

The 12.75 acre parcel was declared 'surplus' by the solid waste division in December of 2007. Per King County Code, notices were sent by the Facilities Management Division (FMD) to other county agencies that described the Division's intent to sell the property. No other county agencies expressed interest in the parcel and it was determined that is not suitable for affordable housing. Since no internal customers expressed interest in the property, FMD listed the it for sale with the Northwest Multiple Listing Service, pursuant to K.C.C. 4.56.100, and also posted "For Sale" signs on-site and advertised it on the King County Real Estate Services website and Twitter.

An initial appraisal conducted in June of 2011 assessed the value of the property at \$825,000 based on the assumption that that with the used of Transferable Development Rights (TDRs) four residential lots could be developed. Later in 2011 when it was determined that use of TDRs would be more difficult and costly, the appraisal was revised downward and the property was listed for sale at \$660,000.

When no offers were received by May of 2012, the property was again reappraised, this time at \$510,000. The reduced value was primarily based on the lack of offers to purchase. Additionally, due to zoning restrictions and the continued scarcity and cost of TDRs it was concluded that it was not likely that four lots could be developed. Instead, the property would accommodate one residential lot or up to two lots with the use of TDRs.

Shortly after the property was relisted at \$510,000 in May of 2012, a full price offer was received but the buyer backed out and the sale contract was terminated. A second full price offer was received in November 2012 from David and Jody Hannant, who have since received a Critical Areas Designation permit from DPERS identifying wetlands and potential areas where a single house could be built; completed due diligence; and waived all closing contingencies.

The original purchase and sale agreement for the property was dated November 30<sup>th</sup>, 2012 and contained a contingency clause to allow time for the County Council to consider and approve the sale of the property. This contingency clause was originally due to expire March 15<sup>th</sup>, 2013, after which either party would be free to terminate the agreement without default. On March 28, 2013, this contingency was amended by mutual agreement of both parties to expire on June 15, 2013. This ordinance was transmitted to the County Council on June 10, 2013. Subsequent to the transmission of Proposed Ordinance 2013-0261, the agreement was amended a second time to extend the contingency clause to expire on August 15, 2013.

**REASONABLENESS:**

The Roads Services Division no longer has a need for the property and no other county agencies have expressed interest in acquiring it. Additionally, it was first listed for sale over a year ago, in late 2011. Given these facts and the existence of a full price offer, the approval of the purchase and sale agreement appears to constitute a reasonable business decision.

**AMENDMENTS:**

Amendment 1 to Proposed Ordinance 2013-0261 is available. It would adopt as Attachment A to the legislation the second amended version of the purchase and sale agreement with a Council Approval Contingency expiring on August 15, 2013 rather than June 15, 2013.

**INVITED:**

- *Kathy Brown, Director, Facilities Management Division*
- *Steve Salyer, Manager, Real Estate Services Section*

**ATTACHMENTS:**

1. Amendment 1 with Revised Attachment A to Proposed Ordinance 2013-0261 – Second Amended Purchase and Sale Agreement
2. Proposed Ordinance 2013-0261 with Attachment A
3. Transmittal Letter dated June 10, 2013

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6/18/2013

ES

Sponsor: McDermott

Proposed No.: 2013-0261

1 **AMENDMENT TO PROPOSED ORDINANCE 2013-0261, VERSION 1**

2 Delete Attachment A, Woodinville Pit Roads Surplus Sale, and insert Attachment A  
3 Woodinville Pit Roads Surplus Sale, dated 6/18/2013.

4 **EFFECT: Deletes the purchase and sale agreement with a Council Approval**  
5 **Contingency expiring June 15, 2013 attached to the proposed ordinance as**  
6 **transmitted by the Executive and attaches an updated purchase and sale agreement**  
7 **with an amended expiration date for the Council Approval Contingency of August**  
8 **15, 2013.**

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**ATTACHMENT A to ORDINANCE**

**WOODINVILLE PIT ROADS SURPLUS SALE**

- 1) SECOND AMENDMENT to PURCHASE AND SALE AGREEMENT**
- 2) AMENDMENT to PURCHASE AND SALE AGREEMENT**
- 3) REAL ESTATE PURCHASE AND SALE AGREEMENT**

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated November 30, 2012, between David J. and Jody A. Hannant ("Buyer") and King County ("Seller") concerning 17002 - 148 Avenue NE, Woodinville, WA 98072 (the "Property").

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:

Buyer and Seller agree to extend the Council Approval Contingency date in Article 10.2 from 6/15/2013 to 8/15/2013.

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged.

Signatures:

BUYER:



Date:

6-13-13

BUYER:



Date:

6/13/13

SELLER:



Date:

6/13/13

**AMENDMENT TO PURCHASE AND SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated November 30, 2012, between David J. and Jody A. Hannant ("Buyer") and King County ("Seller") concerning 17002 – 148 Avenue NE, Woodinville, WA 98072 (the "Property").

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:

Buyer and Seller agree to extend the Council Approval Contingency date in Article 10.2 from 3/15/2013 to 6/15/2013.

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged.

Signatures:

BUYER:

BUYER:

SELLER:



Jody Hannant

Justin Fisher

Date: 3.28.2013

Date: 3/28/13

Date: 3/29/13

## REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of NOVEMBER 30, 2012, by and between KING COUNTY, a home rule charter county and political subdivision of the State of Washington (the "Seller") and DAVID J. & JODY A. HANNANT, a MARRIED COUPLE, with its (principal place of business) (residence) located at 19450 163RD CT NE, WOODINVILLE, WA 98072, (the "Buyer"). Seller and Buyer may be referred to hereinafter individually as "Party" or collectively as the "Parties."

### RECITALS

- A. Seller is the owner of that certain real property located within the Woodinville area of unincorporated King County, Washington, which consists of approximately 555,563 square feet, commonly identified as Assessor's Parcel Number 112605-9051, and located at 17002 -148<sup>th</sup> Avenue NE, 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 defined in Article 10.2 below) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:

- (a) all the Seller's right, title and interest in the Property, as described in EXHIBIT A; subject to Seller's retention of reservations as described in EXHIBIT B (the form of deed), including but not limited to a reservation of easement for a *Recreational Trail Easement*, which is provided for in Section 4.4.1 of this Agreement;

(b) all of Seller's right, title and interest in improvements and structures located on the Property, if any;

(c) 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.

(d) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached or appurtenant to the Property ("Personal 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 therefor, pay to Seller on the Closing Date a total purchase price of FIVE HUNDRED TEN THOUSAND AND NO/100ths DOLLARS (\$ 510,000) (the "Purchase Price").

2.2. ~~ALL CASH SALE.~~ This sale is ~~not~~ contingent upon Buyer obtaining financing, and ~~Buyer will provide all cash at closing.~~

2.3. EARNEST MONEY. Not later than two (2) business days following the mutual execution of this Agreement, Buyer shall deposit with Escrow Agent (defined in Section 10.1 of this Agreement) a promissory note in the form attached hereto as Exhibit C the amount of TEN THOUSAND AND NO/100 DOLLARS (\$ 10,000), ~~or five percent (5%) of the Purchase Price~~, as the initial earnest money deposit (the "Earnest Money Note"). Within two (2) business days after satisfaction of the Due Diligence Inspection and Feasibility Contingency set forth in Section 5.1 of this Agreement, the Earnest Money Note shall be replaced with cash in the same amount as the Earnest Money Note and such cash shall be deposited into escrow as the earnest money (the "Earnest Money"). Upon closing of this transaction, the Earnest Money will be applied toward the Purchase Price that is due Seller. Should Buyer default on its obligations under this Agreement, the Seller shall be entitled to retain the Earnest Money as liquidated damages.

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

Handwritten notes and signatures on the right side of the page, including dates like 12/14/11, 11-30-12, and 11-30-12, and initials like JFF.

**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 home rule charter county and political 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 home rule charter county and political subdivision of the State of Washington, (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.

**3.1.3. Litigation.** To the best of Seller's knowledge, there is no pending or threatened lawsuit or material claim against or relating to Seller with respect to the Property, which shall impede or materially affect Seller's ability to perform the terms of this Agreement. To the best of Seller's knowledge, there is no pending or contemplated condemnation or similar proceeding with respect to the Property or any part thereof.

**3.1.4. Assessments.** To the best of Seller's knowledge, there is no 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 below.

**3.1.5. Full Disclosure.** To the best of Seller's knowledge, 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 fails to state a material fact which is necessary to make the statements set forth therein not false or misleading.

**3.1.6. Broker.** Seller agrees to pay CYDNY WELLS, the selling broker in this Agreement, three percent (3%) of the Purchase Price as a selling firm commission, upon Closing (as defined in Article 10 below).

**3.1.7. 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.

**3.1.8. 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;

**3.1.9. Maintenance of the Property.** Seller shall continue to maintain the Property in compliance with all applicable laws and pay all costs of the Property with respect to the period prior to Closing.

