, situated in the County of King, State of Washington:

See attached Exhibit 1

Dated this _____ day of _____, 2006.

15626

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 _____

15626

EXHIBIT D

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this ____ day of _____, 200__, by KING COUNTY ("Seller"), in favor of _____, a political subdivision of the State of Washington ("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: _____