**3.1.10 Condition of the Property.**

(a) Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property, including, without limitation:

- (i) The water, soil and geology;
- (ii) The income to be derived from the Property;
- (iii) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (iv) The compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
- (v) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (vi) The manner or quality of the construction or materials, if any, incorporated into the Property; or
- (vii) Any other matter with respect to the Property.

(b) Seller has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution, zoning or land use laws, rules, regulations, orders, or requirements, including the existence in or on the Property of hazardous materials or substances.

(c) Without limitation, Seller does not make and specifically disclaims any warranties, express or implied, 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.

(d) All provisions of this Section 3.1.10 shall survive Closing and the expiration or earlier termination of this Agreement.

**3.1.11. 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.

**3.1.12. 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 Date an affidavit, as set forth in EXHIBIT D, evidencing such fact, and such other documents as may be required under the Code.

**3.1.13. Seller's Knowledge.** Any and all representations or warranties based on Seller's knowledge are made to and limited by the present, actual knowledge of Robert Thompson, who is an employee of King County, within the Real Estate Services Section, and who has made no inquiries or investigations with respect to Seller's representations and warranties prior to the making thereof and has no duty to undertake the same.

**3.2. Representations and Warranties of Buyer. BUYER REPRESENTS AND WARRANTS AS FOLLOWS:**

~~**3.2.1. Organization.** Buyer is a limited liability 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. Buyer acknowledges that the person signing this Agreement has authority to execute real estate purchase and sale contracts on behalf of the Buyer and will submit to Seller its articles of incorporation, certificate of formation, or other appropriate documentation demonstrating such authority.~~

X [Signature] 11-30-12  
12/14/12  
X [Signature] 11-30-12

*Full*  
*11-30-12*  
*AA*  
*11-30-12*  
*EE 12/14/12*

**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 Buyer as a corporation, (ii) has been duly authorized by all necessary corporate action of the Buyer, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, award or contract 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.

**3.2.3. Litigation.** 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.

**3.2.4. 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.

**3.2.5. Condition of Property.** Buyer acknowledges that, within the Due Diligence Period (as defined in Article 5.1 below), 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, 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.

**3.2.6. Waiver of Disclosure Statement.** Buyer hereby expressly waives receipt of a Seller Disclosure Statement.

**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.

**3.2.8. Broker.** Buyer agrees to pay a commission in accordance with any listing or commission agreement to which Buyer is a party.

**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 the Permitted Exceptions.

**4.2. Title Commitment.** Buyer shall obtain a current owner's standard policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (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. 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.

**4.2.1. Survey.** Buyer shall have the option, at its expense, to have prepared and furnished to the Title Company and Buyer a survey (the "Survey") of the Property prepared by a licensed public surveyor. The Survey shall be certified to Buyer and the Title Company, shall be satisfactory to the Title Company so as to permit it to issue an owner's extended coverage title policy, identify the Property by legal description and shall set forth the number of square feet contained within the Property, show all natural monuments, existing fences, drainage ditches and/or courses, flood plain limits, any building or other site improvements and/or objects, any rights-of-way for streets, existing driveways, alleys or highways, easements and other restriction lines existing and/or proposed which shall affect any portion of the Property, and such other items as required by Buyer.

**4.2.2. Review of Title Commitment and Survey.** Buyer shall have TWENTY (20) calendar days from the date of mutual execution of this Agreement for review of the Title Commitment (the "Title Contingency Due Date"). Any exceptions or other items that are set forth in the Title Commitment or the Survey and to which Buyer does not object shall be deemed to be permitted exceptions ("Permitted Exceptions"). Buyer shall state any objection to the Permitted Exceptions to Seller, in writing, no later than the Title Contingency Due Date. With regard to items to which Buyer does object within the Title Contingency Due Date, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's notice of objections of any exceptions to title or items on the survey which Seller is not able to remove or otherwise resolve and any endorsements that Seller is not able to provide following Buyer's request within the 10 day response period, 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.

**4.3. OWNER'S TITLE INSURANCE POLICY.** At the Closing, Buyer shall cause a standard 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.

**4.4. CONVEYANCE.** Seller shall convey to Buyer the title to the Property by deed, in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions and reservations of Seller that may be defined in **EXHIBIT B**. 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.

**4.4.1. Reservation of Easements.** The conveyance deed described in Section 4.4 above shall include the reservation by Seller of a permanent and exclusive Recreational Trail Easement, which is described as follows:

**RESERVING UNTO GRANTOR KING COUNTY**, its heirs, successors and assigns, a permanent and exclusive *Recreational Trail Easement*, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for a portion of the Property hereinafter referred to as the *Trail Easement*, or *Easement Area*, legally-described as follows:

*Legal Description Provided in Exhibit B, Statutory Warranty Deed*

King County reserves unto itself in perpetuity the right to enter upon at all times and use, and allow the general public to enter upon and use, the Easement Area as a recreational equestrian and pedestrian trail. King County further reserves unto itself in perpetuity the right to, including but not limited to, construct, reconstruct, own, install, inspect, repair, replace, renovate, enhance and manage the trail and trail improvements, including but not limited to grading, surfacing, fencing, lighting, landscaping, posting signage, and preserving and maintaining the recreational trail through the Easement Area, and also the right to plant, cut, prune, remove and dispose of any and all trees, plants, brush or vegetation in the Easement Area, and to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, plants, brush or other vegetation in the Easement Area. This exclusive Trail Easement includes the right to use motorized vehicles and equipment as may be deemed necessary and appropriate by the Grantor in connection with any of the foregoing activities. This exclusive Trail Easement further includes the right to keep the Easement Area free of obstructions, encroachments and any interference with Grantor's use.

King County further reserves unto itself in perpetuity the right to install, construct, own, use, operate, maintain, inspect, repair, replace, renovate, improve, remove, manage, and enhance underground utilities, including, but not limited to, the rights of ingress and egress across the surface of the Property to access the Easement Area from the surface; the right to install, construct, operate, maintain, modify, repair, replace, improve, remove and use utilities, including utility pipelines, conduits, wires or other facilities and equipment within said Easement Area, including the addition, removal, or replacement of same, either in whole or in part with either

like or different size utilities; and the right to do the same with such additional pipelines, conduits, wires, or other facilities and equipment as may now or hereafter be installed in the Easement Area.

Further, King County may grant sub-easements, issue licenses and/or permits, and assign, apportion, or otherwise transfer its easement rights in whole or in part to third parties without notice to or the written consent of Grantee, its heirs, successors, or assigns.

No minimum frequency, volume or duration of use will be necessary to retain the viability and existence of the Trail Easement. The Trail Easement is intended to be permanent and to remain on the Property in perpetuity and shall not be deemed to have been relinquished, canceled, rescinded, abandoned, or otherwise terminated except through duly authorized written notice to the Grantee from Grantor King County.

Nothing in this Trail Easement will be considered to diminish King County's governmental or police powers.

The benefits, burdens, covenants, terms, conditions, and restrictions of the Trail Easement shall be binding upon, and inure to the benefit of, Grantor King County and its heirs, successors, and assigns, shall continue as a servitude and easement running in perpetuity with the Property, and shall be included in any future deed conveying the Property.

**ARTICLE 4.  
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 NINETY (90) days following the date of mutual execution of this Agreement ("Due Diligence Period"); provided, however, that Buyer may, as provided for in Section 5.1.3 of this Agreement and at its sole and absolute discretion, waive its right to conduct further due diligence and feasibility investigation and inspection, thereby removing this contingency concurrent with the date of mutual execution of this Agreement. 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 **AND THE EARNEST MONEY SHALL BE RETURNED TO BUYER.**

**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 available to Seller that Buyer may reasonably request from Seller that are not subject to

*Handwritten notes:*  
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11-30-12  
12/14/12

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. The Buyer will not be permitted to undertake activities that damage County property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. If Buyer undertakes any invasive tests or activities disruptive to the Property, Buyer shall restore the Property to its original condition or better. 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. WAIVER OF DUE DILIGENCE INSPECTION AND FEASIBILITY CONTINGENCY.** By its signature set forth on the line below, Buyer acknowledges that it is satisfied that the condition of the Property for Buyer's contemplated use meets with its approval and that Buyer has, at its sole and absolute discretion, elected to waive its right to conduct further due diligence investigation and inspection as provided for in Section 5.1 of this Agreement and the contingency provided therein is therefore satisfied.

BUYER:  Jordy A. Hannant Dated: 2/25/13

**5.2. COUNCIL APPROVAL CONTINGENCY.** This sale is expressly contingent upon the King County Council's adoption of an ordinance approving of this conveyance ("the Council Approval Contingency").

**ARTICLE 5.  
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, 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 (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 shall have been performed at or prior to the Closing as provided 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 occur 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, 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.

**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 Closing 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. The Title Company is irrevocably committed to issue an owner's extended coverage policy of title insurance containing no exceptions other than the Permitted Exceptions.

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

**9.4. 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.

**9.5. WAIVER OF CONTINGENCIES.** Buyer shall have submitted waivers of, or confirmation of the satisfaction of, all contingencies stated in this Agreement, in writing to Seller, prior to close of escrow as defined in Article 10, below.

**ARTICLE 10.  
CLOSING**

**10.1. ESCROW AGENT.** Upon execution of this Agreement, the Parties agree to set up an escrow account with First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (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 Seattle, Washington.

**10.2. CLOSING DATE.** This sale may close escrow no *earlier* than twenty-five days (25) days, and no *later* than thirty-five (35) days, after satisfaction of the Council Approval Contingency defined below.

Seller will pursue but Seller does not guarantee Council approval. Furthermore, Buyer understands and acknowledges that Seller can neither anticipate nor control the actual date by which King County Council will commence review of a proposed ordinance approving the sale.

*[Handwritten signatures and dates: 12/21/12, 3/15/13, 12/21/12, 1/17/13]*

Should the Council Approval Contingency not be met by ~~2/28/13~~ the Parties may agree in writing to extend this date, or either Party may terminate without default.

Buyer will be entitled to possession of the Property upon Closing.

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

10.3.1. CLOSING COSTS. Seller shall pay the cost of one-half (1/2) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (1/2) of the escrow fee charged by the Escrow Agent, the cost of the preliminary and binding title commitments from the Title Company, the recording fees for the deed and its own attorneys' fees.

Except as otherwise provided in this Section 10.3.1, and Section 4.3 above, all other expenses hereunder shall be paid by the Party incurring such expenses. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

Except as otherwise provided in this Section 10.3.1, and Sections 4.2 and 4.3 above, all other expenses hereunder shall be paid by the Party incurring such expenses.

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

- (a) A deed conveying the Property in substantially the form of EXHIBIT B attached hereto;
- (b) Seller's Certificate of Non-Foreign status substantially in the form of EXHIBIT D, attached hereto;

10.5. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver 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.

84 12/14/12

AND/OR MONETARY DEPOSITS,  
**ARTICLE 12.**

**MISCELLANEOUS PROVISIONS**

X Jan  
11-30-12  
X Jan  
11-30-12

**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 or entities.

**12.2. DEFAULT AND ATTORNEYS' FEES.** 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 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 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 either Party may specify for itself by providing written notice of the address change to the other Party and given as provided herein:

If to Buyer:

19450 163<sup>RD</sup> CT NE  
WOODINVILLE WA 98072  
Phone: 425-419-4022

With a copy to:

SYDNY WELLS  
13501 NE 175<sup>TH</sup> ST, STE 100  
WOODINVILLE, WA 98072  
Phone: 206-300-4645

If to Seller:

King County Administration Building  
Real Estate Services Section  
500 4<sup>th</sup> Avenue, Room 830  
Seattle, Washington 98104

With a copy to:

King County Prosecuting Attorney  
King County Courthouse  
516 Third Avenue, Room W400  
Seattle, Washington 98104

**12.5. MISCELLANEOUS DISCLOSURES.** King County On-Site Sewage System Disclosure Form is attached hereto as Exhibit E. Buyer acknowledges acceptance of the septic system in the condition as disclosed in, and as of the date of, the professional On-Site Sewage System inspection provided for in Exhibit E.

**12.6. AGENCY DISCLOSURE.** Buyer is aware that BOB THOMPSON, the listing broker, is an employee of King County and that he represents the Seller, King County. Buyer is also aware that SYDNY WELLS of WINDERMERE REAL ESTATE represents Buyer.

**12.7. 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.

**12.8. 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.

**12.9. 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.

**12.10. Binding Effect.** Subject to Section 12.12 below, this Agreement shall be binding upon and inure to the benefit of each Party hereto, its successors and assigns.

**12.11. 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.

**12.12. 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.

**12.13. 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.

**12.14. 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.

**12.15. 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.

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

**12.17. 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.

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

EXHIBIT A	Legal Description
EXHIBIT B	Deed as to form
EXHIBIT C	Promissory Note
EXHIBIT D	Certificate of Non-Foreign Status
EXHIBIT E	King County On-Site Sewage System Disclosure Form

12.19. FACSIMILE AND E-MAIL TRANSMISSIONS. The Parties agree that facsimile and e-mail transmissions of any signed original documentation forming this Agreement shall be the same as the original, and the delivery of the original, provided that documents are emailed to both Seller and Buyer at the email addresses provided below. At the request of either Party or of the Escrow Agent, original hard copy documents bearing the original signatures shall be substituted in place of facsimiles or email transmissions.

King County as Seller, to Robert Thompson - bob.thompson@kingcounty.gov

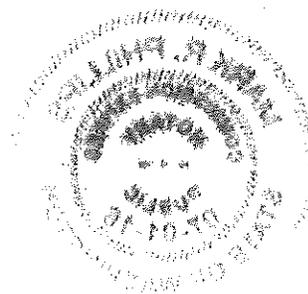
DAVID HANNANT as Buyer, to DAVE@THEHANNANTS.COM  
Buyer Buyer's email

With copies to CYDNY WELLS for Buyer CYDNY@CYDNYWELLS.COM

12.20. Survival. Unless specified otherwise in this Agreement, all warranties, representations, and indemnity obligations and restrictions made, undertaken, and agreed to by the Parties under this Agreement shall survive the Closing and/or expiration of this Agreement.

SELLER'S NOTARIZED SIGNATURE ON PAGE 18

BUYER'S NOTARIZED SIGNATURE ON PAGE 19



EXECUTED as of the date and year first above written:

SELLER: KING COUNTY

Name: Stephen L. Salyer  
Stephen L. Salyer, Manager Real Estate Services Section

APPROVED AS TO FORM:

By \_\_\_\_\_  
Deputy Prosecuting Attorney

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me Stephen L. Salyer, to me known to be the Manager of the Real Estate Services Section 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 14<sup>th</sup> day of December, 2012.



Mark R. Phillips  
MARK R. PHILLIPS

Printed Name: ~~ANNE E. LOCKMEYER~~

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

My Commission Expires ~~NOVEMBER 9, 2012~~

7/1/16

EXECUTED as of the date and year first above written:

BUYER: DAVID J. AND JODY A. HANNANT

BY: [Signature] Jody A. Hannant  
Signature

DAVID J. HANNANT JODY A. HANNANT  
Print name here

ITS: \_\_\_\_\_

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me DAVID J. ; JODY A. HANNANT, to me known to be the person who executed the foregoing instrument, and acknowledged such instrument to be his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 30<sup>TH</sup> day of NOVEMBER, 2012.



[Signature]

Printed Name KEITH A. WELLS  
NOTARY PUBLIC in and for the State of Washington,  
residing at WOODINVILLE, WA  
My Commission Expires 04/25/2015

**EXHIBIT A**

**LEGAL DESCRIPTION of PARCEL 112605-9051**

**To the Real Estate Purchase and Sale Agreement**

**Dated 11/30/12**

**Between HANNAN ("Buyer")  
and King County ("Seller")**

Lot A, King County Boundary Line Adjustment No. L06L0074, recorded under Recording Number 20061025900009, said Boundary Line Adjustment being a portion of the southwest quarter of Section 11, Township 26, Range 5 East, W.M., in King County, Washington.

**EXHIBIT B**

**STATUTORY WARRANTY DEED AS TO FORM**

To the Real Estate Purchase and Sale Agreement,

Dated 11/30/12

Between HANNANT ("Buyer")  
and King County ("Seller")  
Parcel #112605-9051

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington ("Grantor") for and in consideration of TEN DOLLARS (\$10.00) and other valuable consideration, conveys and warrants to DAVID J. & JOBY A. HANNANT ("Grantee"), all interest in the following described Property (the "Property"):

Lot A, King County Boundary Line Adjustment No. L06L0074, recorded under Recording Number 20061025900009, said Boundary Line Adjustment being a portion of the southwest quarter of Section 11, Township 26, Range 5 East, W.M., in King County, Washington.

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the **RESERVING UNTO GRANTOR KING COUNTY**, its heirs, successors and assigns, a permanent and exclusive *Recreational Trail Easement*, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for a portion of the Property hereinafter referred to as the *Trail Easement*, or *Easement Area*, legally-described as follows:

The East 20.00 feet of Lot A, per Boundary Line Adjustment number L06L0074, filed under recording number 20061025900009, records of King County Washington. Together with the West 5.00 feet of the East 25.00 feet of the North 70.00 feet of Lot A, per said Boundary Line Adjustment number L06L0074, Containing 13,437 square feet, more or less.

King County reserves unto itself in perpetuity the right to enter upon at all times and use, and allow the general public to enter upon and use, the Easement Area as a recreational equestrian and pedestrian trail. King County further reserves unto itself in perpetuity the right to, including but not limited to, construct, reconstruct, own, install, inspect, repair, replace, renovate, enhance and manage the trail and trail improvements, including but not limited to grading, surfacing, fencing, lighting, landscaping, posting signage, and preserving and maintaining the recreational trail through the Easement Area, and also the right to plant, cut, prune, remove and dispose of any and all trees, plants, brush or vegetation in the Easement Area, and to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, plants, brush or other vegetation in the Easement Area.

This exclusive Trail Easement includes the right to use motorized vehicles and equipment as may be deemed necessary and appropriate by the Grantor in connection with any of the foregoing activities. This exclusive Trail Easement further includes the right to keep the Easement Area free of obstructions, encroachments and any interference with Grantor's use.

King County further reserves unto itself in perpetuity the right to install, construct, own, use, operate, maintain, inspect, repair, replace, renovate, improve, remove, manage, and enhance underground utilities, including, but not limited to, the rights of ingress and egress across the surface of the Property to access the Easement Area from the surface; the right to install, construct, operate, maintain, modify, repair, replace, improve, remove and use utilities, including utility pipelines, conduits, wires or other facilities and equipment within said Easement Area, including the addition, removal, or replacement of same, either in whole or in part with either like or different size utilities; and the right to do the same with such additional pipelines, conduits, wires, or other facilities and equipment as may now or hereafter be installed in the Easement Area.

Further, King County may grant sub-easements, issue licenses and/or permits, and assign, apportion, or otherwise transfer its easement rights in whole or in part to third parties without notice to or the written consent of Grantee, its heirs, successors, or assigns.

No minimum frequency, volume or duration of use will be necessary to retain the viability and existence of the Trail Easement. The Trail Easement is intended to be permanent and to remain on the Property in perpetuity and shall not be deemed to have been relinquished, canceled, rescinded, abandoned, or otherwise terminated except through duly authorized written notice to the Grantee from Grantor King County.

Nothing in this Trail Easement will be considered to diminish King County's governmental or police powers.

The benefits, burdens, covenants, terms, conditions, and restrictions of the Trail Easement shall be binding upon, and inure to the benefit of, Grantor King County and its heirs, successors, and assigns, shall continue as a servitude and easement running in perpetuity with the Property, and shall be included in any future deed conveying the Property.

**SUBJECT TO** all rights, conditions, covenants, obligations, limitations and reservations of record, including but not limited to the following permitted exceptions:

*Continued next page...*

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for unincorporated King County is at 1.78%.  
Levy/Area Code: 7570
  
2. The taxes for the current year reflect an exemption as allowed under RCW 84.36. Any curtailment of the exemption may result in an additional amount being due for the current year and for any re-assessment of land and improvement values.
  
3. Unrecorded leaseholds, if any, rights of vendors and security agreement on personal property and rights of tenants, and secured parties to remove trade fixtures at the expiration of the term.
  
4. Terms, covenants, conditions and restrictions as contained in recorded Lot Line Adjustment (Boundary Line Revisions):  
Recorded: October 25, 2006  
Recording Information: 20061025900009
  
5. Easement, including terms and conditions contained therein:  
Granted to: King County Department of Natural Resources and Parks  
For: Easement  
Recorded: January 24, 2012  
Recording Information: 20120124000245

END

**EXHIBIT C**

**PROMISSORY NOTE**

To the Real Estate Purchase and Sale Agreement,  
Dated 11/30/12  
Between HANNANT ("Buyer")  
and King County ("Seller")

\$ 10,000 —  
Seattle, Washington

Dated: 11/30/12

*Handwritten notes:*  
12/17/12  
\* [Signature] 11-30-12  
\* [Signature] 11-30-12  
AND 10/1/12

FOR VALUE RECEIVED, the undersigned, DAVID J. AND JODY A. HANNANT ("Maker"),  
hereby promise to pay to the order of FIRST AMERICAN TITLE INSURANCE COMPANY  
("Holder"), 818 Stewart Street, Suite 800, Seattle Washington 98101, the principal sum of  
~~TWENTY ONE THOUSAND SEVEN HUNDRED FIFTY AND NO/100THS DOLLARS~~ TEN THOUSAND  
~~\$21,750~~ \$10,000, payable in accordance with that certain Real Estate Purchase and Sale Agreement  
dated 11/30/12, with King County as Seller (the "Agreement").

Maker promises to pay all costs, expenses and attorneys' fees incurred by Holder in the  
exercise of any remedy (with or without litigation) under this Note in any proceeding for the  
collection of the debt evidenced by this Note, or in any litigation or controversy arising from or  
connected with this Note.

This Note shall be construed according to the laws of the State of Washington and  
pursuant to the terms and conditions of this Agreement.

Time is of the essence of this Note and each an every term and provision hereof.

MAKER: DAVID J. AND JODY A. HANNANT  
By: [Signature] Jody A. Hannant  
Its: \_\_\_\_\_

**EXHIBIT D**

**Certificate of Non-Foreign Status.**

Assessor's Parcel Number 112605-9051  
To the Real Estate Purchase and Sale Agreement,  
Dated 11/30/12  
Between HANNANT ("Buyer")  
and King County ("Seller")

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, Real Estate Services Section, Room 830 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104
4. 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 30<sup>TH</sup> day of NOVEMBER, 2012.

**TRANSFEROR: KING COUNTY**

By: \_\_\_\_\_  
**STEPHEN L. SALYER**

Title: **MANAGER REAL ESTATE SERVICES SECTION**

EXHIBIT E

KING COUNTY'S ONSITE SEWAGE DISCLOSURE FORM

Assessor's Parcel Number 112605-9051

Dated 11/30/12

Between HANNANT ("Buyer")  
and King County ("Seller")

If there is no reasonable access to a public sanitary sewer system from the parcel you are thinking of buying, you must install a private sewer system approved by the King County Department of Public Health in order to build a house or any structure which will be used for human habitation. No building permits are issued for parcels that cannot have access to approved public or approved private sewer systems. No permit will be issued for and no on-site sewage systems may be located on this parcel unless it has received site design approval by the King County Department of Public Health before application for a building permit. Before you enter into an agreement to purchase this parcel, you should contact the King County Department of Public Health to determine the procedures for installing a private sewer system.

Your seller may have had an evaluation of on-site sewage system feasibility made on the parcel by a registered civil or sanitary engineer or certificated sewage disposal system designer. If so, that fact and the conclusions of the evaluation appear below.

SELLER'S REPRESENTATIONS  
ON-SITE SEWAGE SYSTEM EVALUATION

Seller must complete either statement A or statement B as appropriate.

A. My agent (name of agent), a registered civil or sanitary engineer or certificated sewage disposal system designer, has conducted an evaluation on this parcel: (legal description)  
The evaluation was conducted on (date). From the evaluation, my agent concluded that an on-site system (could or could not) be installed on this parcel in conformance with standards set by King County and in effect at the date of the evaluation.  
I represent that the statements above are true.

\_\_\_\_\_  
(seller's signature) (date)

B. No on-site sewage system evaluations have been conducted on this parcel: (SEE ATTACHED LEGAL DESCRIPTION PAGE 9). I have no knowledge material to a determination whether an on-site sewage system may be installed on this parcel, except as follows: (to be completed by seller):  
\_\_\_\_\_

I represent that the statements above are true.

\_\_\_\_\_  
(seller's signature) (date)

BUYER'S SIGNATURE

I have read this statement and understand its contents.

\_\_\_\_\_  
Prospective buyer's signature (date)

BUYER'S WAIVER

I have read this statement and understand its contents. I waive Seller's disclosure:

Unconditionally (OR)  Upon the condition this sale will not be closed unless this parcel is subjected to an on-site sewage system evaluation that meets the requirements of the King County Department of Public Health.

Jody A. Hannant 11-30-12  
Prospective buyer's signature (date)

Real Estate Purchase and Sale Agreement - HANNANT as Buyer Page 26 of 27  
Assessor's Parcel Number 112605-9051

**EXHIBIT E**

**LEGAL DESCRIPTION KING COUNTY'S ONSITE SEWAGE DISCLOSURE FORM**

Dated 11/30/12

Between HANNANT ("Buyer")  
and King County ("Seller")

Lot A, King County Boundary Line Adjustment No. L06L0074, recorded under Recording Number 20061025900009, said Boundary Line Adjustment being a portion of the southwest quarter of Section 11, Township 26, Range 5 East, W.M., in King County, Washington.

Form 34  
Addendum/Amendment to P&S  
Rev. 7/10  
Page 1 of 1

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Northwest Multiple Listing Service  
ALL RIGHTS RESERVED

**ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated November 30, 2013 1  
between David J. and Jody A. Hannant ("Buyer") 2  
and King County ("Seller") 3  
concerning 148th Ave NE Woodinville, Wa 98072 (the "Property"). 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

Purchasers agree to remove all the contingencies including the financing contingency. 6  
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

Initials: BUYER: DLH Date: 3/13/13 SELLER: SCS Date: \_\_\_\_\_  
BUYER: JAH Date: 3/13/13 SELLER: \_\_\_\_\_ Date: \_\_\_\_\_

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**KING COUNTY**  
**Signature Report**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**June 17, 2013**

**Ordinance**

**Proposed No.** 2013-0261.1

**Sponsors** Lambert

1 AN ORDINANCE approving the sale of a parcel of surplus  
2 real property located in council district three.

3 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 SECTION 1. Findings:

5 A. The King County road services division is the custodian of certain property  
6 located at 17002 148th Avenue N.E. Woodinville area commonly known as the  
7 Woodinville Gravel Pit.

8 B. The road services division has determined that the Woodinville Gravel Pit is  
9 surplus to its needs and the needs of the public.

10 C. Pursuant to K.C.C.4.56.070, the facilities management division has circulated  
11 a surplus notice to King County agencies and none expressed interest.

12 D. The facilities management division has also determined that the property is  
13 not suitable for affordable housing purposes and declared the property to be surplus.

14 E. The King County executive has negotiated a purchase and sale agreement for  
15 the sale of the property to David J. and Jody A. Hannant for \$510,000.

16 F. The proposed sale is consistent with K.C.C.4.56.100 regarding sale of county  
17 property. K.C.C.4.56.080 provides that King County council approval is required for the  
18 sale of county-owned real property valued in excess of ten thousand dollars.

19            SECTION 2. The King County council, having determined that the sale of the  
20 subject property is in the best interest of the public, hereby authorizes the executive to  
21 execute a purchase and sale agreement in substantially similar form as provided in  
22 Attachment A to this ordinance and to execute any other documents necessary to convey  
23 and deliver the property to the buyer. All actions up to now taken by county officials,  
24 agent and employees consistent with the terms and purposes of the purchase and sale  
25 agreement are hereby ratified, confirmed and approved.

26            SECTION 3. If any provision of this ordinance is declared by any court of  
27 competent jurisdiction to be contrary to law, then such provision is null and void and

28 shall be deemed separable from the remaining provisions of this ordinance and in no way  
29 affect the validity of the other provisions of this ordinance or of the sale.  
30

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

---

Larry Gossett, Chair

ATTEST:

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Anne Noris, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

Dow Constantine, County Executive

**Attachments:** A. Real Estate Purchase and Sale Agreement and Amendment

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**ATTACHMENT A to ORDINANCE**

**WOODINVILLE PIT ROADS SURPLUS SALE**

- 1) AMENDMENT to PURCHASE AND SALE AGREEMENT**
- 2) REAL ESTATE PURCHASE AND SALE AGREEMENT**

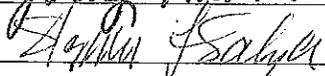
**AMENDMENT TO PURCHASE AND SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated November 30, 2012, between David J. and Jody A. Hannant ("Buyer") and King County ("Seller") concerning 17002 - 148 Avenue NE, Woodinville, WA 98072 (the "Property").

**IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:**

Buyer and Seller agree to extend the Council Approval Contingency date in Article 10.2 from 3/15/2013 to 6/15/2013.

**ALL OTHER TERMS AND CONDITIONS** of said Agreement remain unchanged.

Signatures: BUYER:  Date: 3.28.2013  
BUYER: Jody Hannant Date: 3/28/13  
SELLER:  Date: 3/29/13

**REAL ESTATE PURCHASE AND SALE AGREEMENT**

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of November 30, 2012, by and between KING COUNTY, a home rule charter county and political subdivision of the State of Washington (the "Seller") and DAVID J. & JODY A. HANWANT, a MARRIED COUPLE with its (principal place of business) (residence) located at 19450 163RD CT NE, WOODINVILLE, WA 98072, (the "Buyer"). Seller and Buyer may be referred to hereinafter individually as "Party" or collectively as the "Parties."

**RECITALS**

A. Seller is the owner of that certain real property located within the Woodinville area of unincorporated King County, Washington, which consists of approximately 555,563 square feet, commonly identified as Assessor's Parcel Number 112605-9051, and located at 17002 -148<sup>th</sup> Avenue NE, 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 defined in Article 10.2 below) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:

(a) all the Seller's right, title and interest in the Property, as described in EXHIBIT A; subject to Seller's retention of reservations as described in EXHIBIT B (the form of deed), including but not limited to a reservation of easement for a *Recreational Trail Easement*, which is provided for in Section 4.4.1 of this Agreement;

Woodinville Pit's Upper Knoll - HANWANT, as Buyer Page 1 of 27  
 Assessor's Parcel Number 112605-9051

(b) all of Seller's right, title and interest in improvements and structures located on the Property, if any;

(c) 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.

(d) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached or appurtenant to the Property ("Personal 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 therefor, pay to Seller on the Closing Date a total purchase price of FIVE HUNDRED TEN THOUSAND AND NO/100ths DOLLARS (\$510,000) (the "Purchase Price").

2.2. ~~ALL CASH SALE~~. This sale is ~~not~~ contingent upon Buyer obtaining financing, and ~~Buyer will provide all cash at closing.~~

2.3. EARNEST MONEY. Not later than two (2) business days following the mutual execution of this Agreement, Buyer shall deposit with Escrow Agent (defined in Section 10.1 of this Agreement) a promissory note in the form attached hereto as Exhibit C the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000), or ~~five percent (5%) of the Purchase Price~~, as the initial earnest money deposit (the "Earnest Money Note"). Within two (2) business days after satisfaction of the Due Diligence Inspection and Feasibility Contingency set forth in Section 5.1 of this Agreement, the Earnest Money Note shall be replaced with cash in the same amount as the Earnest Money Note and such cash shall be deposited into escrow as the earnest money (the "Earnest Money"). Upon closing of this transaction, the Earnest Money will be applied toward the Purchase Price that is due Seller. Should Buyer default on its obligations under this Agreement, the Seller shall be entitled to retain the Earnest Money as liquidated damages.

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

Handwritten notes and signatures on the right side of the page, including dates like 12/14/11, 11-30-12, and initials like JAA.

**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 home rule charter county and political 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 home rule charter county and political subdivision of the State of Washington, (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.

**3.1.3. Litigation.** To the best of Seller's knowledge, there is no pending or threatened lawsuit or material claim against or relating to Seller with respect to the Property, which shall impede or materially affect Seller's ability to perform the terms of this Agreement. To the best of Seller's knowledge, there is no pending or contemplated condemnation or similar proceeding with respect to the Property or any part thereof.

**3.1.4. Assessments.** To the best of Seller's knowledge, there is no 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 below.

**3.1.5. Full Disclosure.** To the best of Seller's knowledge, 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 fails to state a material fact which is necessary to make the statements set forth therein not false or misleading.

**3.1.6. Broker.** Seller agrees to pay CYDNY WELLS, the selling broker in this Agreement, three percent (3%) of the Purchase Price as a selling firm commission, upon Closing (as defined in Article 10 below).

**3.1.7. 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.

**3.1.8. 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;

**3.1.9. Maintenance of the Property.** Seller shall continue to maintain the Property in compliance with all applicable laws and pay all costs of the Property with respect to the period prior to Closing.

**3.1.10 Condition of the Property.**

(a) Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property, including, without limitation:

(i) The water, soil and geology;

(ii) The income to be derived from the Property;

(iii) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;

(iv) The compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;

(v) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;

(vi) The manner or quality of the construction or materials, if any, incorporated into the Property; or

(vii) Any other matter with respect to the Property.

(b) Seller has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution, zoning or land use laws, rules, regulations, orders, or requirements, including the existence in or on the Property of hazardous materials or substances.

(c) Without limitation, Seller does not make and specifically disclaims any warranties, express or implied, 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.

(d) All provisions of this Section 3.1.10 shall survive Closing and the expiration or earlier termination of this Agreement.

3.1.11. 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.

3.1.12. 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 Date an affidavit, as set forth in EXHIBIT D, evidencing such fact, and such other documents as may be required under the Code.

3.1.13. Seller's Knowledge. Any and all representations or warranties based on Seller's knowledge are made to and limited by the present, actual knowledge of Robert Thompson, who is an employee of King County, within the Real Estate Services Section, and who has made no inquiries or investigations with respect to Seller's representations and warranties prior to the making thereof and has no duty to undertake the same.

3.2. Representations and Warranties of Buyer. BUYER REPRESENTS AND WARRANTS AS FOLLOWS:

3.2.1. Organization. Buyer is a limited liability 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. Buyer acknowledges that the person signing this Agreement has authority to execute real estate purchase and sale contracts on behalf of the Buyer and will submit to Seller its articles of incorporation, certificate of formation, or other appropriate documentation demonstrating such authority.

X [Signature] 11-30-12  
12/14/12  
X [Signature] 11-30-12

*Y. Miller*  
 11-30-12  
 \* JAA  
 11-30-12  
 EK 12/14/12

**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 Buyer as a corporation, (ii) has been duly authorized by all necessary corporate action of the Buyer, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, award or contract 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.

**3.2.3. Litigation.** 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.

**3.2.4. 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.

**3.2.5. Condition of Property.** Buyer acknowledges that, within the Due Diligence Period (as defined in Article 5.1 below), 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, 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.

**3.2.6. Waiver of Disclosure Statement.** Buyer hereby expressly waives receipt of a Seller Disclosure Statement.

**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.

**3.2.8. Broker.** Buyer agrees to pay a commission in accordance with any listing or commission agreement to which Buyer is a party.

**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 the Permitted Exceptions.

**4.2. Title Commitment.** Buyer shall obtain a current owner's standard policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (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. 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.

**4.2.1. Survey.** Buyer shall have the option, at its expense, to have prepared and furnished to the Title Company and Buyer a survey (the "Survey") of the Property prepared by a licensed public surveyor. The Survey shall be certified to Buyer and the Title Company, shall be satisfactory to the Title Company so as to permit it to issue an owner's extended coverage title policy, identify the Property by legal description and shall set forth the number of square feet contained within the Property, show all natural monuments, existing fences, drainage ditches and/or courses, flood plain limits, any building or other site improvements and/or objects, any rights-of-way for streets, existing driveways, alleys or highways, easements and other restriction lines existing and/or proposed which shall affect any portion of the Property, and such other items as required by Buyer.

**4.2.2. Review of Title Commitment and Survey.** Buyer shall have TWENTY (20) calendar days from the date of mutual execution of this Agreement for review of the Title Commitment (the "Title Contingency Due Date"). Any exceptions or other items that are set forth in the Title Commitment or the Survey and to which Buyer does not object shall be deemed to be permitted exceptions ("Permitted Exceptions"). Buyer shall state any objection to the Permitted Exceptions to Seller, in writing, no later than the Title Contingency Due Date. With regard to items to which Buyer does object within the Title Contingency Due Date, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's notice of objections of any exceptions to title or items on the survey which Seller is not able to remove or otherwise resolve and any endorsements that Seller is not able to provide following Buyer's request within the 10 day response period, 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.

**4.3. OWNER'S TITLE INSURANCE POLICY.** At the Closing, Buyer shall cause a standard 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.

**4.4. CONVEYANCE.** Seller shall convey to Buyer the title to the Property by deed, in substantially the form attached hereto as EXHIBIT B, subject only to the Permitted Exceptions and reservations of Seller that may be defined in EXHIBIT B. 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.

**4.4.1. Reservation of Easements.** The conveyance deed described in Section 4.4 above shall include the reservation by Seller of a permanent and exclusive Recreational Trail Easement, which is described as follows:

**RESERVING UNTO GRANTOR KING COUNTY**, its heirs, successors and assigns, a permanent and exclusive *Recreational Trail Easement*, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for a portion of the Property hereinafter referred to as the *Trail Easement*, or *Easement Area*, legally described as follows:

*Legal Description Provided in Exhibit B, Statutory Warranty Deed*

King County reserves unto itself in perpetuity the right to enter upon at all times and use, and allow the general public to enter upon and use, the Easement Area as a recreational equestrian and pedestrian trail. King County further reserves unto itself in perpetuity the right to, including but not limited to, construct, reconstruct, own, install, inspect, repair, replace, renovate, enhance and manage the trail and trail improvements, including but not limited to grading, surfacing, fencing, lighting, landscaping, posting signage, and preserving and maintaining the recreational trail through the Easement Area, and also the right to plant, cut, prune, remove and dispose of any and all trees, plants, brush or vegetation in the Easement Area, and to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, plants, brush or other vegetation in the Easement Area. This exclusive Trail Easement includes the right to use motorized vehicles and equipment as may be deemed necessary and appropriate by the Grantor in connection with any of the foregoing activities. This exclusive Trail Easement further includes the right to keep the Easement Area free of obstructions, encroachments and any interference with Grantor's use.

King County further reserves unto itself in perpetuity the right to install, construct, own, use, operate, maintain, inspect, repair, replace, renovate, improve, remove, manage, and enhance underground utilities, including, but not limited to, the rights of ingress and egress across the surface of the Property to access the Easement Area from the surface; the right to install, construct, operate, maintain, modify, repair, replace, improve, remove and use utilities, including utility pipelines, conduits, wires or other facilities and equipment within said Easement Area, including the addition, removal, or replacement of same, either in whole or in part with either

like or different size utilities; and the right to do the same with such additional pipelines, conduits, wires, or other facilities and equipment as may now or hereafter be installed in the Easement Area.

Further, King County may grant sub-easements, issue licenses and/or permits, and assign, apportion, or otherwise transfer its easement rights in whole or in part to third parties without notice to or the written consent of Grantee, its heirs, successors, or assigns.

No minimum frequency, volume or duration of use will be necessary to retain the viability and existence of the Trail Easement. The Trail Easement is intended to be permanent and to remain on the Property in perpetuity and shall not be deemed to have been relinquished, canceled, rescinded, abandoned, or otherwise terminated except through duly authorized written notice to the Grantee from Grantor King County.

Nothing in this Trail Easement will be considered to diminish King County's governmental or police powers.

The benefits, burdens, covenants, terms, conditions, and restrictions of the Trail Easement shall be binding upon, and inure to the benefit of, Grantor King County and its heirs, successors, and assigns, shall continue as a servitude and easement running in perpetuity with the Property, and shall be included in any future deed conveying the Property.

**ARTICLE 4.  
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 NINETY (90) days following the date of mutual execution of this Agreement ("Due Diligence Period"); provided, however, that Buyer may, as provided for in Section 5.1.3 of this Agreement and at its sole and absolute discretion, waive its right to conduct further due diligence and feasibility investigation and inspection, thereby removing this contingency concurrent with the date of mutual execution of this Agreement. 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 **AND THE EARNEST MONEY SHALL BE RETURNED TO BUYER.**

**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 available to Seller that Buyer may reasonably request from Seller that are not subject to

*X [Signature]*  
*11-30-12*  
*X [Signature]*  
*11-30-12*  
*[Signature]*

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. The Buyer will not be permitted to undertake activities that damage County property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. If Buyer undertakes any invasive tests or activities disruptive to the Property, Buyer shall restore the Property to its original condition or better. 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. WAIVER OF DUE DILIGENCE INSPECTION AND FEASIBILITY CONTINGENCY. By its signature set forth on the line below, Buyer acknowledges that it is satisfied that the condition of the Property for Buyer's contemplated use meets with its approval and that Buyer has, at its sole and absolute discretion, elected to waive its right to conduct further due diligence investigation and inspection as provided for in Section 5.1 of this Agreement and the contingency provided therein is therefore satisfied.

BUYER:  \_\_\_\_\_ Jody A. Harvatt Dated: 2/25/13

5.2. COUNCIL APPROVAL CONTINGENCY. This sale is expressly contingent upon the King County Council's adoption of an ordinance approving of this conveyance ("the Council Approval Contingency").

ARTICLE 5. 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, 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 (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 shall have been performed at or prior to the Closing as provided 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 occur 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, 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.

**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 Closing 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. The Title Company is irrevocably committed to issue an owner's extended coverage policy of title insurance containing no exceptions other than the Permitted Exceptions.

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

**9.4. 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.

**9.5. WAIVER OF CONTINGENCIES:** Buyer shall have submitted waivers of, or confirmation of the satisfaction of, all contingencies stated in this Agreement, in writing to Seller, prior to close of escrow as defined in Article 10, below.

**ARTICLE 10.**  
**CLOSING**

**10.1. ESCROW AGENT.** Upon execution of this Agreement, the Parties agree to set up an escrow account with **First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400** (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 Seattle, Washington.

**10.2. CLOSING DATE.** This sale may close escrow no *earlier* than twenty-five days (25) days, and *no later than* thirty-five (35) days, after satisfaction of the Council Approval Contingency defined below.

Seller will pursue but Seller does not guarantee Council approval. Furthermore, Buyer understands and acknowledges that Seller can neither anticipate nor control the actual date by which King County Council will commence review of a proposed ordinance approving the sale.

*[Handwritten signatures and dates: 12/21/12, 3/15/13, 12/21/12, 4/17/13]*

Should the Council Approval Contingency not be met by ~~2/28/13~~, the Parties may agree in writing to extend this date, or either Party may terminate without default.

Buyer will be entitled to possession of the Property upon Closing.

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

10.3.1. CLOSING COSTS. Seller shall pay the cost of one-half (1/2) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (1/2) of the escrow fee charged by the Escrow Agent, the cost of the preliminary and binding title commitments from the Title Company, the recording fees for the deed and its own attorneys' fees.

Except as otherwise provided in this Section 10.3.1, and Section 4.3 above, all other expenses hereunder shall be paid by the Party incurring such expenses. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

Except as otherwise provided in this Section 10.3.1, and Sections 4.2 and 4.3 above, all other expenses hereunder shall be paid by the Party incurring such expenses.

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

- (a) A deed conveying the Property in substantially the form of EXHIBIT B attached hereto;
- (b) Seller's Certificate of Non-Foreign status substantially in the form of EXHIBIT D, attached hereto;

10.5. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver 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.

*9/12/12*

AND/OR MONETARY DEPOSITS,  
**ARTICLE 12.**

**MISCELLANEOUS PROVISIONS**

*x [Signature]*  
*11.30.12*  
*x [Signature]*  
*11-30-12*

**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 or entities.

**12.2. DEFAULT AND ATTORNEYS' FEES.** 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 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 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 either Party may specify for itself by providing written notice of the address change to the other Party and given as provided herein:

If to Buyer:

19450 163<sup>RD</sup> ST NE  
WOODINVILLE, WA 98072  
Phone: 425-419-4022

With a copy to:

CYDNY WELLS  
13501 NE 175<sup>TH</sup> ST, STE 100  
WOODINVILLE, WA 98072  
Phone: 206-300-4645

If to Seller:

King County Administration Building  
Real Estate Services Section  
500 4<sup>th</sup> Avenue, Room 830  
Seattle, Washington 98104

With a copy to:

King County Prosecuting Attorney  
King County Courthouse  
516 Third Avenue, Room W400  
Seattle, Washington 98104

**12.5. MISCELLANEOUS DISCLOSURES.** King County On-Site Sewage System Disclosure Form is attached hereto as Exhibit E. Buyer acknowledges acceptance of the septic system in the condition as disclosed in, and as of the date of, the professional On-Site Sewage System inspection provided for in Exhibit E.

**12.6. AGENCY DISCLOSURE.** Buyer is aware that Bob Thompson, the listing broker, is an employee of King County and that he represents the Seller, King County. Buyer is also aware that CYDNY WELLS of WINDERMERE REAL ESTATE represents Buyer.

**12.7. 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.

**12.8. 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.

**12.9. 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.

**12.10. Binding Effect.** Subject to Section 12.12 below, this Agreement shall be binding upon and inure to the benefit of each Party hereto, its successors and assigns.

12.11. 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.

12.12. 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.

12.13. 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.

12.14. 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.

12.15. 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.

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

12.17. 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.

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

EXHIBIT A	Legal Description
EXHIBIT B	Deed as to form
EXHIBIT C	Promissory Note
EXHIBIT D	Certificate of Non-Foreign Status
EXHIBIT E	King County On-Site Sewage System Disclosure Form

12.19. FACSIMILE AND E-MAIL TRANSMISSIONS. The Parties agree that facsimile and e-mail transmissions of any signed original documentation forming this Agreement shall be the same as the original, and the delivery of the original, provided that documents are emailed to both Seller and Buyer at the email addresses provided below. At the request of either Party or of the Escrow Agent, original hard copy documents bearing the original signatures shall be substituted in place of facsimiles or email transmissions.

King County as Seller, to Robert Thompson – bob.thompson@kingcounty.gov

DAVID HANNANT as Buyer, to DAVE@THEHANNANTS.COM  
Buyer Buyer's email

With copies to CYDNY WELLS for Buyer CYDNY@CYDNYWELLS.COM

12.20. Survival. Unless specified otherwise in this Agreement, all warranties, representations, and indemnity obligations and restrictions made, undertaken, and agreed to by the Parties under this Agreement shall survive the Closing and/or expiration of this Agreement.

SELLER'S NOTARIZED SIGNATURE ON PAGE 18

BUYER'S NOTARIZED SIGNATURE ON PAGE 19



EXECUTED as of the date and year first above written:

SELLER: KING COUNTY

Name: Stephen L. Salyer  
Stephen L. Salyer, Manager Real Estate Services Section

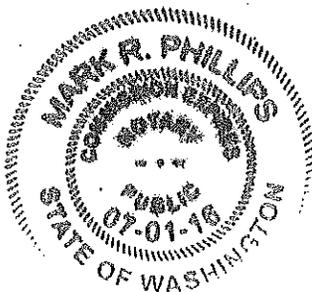
APPROVED AS TO FORM:

By \_\_\_\_\_  
Deputy Prosecuting Attorney

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me Stephen L. Salyer, to me known to be the Manager of the Real Estate Services Section 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 14<sup>th</sup> day of December, 2012.



Mark R. Phillips  
mark R. Phillips

Printed Name: ~~ANNE E. LOCKMILLER~~

NOTARY PUBLIC in and for the State of Washington,

residing at Bellevue, WASHINGTON

My Commission Expires ~~NOVEMBER 9, 2012~~

7/1/18

EXECUTED as of the date and year first above written:

BUYER: DAVID J. AND JODY A. HANNANT

BY: [Signature] Jody A. Hannant  
Signature

DAVID J. HANNANT JODY A. HANNANT  
Print name here

ITS: \_\_\_\_\_

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me DAVID J. & JODY A. HANNANT, to me known to be the person who executed the foregoing instrument, and acknowledged such instrument to be his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 30<sup>th</sup> day of NOVEMBER, 2012.



[Signature]

Printed Name KEITH A. WELLS  
NOTARY PUBLIC in and for the State of Washington,  
residing at WOODINVILLE, WA  
My Commission Expires 04/25/2015

EXHIBIT A

**LEGAL DESCRIPTION of PARCEL 112605-9051**

**To the Real Estate Purchase and Sale Agreement**

**Dated 11/30/12**

**Between HANNANT ("Buyer")  
and King County ("Seller")**

Lot A, King County Boundary Line Adjustment No. L06L0074, recorded under Recording Number 20061025900009, said Boundary Line Adjustment being a portion of the southwest quarter of Section 11, Township 26, Range 5 East, W.M., in King County, Washington.

**EXHIBIT B**

**STATUTORY WARRANTY DEED AS TO FORM**

To the Real Estate Purchase and Sale Agreement,

Dated 11/30/12

Between HANNAN ("Buyer")

and King County ("Seller")

Parcel #112605-9051

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington ("Grantor") for and in consideration of **TEN DOLLARS (\$10.00)** and other valuable consideration, conveys and warrants to DAVID J. & JOBY A. HANNAN ("Grantee"), all interest in the following described Property (the "Property"):

Lot A, King County Boundary Line Adjustment No. L06L0074, recorded under Recording Number 20061025900009, said Boundary Line Adjustment being a portion of the southwest quarter of Section 11, Township 26, Range 5 East, W.M., in King County, Washington.

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the **RESERVING UNTO GRANTOR KING COUNTY**, its heirs, successors and assigns, a permanent and exclusive *Recreational Trail Easement*, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for a portion of the Property hereinafter referred to as the *Trail Easement*, or *Easement Area*, legally-described as follows:

The East 20.00 feet of Lot A, per Boundary Line Adjustment number L06L0074, filed under recording number 20061025900009, records of King County Washington. Together with the West 5.00 feet of the East 25.00 feet of the North 70.00 feet of Lot A, per said Boundary Line Adjustment number L06L0074, Containing 13,437 square feet, more or less.

King County reserves unto itself in perpetuity the right to enter upon at all times and use, and allow the general public to enter upon and use, the Easement Area as a recreational equestrian and pedestrian trail. King County further reserves unto itself in perpetuity the right to, including but not limited to, construct, reconstruct, own, install, inspect, repair, replace, renovate, enhance and manage the trail and trail improvements, including but not limited to grading, surfacing, fencing, lighting, landscaping, posting signage, and preserving and maintaining the recreational trail through the Easement Area, and also the right to plant, cut, prune, remove and dispose of any and all trees, plants, brush or vegetation in the Easement Area, and to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, plants, brush or other vegetation in the Easement Area.

This exclusive Trail Easement includes the right to use motorized vehicles and equipment as may be deemed necessary and appropriate by the Grantor in connection with any of the foregoing activities. This exclusive Trail Easement further includes the right to keep the Easement Area free of obstructions, encroachments and any interference with Grantor's use.

King County further reserves unto itself in perpetuity the right to install, construct, own, use, operate, maintain, inspect, repair, replace, renovate, improve, remove, manage, and enhance underground utilities, including, but not limited to, the rights of ingress and egress across the surface of the Property to access the Easement Area from the surface; the right to install, construct, operate, maintain, modify, repair, replace, improve, remove and use utilities, including utility pipelines, conduits, wires or other facilities and equipment within said Easement Area, including the addition, removal, or replacement of same, either in whole or in part with either like or different size utilities; and the right to do the same with such additional pipelines, conduits, wires, or other facilities and equipment as may now or hereafter be installed in the Easement Area.

Further, King County may grant sub-easements, issue licenses and/or permits, and assign, apportion, or otherwise transfer its easement rights in whole or in part to third parties without notice to or the written consent of Grantee, its heirs, successors, or assigns.

No minimum frequency, volume or duration of use will be necessary to retain the viability and existence of the Trail Easement. The Trail Easement is intended to be permanent and to remain on the Property in perpetuity and shall not be deemed to have been relinquished, canceled, rescinded, abandoned, or otherwise terminated except through duly authorized written notice to the Grantee from Grantor King County.

Nothing in this Trail Easement will be considered to diminish King County's governmental or police powers.

The benefits, burdens, covenants, terms, conditions, and restrictions of the Trail Easement shall be binding upon, and inure to the benefit of, Grantor King County and its heirs, successors, and assigns, shall continue as a servitude and easement running in perpetuity with the Property, and shall be included in any future deed conveying the Property.

**SUBJECT TO** all rights, conditions, covenants, obligations, limitations and reservations of record, including but not limited to the following permitted exceptions:

*Continued next page...*



EXHIBIT C

PROMISSORY NOTE

To the Real Estate Purchase and Sale Agreement,  
Dated 11/30/12  
Between HANNANT ("Buyer")  
and King County ("Seller")

\$10,000  
Seattle, Washington

Dated: 11/30/12

*Handwritten notes:*  
12/17/12  
\* [Signature] 11/30-12  
\* [Signature] 11-30-12  
AND [Signature] / [Signature]

FOR VALUE RECEIVED, the undersigned, DAVID J. AND JODY A. HANNANT ("Maker"),  
hereby promise to pay to the order of FIRST AMERICAN TITLE INSURANCE COMPANY  
("Holder"), 818 Stewart Street, Suite 800, Seattle Washington 98101, the principal sum of  
~~TWENTY ONE THOUSAND SEVEN HUNDRED FIFTY AND NO/100THS DOLLARS~~ TEN THOUSAND  
~~AND NO/100THS~~ AND NO/100THS  
dated 11/30/12, with King County as Seller (the "Agreement").

Maker promises to pay all costs, expenses and attorneys' fees incurred by Holder in the  
exercise of any remedy (with or without litigation) under this Note in any proceeding for the  
collection of the debt evidenced by this Note, or in any litigation or controversy arising from or  
connected with this Note.

This Note shall be construed according to the laws of the State of Washington and  
pursuant to the terms and conditions of this Agreement.

Time is of the essence of this Note and each an every term and provision hereof.

MAKER: DAVID J. AND JODY A. HANNANT

By: [Signature] Jody A. Hannant

Its: \_\_\_\_\_

EXHIBIT D

**Certificate of Non-Foreign Status.**

Assessor's Parcel Number 112605-9051  
To the Real Estate Purchase and Sale Agreement,  
Dated 11/30/12  
Between HANNAN ("Buyer")  
and King County ("Seller")

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, Real Estate Services Section, Room 830 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104
4. 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 30<sup>TH</sup> day of November, 2012.

TRANSFEROR: KING COUNTY

By: \_\_\_\_\_  
STEPHEN L. SALYER

Title: MANAGER REAL ESTATE SERVICES SECTION

EXHIBIT E  
KING COUNTY'S ONSITE SEWAGE DISCLOSURE FORM  
Assessor's Parcel Number 112605-9051

Dated 11/30/12  
Between HANNANT ("Buyer")  
and King County ("Seller")

If there is no reasonable access to a public sanitary sewer system from the parcel you are thinking of buying, you must install a private sewer system approved by the King County Department of Public Health in order to build a house or any structure which will be used for human habitation. No building permits are issued for parcels that cannot have access to approved public or approved private sewer systems. No permit will be issued for and no on-site sewage systems may be located on this parcel unless it has received site design approval by the King County Department of Public Health before application for a building permit. Before you enter into an agreement to purchase this parcel, you should contact the King County Department of Public Health to determine the procedures for installing a private sewer system.

Your seller may have had an evaluation of on-site sewage system feasibility made on the parcel by a registered civil or sanitary engineer or certificated sewage disposal system designer. If so, that fact and the conclusions of the evaluation appear below.

SELLER'S REPRESENTATIONS  
ON-SITE SEWAGE SYSTEM EVALUATION

Seller must complete either statement A or statement B as appropriate.

A. My agent (name of agent), a registered civil or sanitary engineer or certificated sewage disposal system designer, has conducted an evaluation on this parcel: (legal description)  
The evaluation was conducted on (date). From the evaluation, my agent concluded that an on-site system (could or could not) be installed on this parcel in conformance with standards set by King County and in effect at the date of the evaluation. I represent that the statements above are true.

\_\_\_\_\_  
(seller's signature) (date)

B. No on-site sewage system evaluations have been conducted on this parcel: (SEE ATTACHED LEGAL DESCRIPTION PAGE 9). I have no knowledge material to a determination whether an on-site sewage system may be installed on this parcel, except as follows: (to be completed by seller):  
\_\_\_\_\_

I represent that the statements above are true.

\_\_\_\_\_  
(seller's signature) (date)

BUYER'S SIGNATURE

I have read this statement and understand its contents.

\_\_\_\_\_  
Prospective buyer's signature (date)

BUYER'S WAIVER

I have read this statement and understand its contents. I waive Seller's disclosure:

Unconditionally (OR) X Upon the condition this sale will not be closed unless this parcel is subjected to an on-site sewage system evaluation that meets the requirements of the King County Department of Public Health.

Gedya A. Hannant 11-30-12  
Prospective buyer's signature (date)

EXHIBIT E

LEGAL DESCRIPTION KING COUNTY'S ONSITE SEWAGE DISCLOSURE FORM

Dated 11/30/12

Between HAANAWT ("Buyer")  
and King County ("Seller")

Lot A, King County Boundary Line Adjustment No. L06L0074, recorded under Recording Number 20061025900009, said Boundary Line Adjustment being a portion of the southwest quarter of Section 11, Township 26, Range 5 East, W.M., in King County, Washington.

Real Estate Purchase and Sale Agreement - HAANAWT as Buyer Page 27 of 27  
Assessor's Parcel Number 112605-9051

Form 34  
Addendum/Amendment to P&S  
Rev. 7/10  
Page 1 of 1

©Copyright 2010  
Northwest Multiple Listing Service  
ALL RIGHTS RESERVED

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated November 30, 2013 1  
between David J. and Jody A. Hannant ("Buyer") 2  
and King County ("Seller") 3  
concerning 148th Ave NE Woodinville, Wa 98072 (the "Property"). 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 6

Purchasers agree to remove all the contingencies including the financing contingency. 7

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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

Initials: BUYER: DL Date: 3/13/13 SELLER: \_\_\_\_\_ Date: \_\_\_\_\_  
BUYER: JAH Date: 3/13/13 SELLER: \_\_\_\_\_ Date: \_\_\_\_\_

May 30, 2013

The Honorable Larry Gossett  
Chair, King County Council  
Room 1200  
C O U R T H O U S E

Dear Councilmember Gossett:

This letter transmits an ordinance recommending sale approval of the 12.75 acre surplus former Road Services Division (Roads) Woodinville Gravel Pit to David J. and Jody A. Hannant. The property is located in the Woodinville area at 17002 148<sup>th</sup> Avenue N.E. in Council District 3. The property is being sold for development as a single-family residence. Roads will continue to operate a ten acre materials storage area north of the property that is recommended for sale to the Hannants.

The purchase price for the proposed sale is \$510,000 based on appraised fair market value. The purchase and sale agreement was approved by the Prosecuting Attorney's Office and reserves an exclusive equestrian easement along the easterly property line to preserve an existing connection with other area trails.

The Facilities Management Division (FMD) has circulated surplus property notices to King County agencies, pursuant to K.C.C. 4.56.070, and none have expressed interest in the subject property. FMD has determined that this property is not suitable for affordable housing and has declared the property to be surplus.

The property was marketed by listing it for sale through the Northwest Multiple Listing Service, in conformance with K.C.C.4.56.100, posting a sale sign on-site and advertising the property on the King County Real Estate Services website and on Twitter.

Sale of this property furthers the goals of the King County Strategic Plan by exercising good financial stewardship in returning the properties to the tax rolls, relieving the County of ongoing maintenance expense, and strengthening the Road Fund reserve.

The Honorable Larry Gossett  
May 30, 2013  
Page 2

Thank you for your consideration of this ordinance. If you have any questions, please contact Kathy Brown, Director, Facilities Management Division, at 206-296-0630.

Sincerely,

Dow Constantine  
King County Executive

Enclosures

cc: King County Councilmembers  
    ATTN: Michael Woywod, Chief of Staff  
          Anne Noris, Clerk of the Council  
Carrie S. Cihak, Chief Advisor, Policy and Strategic Initiatives, King County  
    Executive Office  
Dwight Dively, Director, Office of Performance, Strategy and Budget  
Carolyn Whalen, County Administrative Officer, Department of Executive  
    Services (DES)  
Harold Taniguchi, Director, Department of Transportation (DOT)  
Brenda Bauer, Director, Road Services Division, DOT  
Kathy Brown, Director, Facilities Management Division (FMD), DES  
Steve Salyer, Manager, Real Estate Services Section, FMD, DES